April 12, 2024

The Honorable Patty Murray
Chair
Subcommittee on Energy and Water Development
Senate Committee on Appropriations
142 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Chuck Fleischmann
Chairman
Subcommittee on Energy and Water Development, and Related Agencies
House Committee on Appropriations
2362-B Rayburn House Office Building
Washington, DC 20515

The Honorable John Kennedy
Ranking Member
Subcommittee on Energy and Water Development
Senate Committee on Appropriations
142 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Energy and Water Development, and Related Agencies
House Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

RE: Letter of Support for Robust FY25 U.S. DOE Energy Efficiency-Related Funding

Dear Chair Murray, Chairman Fleischmann, Ranking Member Kennedy, and Ranking Member Kaptur:

We, the undersigned, write today to urge you to support robust energy efficiency (EE) investments in critical programs managed by the U.S. Department of Energy (DOE). Increasing investment in these programs can deliver significant emissions reductions, grow jobs in the clean energy sector, and provide savings to American consumers.

Energy efficiency, a key domestic resource, is critical to ensuring safe, reliable, and affordable energy to Americans now and in the future. Efficiency measures have helped cut our energy use in half relative to the size of the U.S. economy since 1980. The energy waste reduction has effectively delivered more than $2,000 in annual savings per American. According to the American Council for an Energy-Efficient Economy, scaling up key energy efficiency-related policies and programs can slash U.S. energy use and greenhouse gas emissions by about 50% by 2050. These energy savings would amount to more than $700 billion in 2050.[1]

Anticipated power sector infrastructure build-up is estimated to cost an additional $385-520 billion annually by 2050. **Energy efficiency can offset those costs by about $107 billion**, with about **75% of those savings going to residential families and homes**, resulting in lower energy bills.[2] Energy efficiency allows us to reduce the electricity demand, without sacrificing our habits and comfort. The U.S. energy efficiency workforce is comprised of over 2.2 million Americans, which is the largest share of the entire U.S. energy sector and is more than all combined jobs in clean and fossil energy generation.[3] Most of these jobs provide $22.44/hour on average, with more than 80% of EE employers providing healthcare and 78% providing retirement benefits.[4] These jobs cannot be shipped overseas, ensuring that future generations of Americans can pursue competitive careers in energy efficiency.

[1] Nadel, S., and L. Ungar. 2019. *Halfway There: Energy Efficiency Can Cut Energy Use and Greenhouse Gas Emissions in Half by 2050*. Washington, DC: ACEEE. https://www.aceee.org/research-report/u1907

[2] https://www.cell.com/one-earth/pdfExtended/S2590-3322(23)00342-1

[3] E4TheFuture and E2. October 2023. *Energy Efficiency Jobs in America – 2023*. https://e4thefuture.org/wp-content/uploads/2023/10/Energy-Efficiency-Jobs-in-America-2023.pdf

[4] U.S. DOE. *United States Energy & Employment Report 2023*. June 2023. https://www.energy.gov/sites/default/files/2023-06/2023%20USEER%20REPORT-v2.pdf

The importance of the U.S. DOE in research, technical assistance, and market integration efforts that have driven gains in energy efficiency cannot be overstated. U.S. DOE EE programs provide exceptional value to American consumers and businesses, yielding benefits that far outweigh the relatively nominal outlays appropriated by Congress. According to various impact evaluation studies, DOE's innovation investments have had a benefit-to-cost ratio of 33 to 1 and generated billions of net economic benefits for the country.[5]

Considering the FY2025 budget caps, we recognize that providing increases in line with the below levels may be challenging. We respectfully request FY2025 regular appropriations funding for the following DOE programs, as summarized below:

Buildings Technologies (BTO): $399 million to develop innovative, cost-effective technologies, tools, and solutions that help U.S. homeowners, consumers, and businesses achieve peak energy efficiency performance in their buildings across all sectors of our economy. Within this account, robust funding is needed for:

- Residential Buildings Integration (RBI): **$91 million** for DOE to collaborate with the residential building industry to improve the energy efficiency of both new and existing homes. RBI should continue to provide for residential grid-interactive efficient buildings (GEBs) activities and information sharing on associated technologies, costs, and benefits to position American companies to lead in this area. RBI develops critical technologies, tools, and solutions that help U.S. consumers and businesses achieve peak efficiency performance in residential buildings across the country. RBI's work supports workforce development and training and has partnerships with thousands of small businesses in this sector, the construction trades, equipment, smart grid technology and systems suppliers, integrators, and state and local governments. RBI should continue to work with industry trade associations and nonprofit organizations in the integration of research, demonstration, and market transformation activities so that RBI can continue its critical work to transform America's new and existing residential buildings and work towards the Administration's goal of weatherizing 2 million homes.
- Commercial Building Integration (CBI): **$91 million** for the program's research, development, and evaluation help to advance a range of innovative building technologies and solutions, paving the way for high performing buildings that could use between 50% and 70% less energy than typical buildings. CBI should continue to provide for commercial grid-interactive efficient buildings (GEBs) activities and information sharing on associated technologies, costs, and benefits to position American companies to lead in this area. CBI works with industry, small businesses, academia, national labs, and other entities to advance energy efficiency solutions and technologies for commercial buildings. The program, which considers buildings as systems and as part of the electric grid, continues to be transformative in moving industry partners to embrace innovation.
- Efficiency Standards, Building Codes, and Test Procedures: **$90 million for equipment and building standards**, including **$60 million for appliance standards** and at least **$30 million for the Building Energy Codes Program**. While the Biden administration has made good progress catching up on overdue appliance standards updates, some of this work will carry over into FY 2025. Moreover, DOE must begin work on the next round of standards reviews to avoid falling behind on its legal deadlines in the future and continue delivering pocketbook savings for families and environmental benefits. DOE plays an important support and technical assistance role in the development and implementation of building energy codes, which are adopted by states and local governments for new construction and renovations of residential and commercial buildings, that

[5] Dowd, J. 2017. *Aggregate Economic Return on Investment in the U.S. DOE Office of Energy Efficiency and Renewable Energy*. U.S. Department of Energy. https://www.energy.gov/eere/analysis/downloads/aggregate-economic-return-investment-us-doe-office-energy-efficiency-and

reflect developments in building energy efficiency and "lock in" savings for the life of the building. Education, training, and technical assistance have been woefully underfunded over the past several years and can be very impactful in assisting in codes' adoption and effective implementation.

- Emerging Technologies (ET): **$127 million** for the program to enable cost-effective, energy-efficient technologies to be developed and introduced into the marketplace. ET funds and directs applied research and development (R&D) for technologies and tools that support building energy efficiency, particularly electric technologies for a carbon-free grid.

Industrial Programs: Within the Office of Energy Efficiency and Renewable Energy (EERE), at least:

- **$250 million for Advanced Materials and Manufacturing Technologies (AMMTO)** to drive manufacturing innovation and decarbonization, particularly in material innovations and building the energy technology workforce.
- **$400 million for Industrial Efficiency and Decarbonization (IEDO)**, to conduct work in energy and emission-intensive industries, crosscutting decarbonization efforts and workforce development. The increase sought above the President's budget request is necessary to support additional high-impact, applied research, development, and pilot-scale technology validation and demonstration.

We also urge consideration of the President's budget request for the full complement of EERE offices, the Office of Manufacturing and Energy Supply Chains (MESC), as well as the Office of Clean Energy Demonstrations (OCED). This level of funding is intended to accommodate an ambitious agenda of decarbonizing U.S. manufacturing by the midcentury.

- EERE should continue its efforts promoting energy efficiency, decarbonizing manufacturing processes, and reducing the embodied carbon in manufactured products. Additionally, as EERE continues to build its staffing, the Office should focus on adding expertise in important decarbonization technology areas identified in its research road mapping.
- Industrial Electrification: Report on the future electricity needs of the industrial sector and work with National Labs and relevant stakeholders to develop electrification pathways that would meet industry and clean energy goals while preserving affordable electricity rates for consumers and grid reliability.
- Smart Manufacturing: Support the development and adoption of smart manufacturing practices directed toward small and medium-sized manufacturers. This includes but is not limited to, expanded funding for the Clean Energy Smart Manufacturing Innovative Institute (CESMII) to increase educational and technical assistance activities directed toward smart manufacturing adoption and MESC's State Manufacturing Leadership Program.
- Industrial Process Heating Decarbonization: Continued research, development, and deployment by EERE within the Industrial Heatshot to promote the adoption of technologies that can dramatically reduce the GHG emissions from process heating applications.
- Flex Tech: Establishment of a Flex-Tech program that provides grants to states and tribal governments partnered with educational institutions and trade associations to provide energy and greenhouse gas reduction assessments and loans to implement identified measures at small and medium-sized manufacturers.

Federal Energy Management Program (FEMP): At least $70 million to provide project and policy expertise to all federal agencies, including not less than $20 million for the Department to continue its work through the Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) program under the Federal Energy Efficiency Fund and $2 million for the Performance Based Contract National Resource Initiative (PCNRC). With minimal funding, FEMP supports all agencies of the Federal government in their quest to save energy and money for the American taxpayer while improving agency infrastructure and addressing deferred maintenance. FEMP is at the forefront of efforts to improve federal building energy performance, which is accomplished in part by accessing and leveraging private capital in performance contracts. FEMP's work has attracted private capital used to finance over 445 projects across two dozen agencies and resulted in approximately $8 billion in investments in federal energy efficiency and renewable energy improvements. These improvements have generated approximately $18 billion in cumulative energy cost savings for the federal government. Specified funding for AFFECT has been provided in prior fiscal years to provide small grants to federal agencies to help achieve energy savings and resilience goals. These grants are then leveraged through performance contracts, allowing agencies to utilize private finance to complete innovative and comprehensive energy and water conservation projects that would not otherwise be possible. The PCNRC is a hub for best practices and solutions for performance contracts implemented in state, local, and federal markets.

We recommend $40 million for the Office of State and Community Energy Programs (SCEP) for Program Direction, the amount requested in the President's budget, to support successful implementation and oversight of the Office's programs such as WAP and SEP noted below.

Weatherization Assistance Program (WAP): At least $442 million is recommended for the Weatherization Assistance Program, including $375 million for the base Program, $15 million for training and technical assistance, and $52 million for the Weatherization Readiness Fund. R&D investments will continue to make emerging technologies cheaper and more accessible, but DOE's Weatherization Assistance Program is particularly important for bringing energy efficiency to communities and families that need it most. According to the Energy Information Administration, over 25 million American households report forgoing food or medicine to pay energy costs, while over 12 million households report being unable to use their heating or cooling equipment. Since 1976, WAP has helped make more than 8 million homes more efficient, saving the average recipient about $4,200 over the lifetime of their home. Each WAP dollar produces $4.50 in benefits, including energy savings as well as improved health and safety. Federal weatherization assistance also helps workers and small businesses, directly supporting more than 8,500 jobs and supporting thousands more in related industries.

State Energy Program (SEP): At least $90 million is recommended for State Energy Program grants. The Department is directed not to utilize funds from the State Energy Program appropriation, either from annual appropriations or IIJA or IRA funds for technical assistance. SEP leverages over $10 for every federal dollar invested and saves over $7 for every federal dollar invested. In addition to energy efficiency and renewable energy programs, SEP is critical for dealing with cyber security and energy emergency preparedness and response. SEP is extremely flexible and is the basis for a variety of partnership programs.

U.S. Energy & Employment Report (USEER): $2 million for the Office of Policy to complete the annual U.S. energy employment report that includes a comprehensive statistical survey to collect data, publish the data, and provide a summary report. The information collected will include data related to employment figures and demographics in the U.S. energy sector. The report presents a unique snapshot of energy efficiency employment in key sectors of the economy, including construction and manufacturing.

Energy Information Administration (EIA): $157 million to continue important data collection, analysis, and reporting activities on energy use and consumption, including the Commercial Buildings Energy Consumption Survey (CBECS), the Residential Energy Consumption Survey (RECS), and the Manufacturing Energy Consumption Survey (MECS). Sec. 40413 of the Bipartisan Infrastructure Law requires but does not provide funding for EIA to expand data collection for the CBECS, RECS, and MECS. We strongly support increased funding for these activities, which are foundational for improving the energy efficiency of sectors that account for more than two-thirds of U.S. energy consumption. The Energy Information Administration account should provide **$5 million** in new funding to implement these activities.

We stand ready to work with Congress, the White House, and federal agencies to identify ways the U.S. can improve affordability and access to energy-efficient technologies, unlock utility savings for consumers, reduce energy-related carbon emissions, and improve public health. **To prevent delays and maintain bipartisan support for FY2025 appropriations, we encourage Congress to reject the inclusion of any controversial policy riders that may hinder the regular order of the appropriations process.** We appreciate your consideration of our requests. Please do not hesitate to contact Dane Farrell at 703.989.4734 or Dane@cascadeassociates.net with any questions or for more information.

Sincerely,
Advanced Energy United
Alliance to Save Energy
American Council for an Energy-Efficient Economy (ACEEE)
ASHRAE
Building Performance Association (BPA)
Building Potential (formerly the Northwest Energy Efficiency Council)
California Efficiency + Demand Management Council (CEDMC)
E4TheFuture
Environmental and Energy Study Institute (EESI)
Federal Performance Contracting Coalition (FPCC)
Institute for Market Transformation (IMT)
International Code Council (ICC)
Midwest Energy Efficiency Alliance (MEEA)
National Association for State Community Services Programs (NASCSP)
National Association of Energy Service Companies (NAESCO)
National Association of State Energy Officials (NASEO)
North American Insulation Manufacturers Association (NAIMA)
Northeast Energy Efficiency and Electrification Council (NEEEC)
Northeast Energy Efficiency Partnerships (NEEP)
Polyisocyanurate Insulation Manufacturers Association (PIMA)
Southeast Energy Efficiency Alliance (SEEA)
Southwest Energy Efficiency Project (SWEEP)
U.S. Green Building Council (USGBC)

cc: The Honorable Tom Cole, Chairman, U.S. House Committee on Appropriations
The Honorable Susan Collins, Vice Chair, U.S. Senate Committee on Appropriations
The Honorable Rosa DeLauro, Ranking Member, U.S. House Committee on Appropriations
Members, U.S. Senate Committee on Appropriations, Subcommittee on Energy and Water Development
Members, U.S. House Committee on Appropriations, Subcommittee on Energy and Water Development, and Related Agencies