

May 6, 2024

The Honorable Michael Regan, Administrator The Honorable Janet McCabe, Deputy Administrator The Honorable Joseph Goffman, Principal Deputy Assistant Administrator, Office of Air and Radiation U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, NW Washington, DC 20460

The Honorable Ali Zaidi Assistant to the President & National Climate Advisor The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear Administrator Regan and National Climate Advisor Zaidi:

We are writing as advocacy organizations representing thousands of energy efficiency-related businesses and other stakeholders nationwide to thank you and all of EPA for your prioritization over the last year of energy efficiency. We are thrilled that the Greenhouse Gas Reduction Fund (GGRF) programs all recognize the cost-effective emissions reductions available through energy efficiency while mobilizing financing and leveraging private capital for clean energy and climate projects that reduce greenhouse gas emissions, with an emphasis on projects that benefit low-income and disadvantaged communities.<sup>1</sup> We, like you, believe that to right-size our emissions-free generation assets, we must first address demand reductions throughout the economy. We look forward to the recently released game-changing \$20 billion in awards that were announced to expand access to clean energy and climate solutions and lower energy costs for communities across the nation.

Further, we applaud the EPA for funding Portfolio Manager within the ENERGY STAR program. As you know, Portfolio Manager is the basis upon which numerous energy-related evaluations, programs, and projects are based and the update being undertaken is both overdue and much needed.

We also want to commend you to the importance of the ENERGY STAR program overall. Despite public popularity and success, ENERGY STAR continues to be underappreciated in Washington, DC for the impact it has in reducing greenhouse gas (GHG) emissions and saving Americans money. In 2020, the program saved U.S. consumers and businesses some <u>\$42 billion</u> in energy costs while cutting GHG emissions by more than <u>400 million metric tons</u> of emissions reductions – equivalent to more than five percent of U.S. total greenhouse gas emissions. Clearly, the economic impact of the ENERGY STAR program is even greater than the amazing GGRF investment. ENERGY STAR is a highly successful public-private partnership that delivers tremendous impact in addressing climate change and generating consumer energy savings on a shoestring budget. According to EPA's own FY25 Budget justification, over

<sup>&</sup>lt;sup>1</sup> https://www.whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf

the life of the program, every dollar EPA has spent on ENERGY STAR resulted in \$230 invested by American businesses and households in energy-efficient infrastructure and services.<sup>2</sup>

48 local governments, seven states, two Canadian provinces, and three Canadian cities rely on EPA's ENERGY STAR Portfolio Manager tool as the foundation for their energy benchmarking and transparency policies.<sup>3</sup> Nonetheless, ENERGY STAR continues to see its funding steadily decline from a high of nearly \$54 million more than a decade ago, to less than \$33 million today in nominal dollars, not adjusting for inflation. While consumers and businesses continue to embrace ENERGY STAR, this continued erosion of funding threatens its ability to keep pace with evolving markets and technologies, and its ability to drive change in markets is weakened. Additionally, thousands of businesses, utilities, states, and local governments depend on ENERGY STAR as a national framework for energy efficiency progress, relying on it in their product designs, energy management programs, building efficiency initiatives, and manufacturing practices. Moreover, the production of ENERGY STAR products supports 700,000 jobs in our economy, aligning with President Biden's American Jobs Plan.<sup>4</sup>

As the White House has emphasized, we cannot wait to implement climate-smart technologies like electrification of heating and cooling, yet ENERGY STAR divisions such as the consumer products program struggle to expand into new product categories or establish new certification requirements for current categories in a timely manner. We would like to work with you and the EPA staff to ensure that ENERGY STAR continues its role as a cutting-edge federal program that drives market change. We urge you to continue to accelerate important energy efficiency tools and initiatives by significantly increasing funding for ENERGY STAR as you implement the FY24 funding and move to 2025.

We look forward to working with you going forward, and please don't hesitate to contact Sapna Dowla (sgdowla@ase.org) with any questions.

Sincerely,

American Council for an Energy-Efficient Economy (ACEEE) Acuity Brands ASHRAE Building Potential Cellulose Insulation Manufacturers Association DuPont Environmental and Energy Study Institute (EESI) Federal Performance Contracting Coalition (FPCC) Institute for Market Transformation (IMT) Midwest Energy Efficiency Alliance (MEEA)

2

3

4

https://www.energystar.gov/sites/default/files/asset/document/2022%20About%20ENERGY%20STAR%20Overvie w%204.29.22%20508%20.pdf

https://www.energystar.gov/about/impacts#:~:text=Over%20750%2C000%20Americans%20are%20employed,of% 20U.S.%20energy%20efficiency%20jobs

https://www.energystar.gov/sites/default/files/asset/document/2022%20About%20ENERGY%20STAR%20Overvie w%204.29.22%20508%20.pdf

National Association of Energy Service Companies (NAESCO) National Association for State Community Service Programs (NASCSP) National Association of State Energy Officials (NASEO) Northeast Energy Efficiency and Electrification Council (NEEEC) Polyisocyanurate Insulation Manufacturers Association Southwest Energy Efficiency Project (SWEEP) U.S. Green Building Council (USGBC)