

June 17, 2021

The Honorable Dianne Feinstein
Chair
Committee on Appropriations
Subcommittee on Energy and
Water Development
United States Senate
SD-188 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable John Kennedy
Ranking Member
Committee on Appropriations
Subcommittee on Energy and
Water Development
United States Senate
SD-142 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Letter of Support for Robust FY22 EERE Funding

Dear Chairwoman Feinstein and Ranking Member Kennedy:

We, the undersigned, write today to urge you to support robust energy efficiency investments at the U.S. Department of Energy (DOE)'s Office of Energy Efficiency and Renewable Energy (EERE). Investing in energy efficiency is an investment not only in reducing energy costs for consumers and businesses across the nation; it is an investment in domestic job creation, manufacturing, competitiveness, and innovation. Energy efficiency improves energy affordability, security, reliability, and resilience; it achieves these outcomes by simply doing more with less. Today, the United States uses two-thirds less energy than it would otherwise consume without the investments in energy efficiency since 1980, according to the American Council for an Energy-Efficient Economy.

Energy efficiency is a workhorse, leading the clean energy sector at more than 2 million jobs, down from nearly 2.4 million prior to the pandemic. Energy efficiency jobs are located in 99.7% of counties across all 50 states and the District of Columbia. Energy efficiency jobs support families, with workers earning 28% more than the national median, according to Environmental Entrepreneurs, and cannot be exported. Furthermore, EERE RDD&D programs enable cost-effective emissions reductions and energy affordability through innovative partnerships and focused deployment programs that shepherd emerging technologies from concept to market, enabling cost reductions for businesses and consumers, and achieving critical scale needed to avoid the worst impacts of the climate crisis.

Specifically, we respectfully request FY2022 regular appropriations funding for the following DOE programs, as summarized below:

Buildings Technologies (BTO): \$530 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):** \$80 million for DOE to collaborate with the residential building industry to improve the energy efficiency of both new and existing homes. 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. The integration research, demonstration and market transformation activities of RBI are critical as we transform America's new and existing residential buildings and work towards the Administration's goal of weatherizing 2 million homes.

- **Commercial Building Integration (CBI)**: \$80 million for the program's research, development, and evaluation, to help 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 works with industry, small businesses, academia, the 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**: \$60 million for appliance standards and \$100 million for the Building Energy Codes Program. DOE is responsible for setting minimum energy efficiency standards for appliances, equipment, and lighting to ensure new models continue to make progress on efficiency as technology matures. The Department is far behind in issuing new appliance standards, making an increased focus critical. 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 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)**: \$160 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.
- **Grid-interactive Efficient Buildings (GEB)**: \$50 million for DOE to ensure that a high level of energy efficiency is a core element of this new crosscutting program and a baseline characteristic for GEBs which are also connected, smart, and flexible. The Office should engage with the public and private sectors, including the building and manufacturing industries and state and local governments, to share information on GEB technologies, costs, and benefits, and to provide information to position American companies to lead in this area. Funding for demonstrations and deployment programs such as Connected Communities, the Low Carbon Buildings Pilot, and other BTO deployment activities is encouraged.

Advanced Manufacturing Office (AMO): \$800 million to enable the research, development, demonstration and deployment of industrial energy efficiency and advanced manufacturing technologies. This level of funding is intended to accommodate an ambitious agenda of decarbonizing U.S. manufacturing by midcentury. This goal of dramatic reductions requires increases in activity level across the office and some important changes in the orientation of the office’s goals. AMO should expand its efforts from promoting energy efficiency to include efforts to reduce carbon emissions for manufacturing and reduce the embodied carbon in manufactured products. Additionally, as AMO rebuilds its staffing, the office should focus on adding expertise in important decarbonization technology areas identified in its research road mapping.

- **Energy Management**: \$10 million for efforts to promote Strategic Energy Management practices and \$30 million for the establishment of a program to provide competitive grants to companies for the hiring or designation of plant energy managers. For Strategic Energy Management, AMO should focus efforts on small- and medium-sized manufacturing plants.
- **Save Carbon Now**: \$55 million for the Better Plants program to expand that program to offer comprehensive assessment and engagements to the 1,500 largest greenhouse gas emitting manufacturing facilities. These engagements shall include, but not be limited to, targeted assessments, staff training, technical analyses of opportunities, and education.
- **Industrial Assessment Centers**: \$25 million for the Industrial Assessment Centers (IAC) program to expand that program in order to increase the number of university-based centers to 40; to establish

satellite centers at community colleges, technical schools, and union training facilities; and to establish an apprenticeship program with matching funding for IAC students at facilities that have received assessments in the recent past to facilitate the implementation of recommendations.

- Flex Tech: \$40 million for the establishment of a program that provides competitive grants to states and tribal governments in partnership with educational institutions and trade associations to provide assessments of energy and greenhouse gas (GHG) reducing measures and loans to implement those measures to medium sized manufacturers.
- Transformative Technology Adoption: \$100 million for the establishment of a competitive grant program that provides cost-share payments to manufacturing sites or consortiums that make first-three, at-scale implementation of transformative technologies to reduce GHG emissions in the most GHG-intensive manufacturing processes as determined by the Secretary.
- Existing Low-Carbon Technology: \$60 million for the establishment of a competitive grant program to provide cost-share payments to manufacturing plants for the installation of underutilized existing low-carbon technologies.
- Smart Manufacturing: \$30 million for support of the development and adoption of smart manufacturing practices directed towards 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.
- Industrial Process Heating Decarbonization: \$55 million for the establishment of a research, development, and deployment effort by AMO to develop and promote the adoption of technologies that can dramatically reduce the GHG emissions from process heating applications. Efforts may include the establishment of one or more new Manufacturing USA Innovation Institutes that might focus on electrification and/or hydrogen and low-carbon fuels.

Federal Energy Management Program (FEMP): At least \$56 million to provide project and policy support to all federal agencies, including \$2 million for the Performance Based Contract National Resource Initiative and at least \$20 million for the AFFECT grant program. 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. The additional private capital has been used to finance hundreds of projects across two dozen agencies, creating 30,000 jobs and reducing energy outlays by \$8 billion over the next 18 years. **Note: Our request for AFFECT represents a minimum funding request for FY22 as the initial installment towards the President’s request of \$400 million for AFFECT, which we strongly support. AFFECT provides small grants to federal agencies to maximize their retrofits through performance contracting. AFFECT leverages at least \$10 for every federal grant dollar invested, thereby maximizing federal infrastructure investments and addressing backlog maintenance.**

Weatherization (WAP) and State Energy Program (SEP): \$477 million. Within this amount, at least \$325 million is recommended for WAP, with \$10 million for training and technical assistance at DOE, and \$21 million for the new Weatherization Readiness Fund. At least \$121 million is recommended for State Energy Program grants including \$25 million to be used for energy and related air quality in schools. At least \$90 million of the SEP funds shall be utilized for direct formula grants to the states, with \$6 million for technical assistance. 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. 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. The Weatherization Readiness Fund will provide critical repairs to prepare homes for weatherization while increased training and technical assistance will empower DOE to implement modernized and innovative practices. 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. 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: \$135 million to continue important data collection, analysis, and reporting activities on energy use and consumption including the Commercial Buildings Energy Consumption Survey and the Residential Buildings Energy Consumption Survey.

We would urge the Subcommittee to consider additional funding either through regular appropriations or supplemental funding in the event an energy/infrastructure package is considered. In the event that opportunity presents itself, we would urge the Subcommittee to consider the following additional items:

- Title VI of the House-passed, FY21 House Energy and Water Development Appropriations Bill as a starting point to fund the State Energy Program (SEP)(\$730 million – \$3.8 billion if adjusted for inflation from the American Recovery and Reinvestment Act [ARRA])(for base, formula funds), Weatherization Assistance Program (WAP)(\$3.25 billion – \$6.2 billion if adjusted for inflation from ARRA) and the Energy Efficiency and Conservation Block Grant (EECBG)(\$2.25 billion – \$3.9 billion if adjusted for inflation from ARRA)(distributed via the statutory formula, with an increase for the competitive fund);
- Federal Energy Management Program’s (FEMP) incremental AFFECT grant funding if not fully funded in annual appropriations as requested in the President’s FY22 Budget Request of \$400 million;
- Advanced Manufacturing Office (AMO) large manufacturing energy audits and tech assistance (\$1 billion over ten years), establishment of a program at DOE to support the hiring of energy managers by paying a portion of annual salary costs (\$1 billion over ten years), and a federal program to provide grants to states to fund follow-up project implementation following assessments (\$1 billion over ten years);
- Building Technology Office (increase to \$100 million for building energy codes training and technical assistance and an increase of \$50 million for grid interactive efficient buildings);
- HOPE for HOMES program to advance workforce training and residential retrofit rebates supported by the President’s Budget Request (\$2 billion); and

- “Open Back Better” (Smith/Blunt-Rochester legislation to fund resilience upgrades at mission-critical facilities with private financing for energy efficiency and renewable energy investments), which is scalable and could be implemented through the existing SEP and AFFECT programs.

We stand ready to work with Congress, the White House, and federal agencies, to identify ways the U.S. can improve the affordability and access of energy-efficient technologies, unlock utility savings for consumers, reduce energy-related carbon emissions, and improve public health.

Thank you for your consideration.

Sincerely,

A. O. Smith
Acuity Brands Lighting Inc.
Alliance to Save Energy
American Council for an Energy-Efficient Economy (ACEEE)
Association of Energy Engineers (AEE)
Building Performance Association (BPA)
Digital Climate Alliance (DCA)
E4TheFuture
Environmental and Energy Study Institute (EESI)
Federal Performance Contracting Coalition (FPCC)
Intel Corporation
International Copper Association
Institute for Market Transformation (IMT)
National Association of State Community Services Programs (NASCSPP)
National Association of State Energy Officials (NASEO)
Natural Resources Defense Council (NRDC)
Polyisocyanurate Insulation Manufacturers Association (PIMA)
Schneider Electric
U.S. Green Building Council (USGBC)
Uplight

Cc:

The Honorable Patrick Leahy, Chairman, Committee on Appropriations
The Honorable Richard Shelby, Vice Chairman, Committee on Appropriations
Members, Committee on Appropriations, Subcommittee on Energy and Water Development,
United States Senate