United States Senate

WASHINGTON, DC 20510

May 23, 2025

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

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

Dear Chair Kennedy and Ranking Member Murray:

We are writing to request funding for key energy efficiency programs at the U.S. Department of Energy (DOE) in line with enacted FY 2024 levels. These programs, which are leveraged across the board through public-private partnerships, have helped modernize an energy efficiency sector that employs at least 2.2 million Americans. More can be done, and as we invest in and upgrade U.S. energy infrastructure, we must ensure that DOE has the resources it needs to continue to deliver direct savings to homeowners, consumers, and businesses.

Energy efficiency is our nation's most abundant energy resource. The energy productivity of the U.S. economy—the amount of economic output per unit of energy—has more than doubled over the past four decades. Without the energy efficiency investments made since 1980, energy consumption and emissions would have been two-thirds higher, and consumers would be paying nearly $800 billion more per year in energy costs. The importance of the U.S DOE in research, technical assistance, deployment, infrastructure development and market integration efforts that have driven gains in energy efficiency cannot be overstated. U.S. DOE energy efficiency programs provide exceptional value to American consumers and businesses, yielding benefits that far outweigh the relatively nominal outlays appropriated by Congress.

Our request directs DOE to maintain a comprehensive approach that includes early, middle and late-stage research, development, demonstration and deployment activities. Continued DOE involvement throughout this process is critical to delivering innovative advanced energy technologies, practices and information to American consumers. To carry out this important work, it is imperative for DOE to continue to build and maintain a capable and committed agency workforce. Our funding request is an explicit acknowledgement of the success of DOE staff to date and a demand for adequate human resources to continue to deliver benefits to American taxpayers according to the deadlines established by Congress.

Specifically, we respectfully request FY 2026 funding for the following DOE programs, as summarized below:

Buildings Technologies Office (BTO): At least $332 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. BTO's goal is to reduce the energy use intensity of U.S. buildings by 30% by 2030, relative to 2010. Within this account, robust funding is needed for:

- Emerging Technologies (ET): The program enables 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.
- Residential Buildings Integration (RBI): DOE collaborates 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 should continue operating the Buildings Upgrade Prize program to drive energy affordability and innovative energy retrofits in homes and buildings across the country. RBI should also 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'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 support the residential workforce, including by enabling non-profit and industry trade associations to administer nationwide training coordination, promoting recruitment and retention and researching program efficiencies for workforce expansion in residential energy efficiency. The integration research, demonstration and market transformation activities of RBI are critical to drive energy affordability and cut utility bills for all Americans.
- Commercial Building Integration (CBI): The program's research, development and evaluation 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, including grid efficient buildings that participate in demand response.
- Efficiency Standards, Building Codes, and Test Procedures: 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 as well as updating test procedures to reflect product improvements, particularly Internet connectivity. We also request a significant increase for DOE's important support and technical assistance role in the development and implementation of building energy codes, which are adopted by states and local governments, for residential and commercial construction that reflect developments in building energy efficiency—and "lock in" savings for the life of the building.

Industrial Programs: At least $215 million for the Advanced Materials and Manufacturing Technologies Office (AMMTO) and at least $237 million for the Industrial Efficiency and Decarbonization Office (IEDO), 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 modernizing and reshoring American industrial capacity by deploying innovative technologies to enhance the U.S.'s ability

to compete with international rivals. We also urge continued support for the Onsite Energy Technical Assistance Partnerships (TAPs) to provide direct technical assistance to industrial facilities and other large energy users with identifying and implementing energy saving measures that reduce manufacturer energy costs to operate and decrease strain on the grid.

We also request $19 million for the Office of Manufacturing and Energy Supply Chains (MESC), as well as $125 million for the Office of Clean Energy Demonstrations (OCED). EERE should expand its efforts from promoting energy efficiency to include efforts to reduce energy costs and strain on the grid for manufacturing. EERE should focus on adding expertise in innovative technology areas identified in the preliminary recommendations of the U.S. DOE Industrial Technology Innovation Advisory Committee (ITIAC). We support funding for energy management, including support for Strategic Energy Management practices; energy assessments, including the Better Plants program; incentives for the adoption of innovative technologies; smart manufacturing, including but not limited to the Clean Energy Manufacturing Innovation Institutes (CESMII); and industrial process heating innovation. We also support expanded RD&D to develop and commercialize innovative technologies and practices to enhance US manufacturing competitiveness. Finally, we support an expanded role for EERE in addressing the workforce transition and the electricity adequacy challenge that face domestic manufacturing. We also support expanded funding for Industrial Training and Assessment Centers.

Federal Energy Management Program (FEMP): Funding of at least $43 million, including $20 million for the (Assisting Federal Facilities with Energy Conservation Technologies) AFFECT grant program under the Federal Energy Efficiency Fund and $2 million within base funding for the Performance Based Contract National Resource Initiative. FEMP supports all agencies of the Federal government in their quest to save energy and money and reduce emissions 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. This level of funding supports the AFFECT grant program, which typically leverages at least ten to one with performance contracting to address agency backlog maintenance while reducing energy and water use and reducing greenhouse gas emissions from the Federal sector. FEMP's work has attracted private capital used to finance over 454 projects across two dozen agencies and resulted in approximately $8.9 billion in investments in federal energy efficiency and renewable energy improvements. These improvements have generated approximately $19.38 billion in cumulative energy cost savings for the federal government and have created 63,000 job-years. Since its inception, AFFECT has leveraged $290 million in congressional funding to attract $3.8 billion in private investment, saving the government more than $137 million annually in energy costs. The Performance Contracting National Resource Center (PCNRC) is a hub for best practices and solutions for performance Contracts implemented in the federal and MUSH (i.e., municipalities and state governments, universities and colleges, K-12 schools, and hospitals) markets.

Weatherization (WAP) and State Energy Program (SEP): We request at least $366 million for the Weatherization Assistance Program, $10 million for training and technical and $30 million for the Weatherization Readiness Fund. Finally, we request at least $66 million for the State Energy Program to enhance energy security, advance state-led energy initiatives

and increase energy affordability. R&D investments will continue to make emerging technologies cheaper and more accessible. DOE's Weatherization Assistance Program is particularly important because it promotes energy affordability for America's senior citizens. 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 7.4 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. The WAP 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. **We recommend $22 million for the Office of State and Community Energy Programs (SCEP) for Program Direction to support successful implementation and oversight of the Office's programs such as WAP and SEP.**

U.S. Energy & Employment Report (USEER): **$2 million for the Office of Policy to complete a U.S. energy employment report that includes a comprehensive statistical survey to collect data, publish the data and provide a summary report, as required by the Infrastructure Investment and Jobs Act.** 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): At least $145 million **to continue important data collection, analysis and reporting activities of the EIA, including not less than $18 million to administer and increase the detail and frequency of the Commercial Buildings Energy Consumption Survey (CBECS), the Residential Energy Consumption Survey (RECS) and the Manufacturing Energy Consumption Survey (MECS) as directed in Sec. 40413 of the Bipartisan Infrastructure Law (P.L. 117-58)**. The EIA's data products ensure that Congress, federal and state governments, the private sector, and the public have access to timely and reliable energy information which inform important energy-related decisions, including market pricing. Key products include petroleum and natural gas inventory reports; short and long-term forecasts for energy markets, production and use; and trends in energy use in homes, buildings, and manufacturing. To better capture evolving national energy use trends, we strongly support an allocation of $18 million in funding for the CBECS, RECS and MECS, which are foundational for understanding and improving the energy use of sectors that account for more than two-thirds of U.S. energy consumption. This represents an increase of $5.2 million and would give EIA the resources to implement the directive in section 40413 of the Bipartisan Infrastructure Law that required more detailed and frequent reporting of this information but did not include the needed funding.

Additionally, to prevent delays and maintain bipartisan support for FY 2026 appropriations, we oppose the inclusion of any controversial policy riders that may hinder the regular order of the appropriations process.

Thank you for your consideration of our request.

Sincerely,

Jeanne Shaheen
United States Senator

Angus S. King, Jr.
United States Senator

John Hickenlooper
United States Senator

Tina Smith
United States Senator

Mark R. Warner
United States Senator

Tammy Baldwin
United States Senator

Elizabeth Warren
United States Senator

Peter Welch
United States Senator

Sheldon Whitehouse
United States Senator

Edward J. Markey
United States Senator

Cory A. Booker
United States Senator

Mazie K. Hirono
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Michael F. Bennet
United States Senator

Bernard Sanders
United States Senator

Ron Wyden
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Brian Schatz
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Amy Klobuchar
United States Senator

Margaret Wood Hassan
United States Senator