United States Senate

WASHINGTON, DC 20510

March 30, 2023

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

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

Dear Chair Feinstein and Ranking Member Kennedy:

We are writing to express strong support for key energy efficiency programs at the U.S. Department of Energy (DOE), including those within the Office of Energy Efficiency and Renewable Energy (EERE). These programs, which are leveraged across the board through public-private partnerships, have helped modernize an energy efficiency sector that employs at least 2.1 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 FY2024 funding for the following DOE programs, as summarized below:

<u>Buildings Technologies Office (BTO)</u>: At least $348 million, the amount requested in the President's budget, 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'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): The program's research, development, and evaluation helps 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. While the Department has made substantial progress recently, it is far behind in issuing new appliance standards, making an increased focus critical. 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.

Advanced Manufacturing: At least $636 million, the amount requested in the President's budget for Advanced Materials and Manufacturing Technologies and Industrial Efficiency and Decarbonization, 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 achieving net-zero carbon emissions by 2050. This goal of dramatic greenhouse gas reductions requires increases in activity levels across the office and some important reorientation of the office's goals. We also urge consideration of the President's budget request for Manufacturing and Energy Supply Chains, as well as Clean Energy Demonstrations. EERE 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. As EERE rebuilds its

staff, the office should focus on adding expertise in important decarbonization technology areas identified in its forthcoming research road map report to Congress. 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 low-carbon technologies; smart manufacturing, including but not limited to the Clean Energy Manufacturing Innovation Institutes; and industrial process heating decarbonization. We also support expanded RD&D to develop and commercialize innovative technologies and practices, as well as transitions to lower embodied carbon products and materials. Finally, we support an expanded role for EERE in addressing the workforce transition and adequacy challenge domestic manufacturing. We also support at least $30 million for Industrial Assessment Centers.

Federal Energy Management Program (FEMP): Significantly increased funding of at least $82.2 million, including $24 million for the (Assisting Federal Facilities with Energy Conservation Technologies) AFFECT grant program, as requested in the President's budget, 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. The large increase is primarily for the AFFECT grant program to leverage at least ten to one with performance contracting to address agency backlog maintenance while reducing the use energy and water and reducing greenhouse gas emissions from the Federal sector. The additional private capital has been used to finance over 400 projects across two dozen agencies, creating 30,000 jobs and reducing energy outlays by $8 billion over the next 18 years. 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 the President's budget levels of $375 million for the Weatherization Assistance Program, $10 million for training and technical and $51.78 million for the Weatherization Readiness Fund. Finally, we request at least $75 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, but DOE's Weatherization Assistance Program is particularly important for bringing energy efficiency to communities that need it. 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.

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: **$157 million, consistent with the President's budget request, 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.

Thank you for your consideration of our request.

Sincerely,

Jeanne Shaheen
United States Senator

Tina Smith
United States Senator

Angus S. King, Jr.
United States Senator

Mazie K. Hirono
United States Senator

Peter Welch
United States Senator

Sherrod Brown
United States Senator

Elizabeth Warren
United States Senator

Robert P. Casey, Jr.
United States Senator

Ron Wyden
United States Senator

Catherine Cortez Masto
United States Senator

John Hickenlooper
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Benjamin L. Cardin
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