



**STATEMENT OF SENATOR MARIA CANTWELL  
RANKING MEMBER, COMMITTEE ON ENERGY & NATURAL RESOURCES  
HEARING ON ENERGY EFFICIENCY  
APRIL 30, 2015**

“Thank you, Madam Chairman, for holding this, the first of several legislative hearings, on a process to move us forward on energy policy. And hopefully we will be building a record here—an important first step in crafting successful legislation that we can move through both the House and the Senate.

“I want to thank the witnesses today. We are going to hear from several of our colleagues. I certainly appreciate Sen. Collins and Sen. Coons for being here, for their leadership on a variety of issues related to energy efficiency and for their continued focus in this area. I know our colleague Sen. Klobuchar also is joining us, and she yesterday chaired a roundtable discussion with many energy efficiency leaders, and so we thank her for that as well.

“Today we are here to discuss energy efficiency, which is—in some ways—the most obvious of energy sources. Why is that? Well it’s pretty simple. It’s just the math. It’s the compelling economics. Energy efficiency costs less than half of a unit of new energy production. The Lawrence Berkeley National Laboratory has estimated that the cost of energy efficiency is 4.5 cents per kilowatt hour, compared to 12 cents per kilowatt hour for new production. In short, energy efficiency as a resource is larger and cheaper, a better job creator and carries lower environmental impacts than other alternatives.

“Not only does it save consumers money, but it strengthens the economy, adds flexibility to our grid and reduces carbon pollution.

“Let me say just a few words about the economic benefits. From 2007 to 2014, national energy use fell by 2.4 percent while GDP grew by 8 percent. In other words, we experienced an energy productivity increase of 11 percent in eight years. That means that, for every electron or molecule of energy consumed in the U.S., we are getting more and more economic production.

“A handful of programs at the U.S. Department of Energy (DOE) are important contributors to this dynamic. DOE’s building codes program, for example, will help put more than \$7.4 billion per year back in consumers’ pockets by 2020 and up to \$230 billion through 2040.

“This program cost the federal government about \$110 million from 1992 to 2012—that’s a ratio of \$400 in savings for every federal dollar spent. That’s a pretty impressive ROI.

“Similarly, the appliance and equipment standards program costs the nation \$40 million annually, on average, but has reduced the nation’s electricity consumption about 7 percent below what it would otherwise be. A typical household’s energy costs are about \$500 a year less than would be the case if there had not been national appliance efficiency standards.

“When we discuss those initiatives, I think it’s also important for my colleagues to remember that—as is often the case—these successful federal programs have been built on the hard work and leadership of a number of states.

“The drive toward energy efficiency—at the time, policymakers called it ‘conservation’—really began in the 1970s with efforts on the west coast. Since then, California’s efficiency efforts have helped the state avoid the need for at least 30 power plants, saved consumers \$65 billion and eliminated carbon pollution equivalent to taking 5 million cars off the road.

“The Northwest Power Act—which originated in this committee and was enacted in 1980—made conservation the resource of first resort in our regional power plan and even gave rise to some of the nation’s first ‘model conservation code’ efforts.

“Today, some 24 states also have on the books their own Energy Efficiency Resources Standards, binding savings targets for utilities or similar entities.

“Once again, I think it’s fair to say that resources that cost consumers less, make our economy more competitive and reduce environmental impacts are always a good thing for the nation.

“So the question for us today: how do we drive more efficiency into our economy?

“The U.S. economy is so diverse, and dozens of opportunities exist across the residential, commercial, industrial, agricultural and government sectors. I think we should consider a number of approaches to fully leverage these opportunities.

“First, we need the right framework and incentives for utilities to fully embrace efficiency as the least-cost resource. Sen. Franken’s legislation, which we are going to hear about today, establishes a federal Energy Efficiency Resource Standard and is one method to drive this outcome. So I look forward to that topic today.

“And in my state, Seattle City Light used a variety of efficiency measures to reduce its load annually by 1.3 million megawatt hours, which is the equivalent of a 150 megawatt power plant. So we need to create similar conditions for more such examples.

“Second, we need a robust federal commitment to research and development (R&D) of new technologies that will continue lead the way on energy. Technology innovation is one of the key ways to create a continuous cycle of opportunity for more efficiency.

“One example of this is the opportunity of R&D on high performance buildings. We have major employers that are aggregating and analyzing building data on their corporate campuses, in order to learn where costs can be cut, and to help achieve their own carbon reduction goals. So, I have introduced legislation to help accelerate this transition to smart buildings, by supporting research on the kinds of data, software and communications systems this will require.

“We also can’t forget the opportunities for efficiency on the transmission and distribution infrastructure. On Tuesday, Secretary Moniz was here on the Quadrennial Energy Review and outlined several recommendations of things that we need to do to create more flexibility and more resilience and to increase energy efficiency.

“And third, we must be committed to the network of partnerships among federal, state and local institutions, manufacturers, utilities, consumers and other stakeholders. They all play a role in this. But the issue is that we have to have federal leadership with respect to the appliance and equipment standards that have lessened industry’s regulatory burden and to be a platform for demonstration. Most people will tell you that the demonstrations the federal government show then able the private sector to implement these across many different businesses.

“So there’s a lot to be done in driving these outcomes. But I look forward to working with Chairman Murkowski and members of this committee, who all have great ideas on putting a good energy efficiency title in an energy bill. Thank you.”