Written Testimony of Kateri Callahan
President, Alliance to Save Energy

Senate Energy and Natural Resources Committee Hearing
June 9, 2011

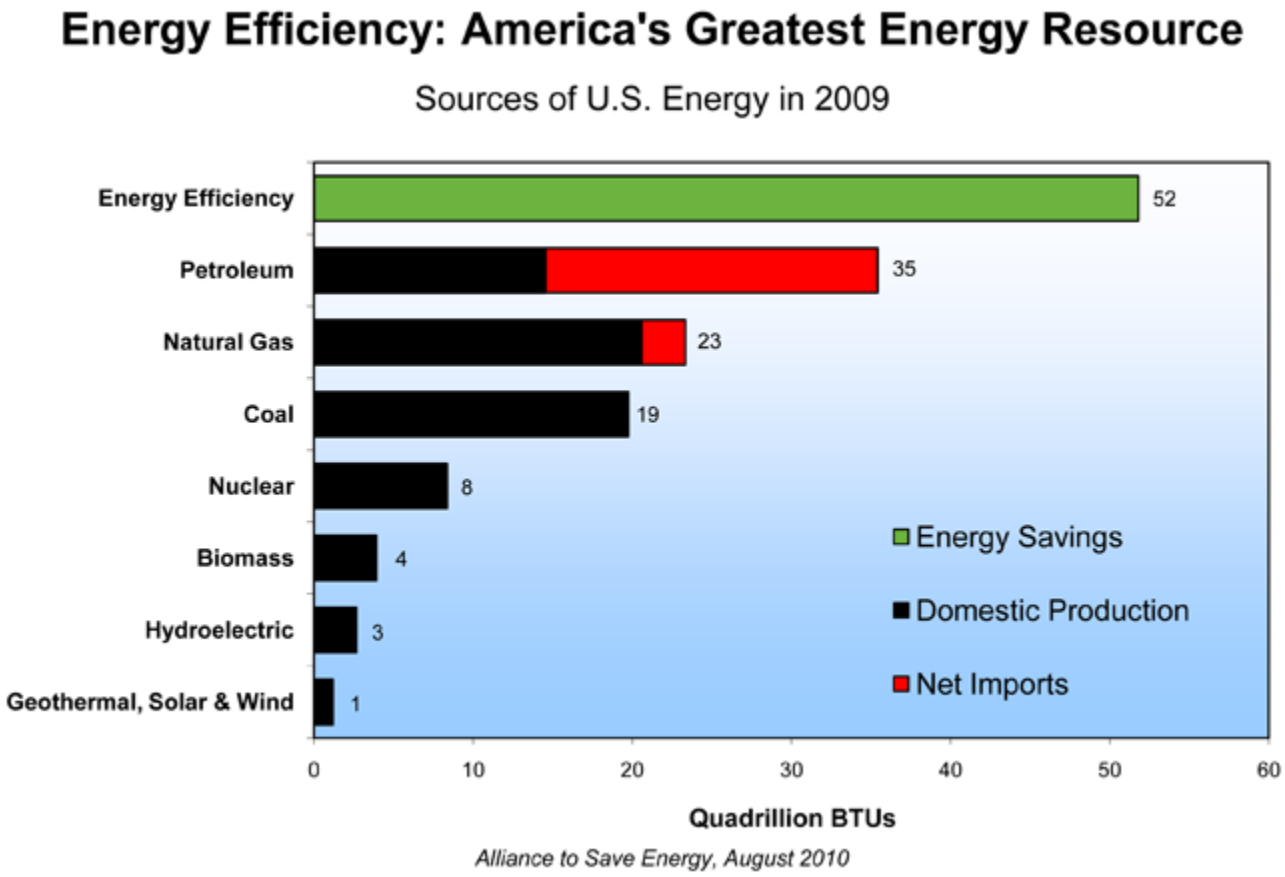
Good morning, Mr. Chairman, my name is Kateri Callahan and I am the President of the Alliance to Save Energy. I am delighted to be here today to testify in support of S. 1000, the Energy Savings and Industrial Competitiveness Act of 2011, and S. 963, the Reducing Federal Energy Dollars Act of 2011.

The Alliance to Save Energy ("the Alliance") is a bipartisan, nonprofit coalition of business, government, environmental, and consumer leaders committed to promoting energy efficiency worldwide to achieve a healthier economy, a cleaner environment, and greater energy security. The Alliance, founded in 1977 by Senators Charles Percy and Hubert Humphrey, currently enjoys the leadership of Senator Jeanne Shaheen, one of the principal authors of S. 1000, as Honorary Chairman. Former Pacific Gas and Electric Corporation President, Chairman and CEO Peter Darbee serves as our Co-Chairman, and Senators Jeff Bingaman, Lisa Murkowski, Mark Udall, Susan Collins, Richard Lugar, and Mark Warner, and Representatives Ralph Hall, Steve Israel, Ed Markey, Paul Tonko, and Michael Burgess, serve as Honorary Vice-Chairs. We are deeply honored that both the Chairman and the Ranking Minority Member of this Committee serve as Honorary Board members of the Alliance. More than 170 companies and organizations support the Alliance as Associates.

On behalf of the Alliance Board, Associates and staff, I commend Senator**s** Shaheen and Portman for their partnership on this important legislation, which is the product of many months of hard work and cooperation**.** S. 1000 truly represents the "people's voice" in calling for sound energy policy. Businesses, trade associations, consumers, environmentalists, state and city officials, advocates for low-income families, energy efficiency experts, and others have come together, working with the bill's authors, to find ways for the government to help all of us through energy efficiency through this legislation. A letter of support for S. 1000 from over 75 businesses and organizations including the U.S. Conference of Mayors and the American Institute of Architects, to mention but two, is attached.

Most importantly, the Senators have crafted legislation that can draw the strong bipartisan support necessary to achieve its enactment into law, which in turn will deliver huge energy cost savings to American consumers and businesses, and will benefit our economy and national energy security.

Energy efficiency is America's most abundant energy resource, and one with a 40-year, demonstrated history of being the cheapest, quickest and cleanest way to extend our nation's energy supplies. Energy efficiency currently contributes more toward meeting our country's energy needs than any other single resource, including oil, natural gas, coal, and nuclear power. Without the energy efficiency improvements we've made since 1973, we would need about 50 percent more energy to power today's economy than we are currently using (see figure below). Effective public policy – like that embodied in S. 1000 –has allowed America to tap into the energy efficiency resource. For example, much of the hundreds of billions of dollars in savings over the past 40 years has been due to public policies on appliance efficiency standards, building energy codes, consumer information and incentive programs, and technology development and deployment – many of the policy tools that comprise S. 1000.



Notwithstanding the past efficiency gains, energy demand in the United States is still expected to grow approximately 20 percent by the year 2035. If fully implemented, energy efficiency can meet this new demand while ensuring that America remains competitive in the global marketplace. A 2009 report by McKinsey and Company, for example, estimated that a $500 billion investment in unlocking energy efficiency's potential could yield gross energy savings of $1.2 trillion and a reduction in projected non-transportation energy use of 23 percent in 2020.

Energy efficiency is the best assistance we can provide to consumers struggling to pay high energy bills. In 2011, we project the average American household will spend a combined $5,700 a year on residential and transportation energy use, a cost which has grown 17 percent since 2010 and 24 percent since 2009. Besides reducing bills directly for those who implement efficiency measures, energy efficiency, by reducing demand, reduces energy price pressure across the board, and does so more quickly and cost-effectively than any other option. Energy efficiency also reduces the amount of oil we import, reduces air pollution, strengthens the economy by freeing consumer dollars for other purposes, lessens stress on the electric grid and on energy and water infrastructure, and forestalls the need for costly new investments in electricity generating capacity.

Further, energy efficiency is a major U.S. industry with continuing untapped potential. The American Council for an Energy-Efficient Economy (ACEEE) claims that in 2004 some $43 billion was spent on efficient equipment and services, supporting 1.6 million jobs. With the right policies, the energy efficiency services sector is expected see a 2- to 4-fold increase in jobs between now and 2020.

Energy Savings and Industrial Competitiveness Act

The Energy Savings and Industrial Competitiveness Act (S. 1000) uses a variety of low-cost tools to reduce barriers for private sector energy users and to drive adoption of off-the-shelf efficiency technologies. These tools include loans for building efficiency upgrades, assistance for manufacturers, updates to building codes and appliance standards, and energy-saving practices within the federal government.

S. 1000 has great potential for energy savings and job creation. According to ACEEE selected provisions of the bill could save almost six quadrillion Btu of energy annually by 2030, worth tens of billions of dollars. S. 1000 would create a wealth of economic opportunities. Through financial and technical support, as well as provisions to overcome existing market barriers, S. 1000 enables the advancement of

an energy efficient economy with investment at home that will create jobs and improve American competitiveness globally. This bill supports American businesses and protects the bottom line.

Building Energy Codes

By far the greatest potential impact of S. 1000 is from Section 101 on building energy codes. ACEEE estimates that this provision, if it meets its goal of zero-net-energy buildings by 2030, could save 4.4 quadrillion Btu of energy per year, about the total annual energy use today in the state of Florida, and would save consumers tens of billions of dollars. Besides saving homeowners money, more efficient buildings due to this provision will increase home comfort, improve local air quality, reduce our dependence on foreign oil, help the economy by putting money into the hands of consumers, and reduce stress on the power grid and natural gas supplies.

Building energy codes set a minimum level of energy efficiency for new buildings and building alterations that protects consumers and businesses from high utility costs. Builders do not pay a home's utility bills, so they do not have a direct incentive to invest in energy efficiency. Homeowners, tenants, and building owners typically do not have the information or the expertise needed to make informed decisions. For example, few of us know the R-value of the insulation in our walls or the Seasonal Energy Efficiency Ratio of our air conditioners—and if we did, we would not know whether they were good or bad. We need to be able to trust that the buildings we buy and lease meet a minimum standard that protects us from outrageous energy bills, just as we trust these buildings are built to minimum standards to protect our health and safety.

Importantly, codes make American homes more affordable. The Building Codes Assistance Project (BCAP), affiliated with the Alliance to Save Energy, recently looked at the added building cost and energy savings of meeting the current 2009 International Energy Conservation Code (IECC) model energy code for homes in the most obvious way possible, i.e., without using any of the opportunities for smarter design that a good architect or builder would employ. In every instance studied, the payback period for the additional investment required to meet the code was less than two years – and then the homeowner would continue, for years and years, to reap the benefits of the energy cost savings. We sampled some of the home states of Senators on the Energy and Natural Resources Committees. In New Mexico, the savings pay back the out-of-pocket costs after just 8 months, and the homeowner saves a net $200 each year after that. In North Dakota, the homeowner comes out ahead after 8 months, and the annual savings are $340.00. In Louisiana, the annual savings are $190, so the

homeowner breaks even in 9 months. In Idaho and Michigan, the break-even point is 11 months. The national average is $840 added cost and $240 annual savings with break-even in 10 months. A chart is attached listing costs and savings in the 28 states that BCAP examined.

Thus, it should be no surprise that consumers want more efficient homes. In a recent national survey by Consumers Union and BCAP of over 5,000 consumers, 82 percent agreed that homeowners have a right to a home that meets minimum efficiency standards. 74 percent believe that energy codes help ensure that homeowner and taxpayer dollars are used wisely and efficiently by requiring that new homes will be "built right the first time." A survey by the National Association of Home Builders found that just over half of consumers would be willing to pay up to $11,000 more for a new home that saved $1000 a year in energy bills. The National Association of Realtors found that energy efficiency is an important consideration in choosing a home for 90 percent of home buyers. Codes provide the best guarantee of those energy savings.

Several programs, such as Energy Star and the U.S. Green Building Council's LEED program, have proven successful and established public support in the market for energy efficiency at levels above code. However, these programs capture only a minority of the market. There are more than one million Energy Star homes now, but more than one hundred million are not. We need strong codes to build minimum efficiency into all new buildings to reap the economic, environmental, security, and consumer benefits of energy efficiency.

The proposal in S. 1000 would not federalize building codes. It uses the existing codes infrastructure, increases regulatory transparency, and takes cost-effectiveness into account, while guiding codes toward better, more efficient buildings.

The S. 1000 provision would:

- Direct DOE to set national energy savings targets for residential and commercial codes and to ensure model codes are available that meet the targets,
- Set targets for improved building compliance with the codes, as well as for state adoption, and
- Authorize increased financial and technical assistance to the states, local governments, and national model code-setting bodies.

Similar codes legislation that passed the Energy and Natural Resources Committee in the last Congress received support from manufacturers, utilities, natural gas consumers, environmental groups, consumer advocates, efficiency experts, states, and others.

Homes and commercial buildings are the largest energy-using sector of the economy, responsible for 40 percent of both energy use and carbon dioxide emissions, and for 70 percent of all electricity use. Inadequate codes lock inefficiency into buildings that will last for several decades. If we do not implement more effective building energy codes now, we will not be able to implement a sensible energy policy, and homeowners will see money fly out their windows and doors, for many years to come.

Appliance Standards

The appliance standards provisions in Subtitle B of S. 1000 reflect consensus standards for appliances and equipment that have already been reported out by this committee in the Implementation of National Consensus Appliance Agreements Act (S. 398). The consensus provisions will save consumers an additional $43 billion through 2030 according to ACEEE. While some of the standards can be issued by DOE, others require legislative action.

Very importantly, the standards contained in S. 1000 do not have any scoring or budgetary impact. Additionally and also importantly, federal efficiency appliance standards have a long and rich history of Republican as well as Democratic support. The first federal energy efficiency standards for appliances were enacted in 1987 under President Reagan. The National Appliance Energy Conservation Act of 1987 (NAECA), followed by additional legislation signed by Presidents Reagan, George H.W. Bush, and George W. Bush in 1988, 1992, 2005 and 2007, set national standards for residential and commercial appliances and equipment. ACEEE estimates that these bipartisan standards have reduced U.S. energy use by 3.6 percent (3.6 quadrillion Btu per year, greater than the total annual energy consumption of Louisiana), saved taxpayers more than $300 billion in energy bills, created a net 340,000 American jobs, and reduced energy-sector pollution nationwide.

The standards create regulatory certainty for manufacturers, allowing for long term investment and job creation. Ever since legislation enacted in 1987, Congress has only adopted specific standards when

there is a consensus among all the interested stakeholders, including manufacturers, efficiency advocates, consumer groups, and states, as is the case with the provisions contained in this bill.

Energy efficiency standards prohibit the production and import of energy-consuming products less efficient than the minimum requirements. Covered products include furnaces, air conditioners, water heaters, refrigerators and freezers, washers, dryers, motors, lamps, and other residential and commercial products. These standards keep low quality appliances—whose competitive sticker prices conceal high operating costs—out of the marketplace, while still providing consumers with a broad array of product sizes and features. Because of these standards, a typical refrigerator sold today uses 70 percent less energy than those sold in the 1970s.

In short, federal standards have been tremendously successful in reducing energy use and air pollution, saving consumers money, creating jobs, lessening strain on the electric grid, and minimizing regulatory burden. These standards are very much a part of a comprehensive approach to energy efficiency, and I urge the Committee to continue to support these standards until enactment.

Industrial Energy Efficiency

One area where S. 1000 directly helps businesses is in the industrial efficiency provisions. The United States has lagged behind other industrialized countries in industrial energy efficiency, harming our global competitiveness by increasing costs. S. 1000 contains a number of important provisions that will support and promote greater industrial energy efficiency, including:

1) ***Manufacturing Revolving Loan Funds*** *(Sec. 301)*: The bill directs the Department of Energy to provide funding to eligible lenders for a revolving loan program to help commercial and industrial manufacturers implement clean energy technologies and processes for reducing industrial energy intensity and improving competitiveness. To be eligible, community and economic development lenders must lead a partnership that includes a state government agency and a private financial institution. Federal funds must be cost-matched by non-federal funds at least dollar for dollar. The program is designed to accelerate the implementation of industrial and commercial applications of technologies and processes to improve energy efficiency, power factor or load management, and to enhance industrial competitiveness. ACEEE estimates this provision could save about 550 trillion Btu of energy in 2030, one of the most significant provisions in the bill.

2) ***Technical Assistance and Technology Assessment*** *(Sec. 302-308):* Many industrial firms, especially small and medium-sized manufacturers, have limited means to keep up with and implement best practices. The bill would strengthen technical assistance to improve the competitiveness, energy efficiency, and environmental performance of American industry. The Future of Industry Program would enhance the nation's network of Industrial Assessment Centers (IACs) and coordinate their work with the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP), the Small Business Administration, and other regional, state, local and utility programs to deliver technical assistance.

Further, the bill would support industrial energy efficiency and competitiveness through technology assessments and road maps of energy-intensive industries (such as steel, aluminum, forest products, chemicals, food processing, metal casting, and information technology), and a National Academy of Sciences study on advanced energy technology manufacturing. These studies would provide valuable information to both the private and public sectors on opportunities, challenges, and potential for research, technical assistance, and commercialization support to strengthen competitiveness and economic opportunity while improving energy and environmental performance. The Sustainable Manufacturing Initiative would provide onsite technical assessments and advice to manufacturers in coordination with other private and public sector organizations.

3) ***Electric Motor Rebate Program*** *(Sec. 321):* The bill authorizes a program to incentivize the use of more energy efficient motors**.** According to DOE, motors account for more than 25 percent of electricity in the United States, and many of them operate inefficiently.

4) ***Supply Star program*** *(Sec. 311):* Tackling efficiency throughout the supply chain, including product sourcing, development, distribution, use and disposal, provides much needed relief to businesses' bottom line. Many companies take active advantage of this, such as Wal-Mart, which saves hundreds of thousands of dollars annually through its Supplier Energy Efficiency Program. However, many smaller businesses cannot dedicate the staff or resources to discover their energy saving potential. The Supply Star program would provide assistance to businesses of all sizes to help them achieve significant savings.

Supply Star, which would be undertaken by DOE, would be designed to identify and promote practices, recognize companies, and recognize products that use highly efficient supply chains in a manner that

conserves energy, water and other resources. In addition to promoting existing efficient supply chain practices, this program would collect and disseminate data on supply chain energy resource consumption, develop and disseminate metrics for evaluating supply chain energy resource use, and develop sector-level guidance for improving supply chain efficiency. DOE would also be directed to work with industry and small business to improve supply chain efficiency through sharing best practices, providing benchmarking opportunities, and supporting professional training. This provision is from Senator Bingaman's bill in the 111th Congress, S. 3396, which was reported favorably by this committee in the last Congress.

Collectively, these provisions will enable the United States to be more energy efficient in industry and manufacturing and increase our global competitiveness.

Energy Efficiency Financing

A major barrier to greater efficiency is a lack of capital. While energy efficiency measures save money over time by reducing energy bills, they often require an up-front investment. One of the most significant approaches in the bill would help to provide the financing necessary for implementing energy efficiency projects. Among the financing provisions in the bill are the following:

Energy Efficiency Upgrades for Existing Buildings *(Sec. 202):* The bill expands the DOE Title XVII Loan Guarantee Program to include commercial, industrial and MUSH (municipal, university, schools and hospitals) building efficiency upgrades. This should help overcome a key barrier to making efficiency upgrades to these buildings by making access to capital easier through the DOE loan guarantee program. This provision was originally part of S. 3780, The Recovery Through Building Renovation Act, introduced by Sens. Shaheen and Landrieu in the 111th Congress. $400 million is authorized for period of ten years for a range of financing mechanisms including loans, power purchase agreements, energy service agreements (ESCOs), property assessed clean energy bonds or similar tax assessment based programs, aggregate on-meter assessments, and other mechanisms deemed appropriate by DOE.

A 2009 McKinsey & Company study found that an investment of $73 billion by the private sector in making existing commercial buildings more energy efficient would provide net present value savings of $104 billion and save $11 billion annually by the year 2020.

Rural Energy Savings Program *(Sec. 201):* Another equally important provision that would provide valuable support to customers of rural electric utilities is the Rural Energy Savings Program. This provision would direct the U.S. Department of Agriculture to make zero-interest loans to rural public utilities and electric cooperatives to support low-interest, small loans for energy-efficiency upgrades to their rural small business and residential customers.

Rural utility customers could use the loans to improve the efficiency of their homes through upgrades to the building envelopes, heating and cooling equipment, and manufactured homes. They could pay back the loans through an addition to their utility bills (on-bill financing). These low-interest loans would pay for themselves through the energy savings generated, resulting in a lower overall bill. The bill authorizes sufficient appropriations to leverage $2 billion in loans to electric co-ops. Because these loans remove the up-front cost for many customers who do not have the necessary capital, they unlock huge savings potential for rural Americans.

In addition to energy savings generated by the program, which ACEEE estimates at 60 trillion Btu annually by 2020, these projects would also create thousands of jobs for home contractors to perform these energy upgrades, and would help small utilities, many with aging power infrastructure, manage their loads.

Federal Energy Management

In addition to our support of S.1000, the Alliance commends Senator Carper for his leadership in federal energy management, including his introduction of S. 963, the Reducing Federal Energy Dollars Act of 2011, several provisions of which are mirrored in S. 1000. The United States government is the nation's largest energy consumer, accounting for 1.6 quadrillion Btus (quads) or about 1.6 percent of the nation's energy use in FY 2008. Federal energy consumption cost $24.5 billion in that year. Cost-effective energy efficiency improvements in Federal buildings, equipment, and vehicles would save taxpayer dollars, reduce foreign oil dependency, and improve the reliability and security of achieving federal agency missions, including in national defense. The federal government should lead by example in energy efficiency, helping to bring new technologies and ideas into widespread use and showing what is possible. Many agencies and managers are trying to do this, but there is still much room for improvement.

S. 963 is intended to:

- Enhance reporting requirements related to individual buildings and to agency energy and water

use (Sec. 3),

- Strengthen energy efficiency standards and update designs for new federal buildings (Sec. 4, 10),
- Require smart meters and sub-meters in applicable federal buildings (Sec. 6),
- Require improved energy management in agency computers (Sec. 7),
- Enhance commissioning (that is, the calibration of buildings systems to meet design specifications and improve performance) and recommissioning of Federal buildings (Sec. 11),
- Expand the scope of energy savings performance contracts (ESPCs) to include vehicles and certain other equipment, include leased facilities, and add hydroelectric generation at federal dams (Sec. 9),
- Require a survey of renewable energy potential at Federal facilities (Sec. 5),
- Count renewable thermal energy use at federal facilities and renewable energy generation on Federal and Indian lands toward meeting federal renewable energy purchase obligations (Sec. 8), and
- Call on GAO to audit and report on progress in federal energy management (Sec. 12).

Some of these measures also appear in Title IV of S. 1000, including the adoption of computer power saving techniques (Sec. 401), updating federal building designs (Sec. 402); and the inclusion of thermal energy in federal renewable energy purchasing requirements (Sec. 406). Complementing S. 963, S. 1000 includes a smart metering provision focused on identifying and reporting best practices (Sec. 403), a federal energy management data collection provision (Sec. 404), a provision to allow electric vehicle infrastructure (not the vehicles) in ESPC financing (Sec. 405), and a report on federal data center consolidation (Sec. 407).

The Alliance supports these objectives. We are especially pleased to see attention to federal building recommissioning and ongoing energy management in S. 963, as well as to more capital-intensive retrofits. We note the General Services Administration's (GSA) interest in commissioning and a workshop we organized last year for GSA on the topic. In the workshop various federal agencies, builders, designers, property managers, commissioning professionals, and other experts provided valuable insights and suggestions that could be used to strengthen the bill's commissioning provisions.

We do have a concern with the potential impact of some of the requirements in the bill on agencies that already are required to meet existing law and executive orders regarding energy management, and we look forward to working with Senator Carper and the Committee to make certain that the provisions of the bill ultimately will build on existing law and executive orders in practical, effective ways. For example, mandated DOE federal energy management reports are now a few years delayed, and web-based building-level reporting required in the Energy Independence and Security Act of 2007 has not yet been implemented. It is important that new reporting requirements not overwhelm DOE and other agencies, but instead ensure the most useful, actionable information in a timely manner. It also is important that federal building energy efficiency standards work effectively with the building code process that is the subject of Section 101 of S. 1000. In that regard, federal building standards are now applied only to new federal buildings even though the model codes and standards they reference also apply to alterations and retrofits. Federal standards for building alterations should be at least as stringent as those that we call on states to apply to private sector buildings.

Conclusion

The Energy Savings and Industrial Competitiveness Act of 2011 will increase the use of energy efficiency technologies in the residential, commercial and industrial sectors of our economy. This bipartisan legislation uses a variety of low cost tools to reduce barriers to the implementation of energy efficiency projects and drive the adoption of off-the-shelf technologies that will save businesses and consumers money, help reduce American dependence on imported oil, and reduce pollution, while also fostering job creation. The authors of the legislation – and the myriad of businesses, consumers, state and local agencies, and environmental and efficiency advocates who worked with the authors to craft this important bill – understand that efficiency technologies are available today, that they can be fully deployed in every state in the Union, that they pay for themselves through energy savings relatively quickly, and most importantly, that sound and cost-effective public policies are the key to unleashing this abundant, clean and quickly deployable national resource.

The important energy efficiency provisions in S. 1000 and S. 963 will help to speed the transition to a more energy-efficient economy, increasing both our economic competiveness and our energy security for generations to come. The Alliance looks forward to working with senators and staff to help enhance these bills and the energy savings, cost savings, and energy reliability and security they can help achieve.

On behalf of the Alliance to Save Energy, I strongly urge the Committee to approve S. 1000, and I hope the Committee will work with the Senate leadership to bring this legislation to the Senate floor as soon as possible.

But while the Shaheen-Portman bill will go a long way, at relatively low cost to the government, to tapping into the country's energy efficiency resource, and is already comprehensive in nature, touching many segments of the economy and consumers across the country, I note that if the Congress adopted not only S. 1000 and S. 963 but also a few other bills, the impact on energy demand – and therefore on energy costs to consumers and business, U.S. global competitiveness, the environment, and our national energy security – would be even more immense.

Therefore, I take this opportunity to mention a few other efficiency proposals worthy of bipartisan support that could work synergistically with the provisions in S. 1000 and S. 963. In particular I would highlight a proposal on which Sen. Bennet is working to consider energy efficiency in mortgage underwriting so that the consumer value of efficiency can be reflected in home purchases and loans. Improvement and extension of the tax incentives for energy efficiency in new and existing homes, commercial buildings, industry, and vehicles, on which Sen. Bingaman has taken the lead along with Sen. Snowe, also will effectively complement the policies in S. 1000. And I hope this committee will take up the need for disclosure to consumers of their energy usage information, as addressed in Sen. Udall and Sen. Brown's e-KNOW bill.

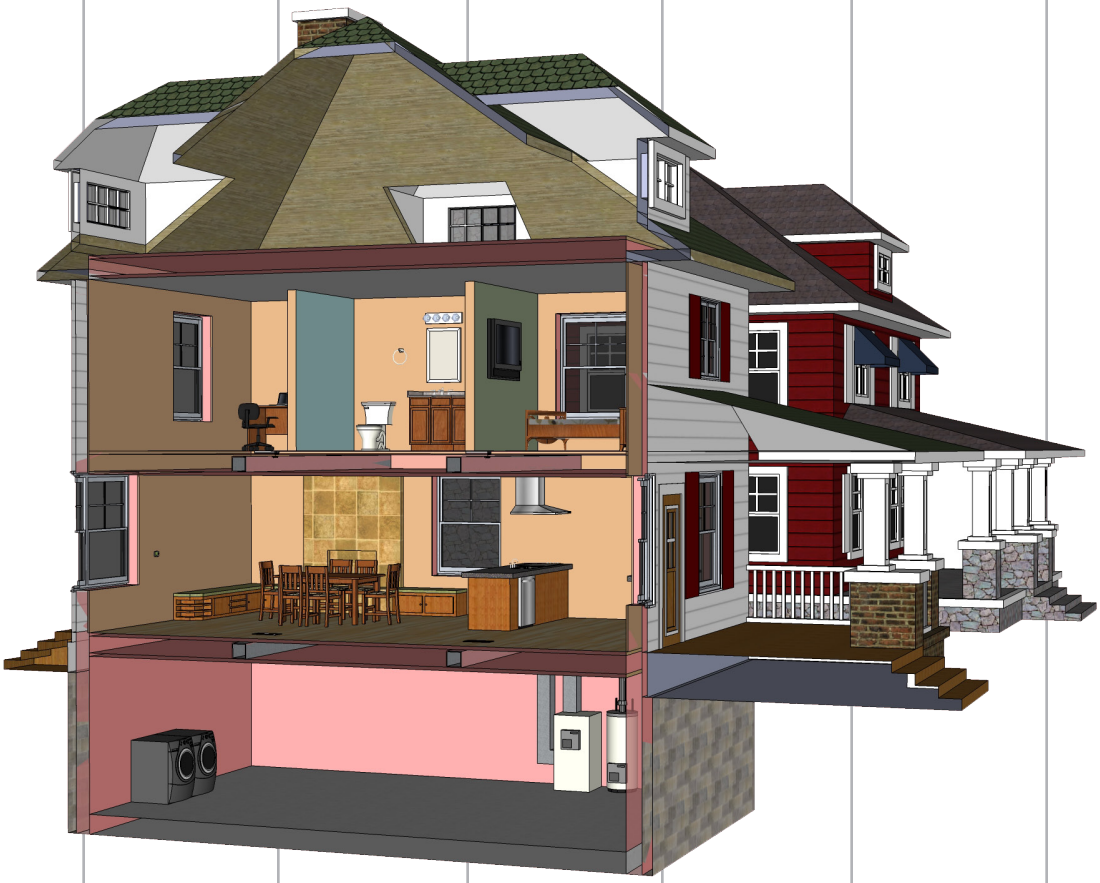
Thank you Mr. Chairman and Members of the Committee for your time and attention, and I would be glad to respond to any questions you may have.

BCAP Dedicated to the adoption, implementation, and advancement of building energy codes

Incremental Cost Analysis

One of the major barriers to adopting the latest model energy code is the concern that it would be expensive. To address this issue, BCAP quantified the incremental construction cost of upgrading to the 2009 IECC in each state where such an analysis was feasible.

The True Cost of Building a New Home



Updating from current practice to the 2009 IECC would result in a weighted average incremental cost of $840.77 per new home. However, **the average annual energy savings would be $243.37.**

When amortized over a thirty year loan with a 20 percent down payment, the additional upfront cost on a mortgage would be significantly lower. In fact, when factoring in energy savings, **the homeowner would see net savings within the first year!** Please see the other side for state-specific information.

State	Weighted Average Incremental Cost	Median Energy Savings	Mortgage Payback (Months)
Alabama	$668.76	$205.00	10
Arizona	$570.38	$217.00	8
Colorado	$922.73	$239.50	12
Connecticut	$897.42	$235.00	12
Georgia	$675.36	$206.00	10
Idaho	$872.81	$235.50	11
Iowa	$863.69	$260.50	10
Kansas	$1,403.96	$468.50	9
Kentucky	$773.92	$336.00	7
Louisiana	$572.43	$188.50	9
Massachusetts	$910.99	$200.50	10
Mississippi	$699.54	$211.50	10
Michigan	$965.19	$274.00	11
Minnesota	$1,873.00	$315.00	21
Missouri	$1,607.74	$459.00	11
Nevada	$777.15	$228.50	10
New Mexico	$619.18	$233.50	8
New York	$835.82	$259.00	10
North Carolina	$1,129.93	$221.50	17
North Dakota	$903.79	$343.00	8
Ohio	$803.04	$229.00	11
Pennsylvania	$697.79	$240.50	9
South Carolina	$546.37	$207.00	8
South Dakota	$1,331.27	$405.00	10
Utah	$825.20	$242.00	10
Virginia	$582.07	$225.00	8
Wisconsin	$556.18	$220.00	7
Weighted Incremental Cost	$840.77	$243.37	Avg: 10.25 months

We believe these cost estimates are conservative and represent an upper bound on incremental cost, as they utilize only traditional building techniques and do not take advantage of certain technologies or performance trade-offs that would lower these costs further and improve energy performance.

For more detailed cost data on all of the states listed above, as well as information on the methodology used, please review BCAP's complete incremental cost analysis model and report (http://bcap-ocean.org/resource/incremental-cost-analysis).

June 9, 2011

The Honorable Jeanne Shaheen
520 Hart Senate Office Building
Washington, DC 20510

The Honorable Rob Portman
B40D Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Shaheen and Senator Portman,

We the undersigned represent a broad-based coalition of energy efficiency and environmental organizations, small and large businesses, public interest organizations and faith organizations.

We commend your work on the Energy Savings and Industrial Competitiveness Act of 2011, which was introduced on May 12, 2011. Your bill will help to deploy energy efficiency across all sectors of our economy; save consumers and businesses money, help make us more competitive globally and reduce our dependence on imported sources of energy at a critical time. We look forward to working with you in the coming months to see that this important legislation is enacted into law.

We specifically commend those provisions in your bill that will help to drive job creation. For example, the Energy Savings and Industrial Competitiveness Act will include a state partnership manufacturing revolving loan fund to finance investments in manufacturing process equipment though the issuance of federal bonds. With this fund, domestic manufacturers can fine-tune their equipment, reduce utility related overheads, and strengthen their bottom-line.

Your legislation would also advance targets for national model building energy codes. Buildings currently consume 40% of all energy used in the United States. The Energy Savings and Industrial Competitiveness Act would support regular updates to the existing national model building codes. Building codes help investors overcome the market barriers that impede energy savings in this sector, and reduce energy costs for businesses.

Similarly, appliance standards provisions contained within the Energy Savings and Industrial Competitiveness Act will cut home energy costs to consumers by $43 billion through 2030.[1] Existing federal appliance standards have saved taxpayers more than $300 billion in energy bills and reduced national energy use by 3.6% annually. This provision is identical to S. 398, which was recently reported by the Senate Energy and Natural Resources Committee with a bipartisan 18-4 vote.

The Energy Savings and Industrial Competitiveness Act also contains a provision based on the Rural Star legislation which was passed by the House of Representatives last year. This program would create a loan program through rural public utilities and electric cooperatives to finance energy efficiency improvements for rural utility customers. Sponsors of the original bill estimate that it will create 20,000 to 40,000 jobs to conduct and implement these energy improvements.

[1] American Council for an Energy-Efficient Economy & Appliance Standards Awareness Project, Appliance and Equipment Efficiency Standards: A Money Maker and Job Creator. January 2011. http://www.standardsasap.org/documents/A111.pdf

Another important bill from last session, Supply Star, is also included in the Energy Savings and Industrial Competitiveness Act. This bill was reported favorably by the Senate Energy and Natural Resources Committee. Supply Star would promote energy efficiency improvements throughout the supply chain, including savings from product sourcing, development, distribution, use and disposal. This bill would provide crucial support to small businesses in reducing unnecessary energy expenditures.

As the nation's largest energy consumer, it is critically important that the federal government lead by example. The Energy Savings and Industrial Competitiveness Act contains several provisions which will improve the energy efficiency of federal agencies. Rather than squandering taxpayer's dollars on needless energy costs, the Energy Savings and Industrial Competitiveness Act implements practical, cost effective measures to tackle federal energy consumption. These provisions include personal computer power saving techniques, advanced metering, building upgrades and more.

By fully deploying the power of energy efficiency, we can help create new jobs, save energy, save money, and reduce carbon emissions. Energy efficiency takes effect faster than other policies designed to address our energy needs. Well designed programs such as those contained in the Energy Savings and Industrial Competitiveness Act will help those American families and businesses who are struggling today to lower their energy costs. Moreover, energy efficiency policies offer Americans protection from rising energy costs caused by political instability abroad, and moves us towards energy independence. We again commend your leadership in developing this comprehensive package, and offer our support in helping to advance this important bill toward enactment by the 112th Congress.

Sincerely,

Acuity Brands
Alliance for Industrial Efficiency
Alliance to Save Energy
American Chemistry Council
American Council for an Energy-Efficient-Economy
American Institute of Architects
Anvil Knitwear
Aspen Skiing Company
Association of Pool & Spa Professionals
Association of State Energy Research and-Technology Transfer Institutions
AT&T
Boulder Green Building Guild
Business Council for Sustainable Energy
Business for Innovative Climate and Energy-Policy
Capital E
Center for Environmental Innovation in Roofing
Citizens for Pennsylvania's Future (PennFuture)
CLC Associates
Clean Air-Cool Planet
Clean Water Action
Climate Solutions
Conservation Law Foundation
Conservation Services Group
Consumers Union
Copper Development Association
Council of North American Insulation-Manufactures
Danfoss
Digital Energy Solutions Campaign
Direct Energy
Dow Chemical Company
DwellTek Home Energy Solutions
Earth Day Network
Earthjustice
Eastern Mountain Sports
eBay Inc.
EDA Architecture
Eileen Fisher
ENE (Environment Northeast)
Energy Future Coalition
Energy Platforms

EnLink GeoEnergy
Environment America
Environmental and Energy Study Institute
Environmental Law and Policy Center
Federal Performance Contracting Coalition
FlexEnergy
Fresh Energy
Green Building Initiative
Green Strategies, Inc.
Guardian Industries Corp
Honeywell
Ingersoll Rand
Institute for Sustainable Communities
Intel
Interfaith Power and Light
International Copper Association
Johns Manville
Johnson Controls
Knauf Insulation
League of Conservation Voters
Legrand
Levi Strauss and Co.
Masco Corporation
National Association for State Community-Services Programs
National Association of Energy Service-Companies
National Association of State Energy Officials
National Electrical Manufacturers Association
National Wildlife Federation
Natural Resources Defense Council
Northeast Energy Efficiency Partnerships
Northwest Energy Efficiency Alliance
Northwest Energy Efficiency Council
NW Energy Coalition
Ohio Business Council for a Clean Economy
Oregon Environmental Council
Orion Energy Systems
Outdoor Industry Association
Owens Corning
Panasonic Corporation of North America
Polyisocyanurate Insulation Manufacturers-Association
Rebuilding Together
Republicans for Environmental Protection
Rinnai
Safety-Kleen Systems, Inc.
Schneider Electric
Siemens Corporation
Sierra Club
Southeast Energy Efficiency Alliance
Southern Alliance for Clean Energy
Stonyfield Farm
Symantec
TE Connectivity
The Stella Group, Ltd.
U.S. Clean Heat & Power Association
U.S. Conference of Mayors
Union for Reform Judaism
Union of Concerned Scientists
United Technologies Corporation
Utah Clean Energy
Watkins Manufacturing
Whirlpool Corporation
World Wildlife Fund