

May 25, 2016

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
H-232
U.S. Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
H-204
U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Harry Reid
Democratic Leader
U.S. Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Ryan, Democratic Leader Pelosi, Majority Leader McConnell, and Democratic Leader Reid:

On behalf of a coalition of energy efficiency organizations, large and small businesses, trade associations, and public interest groups, we, the undersigned, are writing to express our priorities for energy efficiency provisions in a conference committee established to reconcile differences between H.R. 8, the North American Energy Security and Infrastructure Act of 2015, and S. 2012, the Energy Policy Modernization Act of 2015. We understand and appreciate the range of interests House and Senate conferees will be asked to consider. We are also confident that a strong energy efficiency title, negotiated with these priorities in mind, will be critical in the development of a conference report that can pass the House and Senate and be signed into law by President Obama.

First, a conference report should maintain most of the efficiency title in S. 2012, with one important exception (please see below), as passed by the Senate. The majority of the S. 2012 efficiency title draws upon bipartisan legislation sponsored by Senators Rob Portman (R-Ohio) and Jeanne Shaheen (D-N.H.) and Representatives David McKinley (R-W.V.) and Peter Welch (D-Vt.). The Portman-Shaheen/McKinley-Welch bills, and especially the provisions dealing with improving the process that leads to building energy codes, are the product of many years of negotiation and consensus-building. We urge conferees to resist any temptation to substitute the building energy code provisions in S. 2012 with any language based on legislation or amendments offered by Representatives Marsha Blackburn (R-Tenn.) and Kurt Schrader (D-Ore.). Inclusion of any provisions that would impede the continued development of building energy codes in a conference report will severely and irreparably erode its ability to attract bipartisan support and ultimately doom its prospects for enactment.

Second, the conference report should also contain provisions of the Sensible Accounting to Value Energy (SAVE) Act, which were added after an amendment offered by Senators Johnny Isakson (R-Ga.) and Michael F. Bennet (D-Colo.) was approved with 66 votes. Combined, the

Portman-Shaheen/McKinley-Welch legislation and SAVE Act provisions will produce a compounded, positive effect and lead to significant savings for American homeowners. Please find enclosed an analysis by the American Council for an Energy-Efficient Economy that estimates the potential for economic benefits and provides points of comparison for the magnitude of savings.

Third, the main provision of S. 2012 that should be replaced with its counterpart in H.R. 8 pertains to standards for residential furnace standards. The language in H.R. 8 (Sec. 3123) is the result of negotiation and represents a broad consensus of stakeholders. On the other hand, Sec. 1103 in S. 2012 enjoys no such support and would impede the U.S. Department of Energy's ability to fulfill its statutory obligations to set appliance and equipment standards after receiving information and input from manufactures and stakeholders. Worse, the negative precedent set by the residential furnace standard language in S. 2012 would lead to billions of dollars of lost savings from inefficient appliances and equipment across many other product classes. We urge conferees to replace the residential furnace standard language in S. 2012 with the more thoroughly-considered and widely-supported version in H.R. 8.

Fourth, a conference report should be responsive to the needs of the states, which are on the leading edge of program and policy innovation and deliver opportunities for savings to low-income Americans. A conference report should contain reauthorizations for the Weatherization Assistance Program (Sec. 1012) and State Energy Program (Sec. 1013) included in S. 2012. To further encourage innovation in energy efficiency financing program development, a conference report should include an expansion of the Sec. 1703 loan guarantee program that permits states and state-level financing institutions to participate (Sec. 4002 of S. 2012).

Fifth, and finally, we urge conferees to consider the great benefits from energy efficiency provisions more generally. A conference report should also contain language on smart buildings, smart manufacturing, federal buildings, energy savings performance contracting, utility energy service contracting, and water efficiency in addition to those priorities previously enumerated. The benefits from a conference report with the strongest possible energy efficiency title will accrue to and be realized by homeowners and consumers across the U.S. and businesses in every sector.

House and Senate conferees should strike agreement whenever possible on language that already enjoys consensus in order to facilitate a speedy and successful conclusion to their work. With the exception previously noted, the energy efficiency provisions in S. 2012 generally enjoy significant levels of support and should therefore be included in a conference report. Energy efficiency as an issue is bipartisan and conducive to consensus-building, which tends to lead to noncontroversial language supported by diverse coalitions such as ours. Leading a conference report with a strong energy efficiency title aligned with these priorities will do the most to assure House and Senate passage and enactment into law.

Thank you for your consideration.

Alliance to Save Energy
American Council for an Energy-Efficient Economy

ASHRAE
Danfoss
Energy Future Coalition
Illuminating Engineering Society
International Copper Association, Ltd.
Knauf Insulation
Legrand
National Association of State Energy Officials
Polyisocyanurate Insulation Manufacturers Association
Sacramento Municipal Utility District
Schneider Electric
The Stella Group, Ltd.

Enclosure

CC: Chairman and Ranking Member of the U.S. House of Representatives Energy and
Commerce Committee and Chairwoman and Ranking Member of the U.S. Senate Energy
and Natural Resources Committee