

**TESTIMONY OF PETER R. SMITH, PRESIDENT
NEW YORK STATE ENERGY RESEARCH AND
DEVELOPMENT AUTHORITY AND CHAIR,
NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS
BEFORE THE HOUSE INTERIOR, ENVIRONMENT AND RELATED
AGENCIES APPROPRIATIONS SUBCOMMITTEE IN SUPPORT
OF FY'07 U.S. ENVIRONMENTAL PROTECTION AGENCY FUNDING**

Mr. Chairman and members of the Subcommittee, I am Peter Smith of New York, and Chair of the National Association of State Energy Officials (NASEO). NASEO represents the energy offices in the states, territories and the District of Columbia. NASEO is submitting this testimony in support of funding for the Energy Star program (within the Climate Protection Division of the Office of Air and Radiation) at the U.S. Environmental Protection Agency (EPA). **NASEO supports funding of at least \$15 million above the Administration's FY'07 request of \$45 million, including specific report language directing that the funds be utilized only for the Energy Star program.**

The Energy Star program is focused on voluntary efforts that reduce the use of energy, promotes energy efficiency and renewable energy, and works with states, local governments and business to achieve these goals in a cooperative manner. NASEO has worked very closely with EPA and over thirty-five states are Energy Star Partners. In 2005, EPA and NASEO announced a new Clean Energy and Environment State Partnership program, which already has approximately fifteen state members. We are working closely with EPA on a new Energy Efficiency Action Plan and the Energy Star Challenge. On October 5, 2005 we worked with EPA to have over half the states declare "Change a Light" Day. With very limited funding, EPA's Energy Star program works closely with the state energy offices to give consumers and businesses the opportunity to make better energy decisions, without regulation or mandates.

Energy Star focuses on energy efficient products as well as buildings. In 2005, 175 million Energy Star products were purchased. The Energy Star label is recognized across the United States. It makes the work of the state energy offices much easier, by working with the public on easily recognized products, services and targets. In order to obtain the Energy Star label a product has to meet established guidelines. Energy Star's voluntary partnership programs include Energy Star Buildings, Energy Star Homes, Energy Star Small Business and Energy Star Labeled Products. The program operates by encouraging consumers, working closely with state and local governments, to purchase these products and services. Marketplace barriers are also eradicated through education.

In addition to the state partners, the program has more than 8,000 company partners. More than 500,000 families now live in Energy Star homes, saving \$110 million annually. We are working with EPA, DOE and HUD on the development of a "Home Performance" with Energy Star activity. This allows us to focus on whole-house improvements, not simply a single product or service. This will be extremely beneficial to homeowners. Pilots have already been undertaken in New York, Illinois and Wisconsin. We are also working closely with EPA in the implementation of the new Energy Star Challenge, which is encouraging businesses and institutions to reduce energy use by 10% or more, usually through very simple

actions. We will work with the building owners to identify the level of energy use and compare that to a national metric, establish goals and work with them to make the specified improvements. Again, this is being done without mandates.

The state energy offices are very encouraged with progress made at EPA and in our states to promote programs to make schools more energy efficient, in addition to an expanding Energy Star business partners program. This expansion will continue. EPA has been expanding the technical assistance work with the state energy offices in such areas as benchmark training (how to rate the performance of buildings), setting an energy target and training in such areas as financing options for building improvements and building upgrade strategies.

This Subcommittee was instrumental in funding the State Technologies Advancement Collaborative (STAC), which is a joint venture between the state energy offices, the state research institutions and the Department of Energy. We had worked closely with the Energy Star program to ensure that STAC coordinates the Rebuild America activities with EPA's Energy Star program. Unfortunately, both the Department of Energy and the Energy and Water Development Appropriations Bill in FY'06 eliminated funding for STAC. It has been successful.

The state energy offices are working cooperatively with our peers in the state environmental agencies and state public utilities commissions to ensure that programs, regulations, projects and policies are developed recognizing both energy and environmental concerns. We have worked closely with this program at EPA to address these issues. The level of cooperation from the agency has been extraordinary and we encourage these continued efforts.

State Examples

North Carolina is aggressively working with the Energy Star program. The Governor issued Executive Order 156, directing state agencies to purchase Energy Star qualified office equipment. In 2003, the State Legislature passed House Bill 1150, directing the establishment of energy efficiency standards for certain products, with Energy Star qualifications. In the State more than 500 companies and public entities participate in the Energy Star program.

In Washington State more than 320 companies and public entities are participating in Energy Star, with significant small business participation. The state energy office, working with the Northwest Energy Efficiency Alliance, businesses and utilities throughout the region, has been promoting market transformation activities focused on Energy Star. In 2002 alone, the savings attributed to improved residential lighting was 45 megawatts.

Sixty-three manufacturers of Energy Star products are located in Pennsylvania. The State and EPA have been focusing efforts on improving the energy performance of schools. Almost 900 retail locations throughout the State carry Energy Star qualified products. Recent developments have included evaluation of the energy performance of almost 800 buildings in order to facilitate the implementation of energy improvements.

New York has been one of the most aggressive states in implementing Energy Star, tailored to the unique needs of the State. The New York State Energy Research and Development Authority (NYSERDA), the state energy office, has contributed more than \$12 million to promote Energy Star within the State. NYSERDA's unique air-conditioning bounty and buy-back program in New York City, utilizing Energy Star air-conditioners, resulted in a complete market transformation. Approximately 200,000 high efficiency air-conditioners were sold, with the disposal of older, inefficient units. This produced a measurable drop in peak demand. Companies with extremely active Energy Star programs in the State include Canon U.S.A., Eastman Kodak, Starwood Hotels and Verizon Communications.

We can provide a myriad of other state examples at your request.

Conclusion

Increases in funding for the Energy Star Programs are justified. NASEO endorses these activities and the state energy offices are working very closely with EPA to cooperatively implement a variety of critical national programs.