

**TESTIMONY OF PETER R. SMITH, PRESIDENT
NEW YORK STATE ENERGY RESEARCH AND
DEVELOPMENT AUTHORITY AND CHAIR
NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS
BEFORE THE SENATE INTERIOR, AND RELATED
AGENCIES APPROPRIATIONS SUBCOMMITTEE IN SUPPORT
OF FY'07 U.S. ENVIRONMENTAL PROTECTION AGENCY FUNDING
April 26, 2006**

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, to a level of \$60 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. As we are facing an energy emergency, these programs are even more urgently needed today.

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.

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

In the examples noted below, the state energy offices have been active program participants and promotion agents for Energy Star. We can provide a myriad of other state examples at your request.

Alaska: Thirty companies and public entities in the State are now working with the Energy Star program, with 7,200 homes already earning the Energy Star label. With high energy costs, the evaluation tools prepared by Energy Star have been very helpful in assessing building performance and recommending and implementing improvements. For example, the Matanuska-Susitna Borough School District has upgraded lighting, installed programmable thermostats and taken other measures to reduce energy usage.

California: More than 1,850 companies and public entities are participating in the program, with 202 manufacturers of Energy Star products located in the State. More than 21,100 homes have already earned the Energy Star label (D.R. Horton Homes built 1,049 homes in 2005 to Energy Star standards). The State is focusing on a new homes program, there is a State “Energy Star” purchase requirement and companies as varied as Intel Corporation and Hilton Hotels have been program participants.

Colorado: Energy Star initiatives and projects have been implemented throughout the State. Some notable examples include the: 1) Poudre School District in Fort Collins, which completed 95 projects saving over \$300,000/year; 2) Jefferson County Public Schools in Golden, which are saving \$2.8 million each year; and 3) 26 different homebuilders constructing Energy Star homes (Aspen Homes now builds 100% of its homes to Energy Star standards). Hundreds of companies and public entities are participating in the program.

Idaho: Twenty-eight companies are building Energy Star homes in the State. Western Window in Caldwell is producing Energy Star windows for use in the southern part of the State. Utilities are actively participating in the program, including both investor-owned and municipal utilities. The State's "GemStar" program is promoting the use of high performance homes. Over 100 companies and other public entities are involved in the program.

Maryland: Almost 800 companies and public agencies are involved in Maryland. Over 4,000 homes have earned the Energy Star label. State legislation has promoted the use of Energy Star appliances, including making some energy efficient models tax free. Partners include such diverse entities as Harley-Davidson, Howard County Public Schools and Archstone Smith Realty.

Mississippi: With 60 companies and public entities, numerous manufacturers and many homes participating in Energy Star and earning the Energy Star label, Mississippi is moving aggressively to promote the program. Retailers stocking Energy Star products include Wal-Mart, Best Buy, Circuit City, Home Depot, Lowe's, Sam's Club and Sears. Five companies are now building Energy Star homes. This has taken on added urgency in the wake of Hurricane Katrina.

Montana: Over 50 companies and public entities are participating in the program, with 210 retail locations selling Energy Star products. Executive Order 03-01 has directed that Energy Star be included in state procurement. Active partners include the Northwest Energy Efficiency Alliance, Montana State University, hospitals, schools districts, etc. The State has forcefully promoted the program.

Nevada: Over 100 companies and public entities are program participants. The state energy office and the public utility commission are working together to promote a variety of activities, including a recent Energy Star appliance rebate program for utilities. The Nevada Energy Star Partners Campaign has increased consumer awareness to 90%. The Clark County School District has reduced annual utility costs by \$4 million through energy efficiency efforts across 147 schools. The City of Las Vegas has saved 4.8 million kWh through aggressive energy efficiency measures. Thirty-three companies are now building Energy Star homes. 3,600 homes built by Astoria Homes have now earned the Energy Star label.

New Hampshire: Over 110 companies and numerous public entities are program participants. Hundreds of retail locations are selling Energy Star products. Rebates for Energy Star products are now offered by the utilities as a result of regulatory actions. The State initiated a master lease program to promote performance contracting for energy efficiency initiatives. Over 500 State-owned buildings are either being evaluated or undergoing modifications.

New Mexico: Over 80 companies and public entities are participating in the program, with over 2,200 homes already receiving the Energy Star rating. Active participants thus far include Two Park Square in Albuquerque, the federal buildings in Gallup and Roswell, the Albuquerque Indian Hospital and the VA Health Center and scores of schools in Albuquerque. Six companies are now building Energy Star homes, led by Artistic Homes.

North Dakota: Thirty companies and public entities are participating, with 3 manufacturers of Energy Star products located in the State. Numerous schools have been involved, including, for example, Grand Forks West Elementary School, Grand Forks Winship Elementary School, Cavalier Public Schools and Walhalla Public Schools. A variety of retailers sell these products and Thermal Line Windows in Mandan sells Energy Star windows in 12 states.

Utah: Over 110 companies and public entities are program participants, with over 170 retail outlets selling Energy Star products. For example, more than 1,800 Energy Star homes have been constructed by Ence Homes (St. George). Thirty-two companies are now building Energy Star homes. Amsco Windows of Salt Lake City is a major seller of Energy Star windows. The University of Utah has now retrofitted 81 buildings with significant energy efficiency improvements.

Vermont: Over 150 companies and public entities are program participants, with 5 manufacturers of Energy Star products located in the State. Over 1,900 homes have already earned the Energy Star rating, with active promotion of the program accelerating market penetration and acceptance. The State has created three Energy Star Retail Centers with associated training programs. The state energy office, the Vermont Energy Investment Corporation (operating public benefit programs), Efficiency Vermont (composed of 20 utilities and others), Green Mountain College, Killington Ski Resort and the University of Vermont are all aggressive program participants. Vermont is also part of the Northeast Energy Star Lighting and Appliance Initiative that has saved 8 billion kWh in a five-state region.

West Virginia: Seventy companies and public entities are participating in the program. The state energy office has provided technical assistance to industries, public institutions and local governments to promote Energy Star products and services, including over 100 energy audits leading to significant improvements. Individual participants have included Royal Vendors, Inc. (Kearneysville), Simonton Windows (Parkersburg) and Marion County Schools (Fairmont). Expanded public information initiatives focus on Energy Star.

Wisconsin: Almost 800 companies and public entities are participating in Energy Star. For example, over 1,900 homes constructed by Veridian Homes have earned Energy Star status. In addition, 45 schools, 6 office buildings, 4 supermarkets and 3,000 existing homes have now earned Energy Star recognition. In addition to active promotion work by the state energy office having spearheaded the implementation of 22 facility upgrades leading to \$2.6 million in annual savings, 350 builders are constructing Energy Star homes. Johnson Controls, based in Milwaukee, has been an industry leader in promoting Energy Star through their performance contracting activities. A new promotional campaign has led to the sale of more than 900,000 Energy Star qualified products.

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.