

**TESTIMONY OF WILLIAM (“DUB”) TAYLOR, CHAIR
NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS
BEFORE THE HOUSE INTERIOR, ENVIRONMENT AND RELATED
AGENCIES APPROPRIATIONS SUBCOMMITTEE IN SUPPORT
OF FY=09 U.S. ENVIRONMENTAL PROTECTION AGENCY FUNDING**

Mr. Chairman and members of the Subcommittee, I am Dub Taylor of Texas, 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 \$90 million, including specific report language directing that the funds be utilized only for the Energy Star program.** We were extremely disappointed with the \$44.2 million FY’09 request and the \$48.2 million funding level established in FY’08. At the present time, Congress is seriously considering climate legislation. The Energy Star programs are successful and cost-effective. They should be expanded, not reduced. With oil prices at \$110/barrel, gasoline prices nearing \$4/gallon, large spikes in natural gas, heating oil and propane, Energy Star can help consumers quickly.

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 40 states are Energy Star Partners. In 2005, EPA and NASEO announced a new Clean Energy and Environment State Partnership program, which already has fifteen state members, including California, Massachusetts, New Mexico, New York, Pennsylvania and Virginia. We are working closely with EPA on the new National Action Plan for Energy Efficiency, the Energy Star Challenge, Home Performance with Energy Star, etc. 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 2006, 300 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 9,000 company partners. More than 750,000 families now live in Energy Star homes, saving \$170 million annually. The AHome Performance@ with Energy Star activity 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, Maryland, Texas and Wisconsin. We are also working closely with EPA in the implementation of the Energy Star Challenge, which is encouraging businesses and institutions to reduce energy use by 10% or more, usually through very simple actions. We are working 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 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. Energy Star investments in Washington will prevent the emissions of 5 million metric tons of greenhouse gases. Washington has approximately 5,600 homes that earned the Energy Star and more than 680 buildings with over 100 million square feet have been rated for energy efficiency, with 52 buildings earning the Energy Star for superior efficiency. In 2002 alone, the savings attributed to improved residential lighting was 45 megawatts.

In Massachusetts, businesses and residences will save \$3 billion in Energy Star investments that have already been made, which will also reduce emissions by 9 million metric tons. Energy Star products are sold at 870 locations within the state, 12,000 homes have earned Energy Star and 260 companies and public entities directly participate in the program. Massachusetts has 86 buildings that have earned the Energy Star for superior efficiency and all state agencies are required to purchase Energy Star qualified office equipment. The Renewable Energy Trust, part of the Massachusetts Technology Collaborative, partnered with Massachusetts Energy Star to provide rebates for eligible renewable energy installations in Energy Star homes.

In New Mexico, businesses and residents will save more than \$500 million through Energy Star investments that have already been made. This will reduce emissions by 1 million metric tons. Thirty-nine companies participate in Energy Star and over 3,300 homes are Energy Star compliant. New Mexico has 63 buildings with over 9 million square feet that have

been rated for energy efficiency, with 6 buildings earning the Energy Star for superior efficiency. Public Service Company of New Mexico offers cash rebates for water heater wraps and Energy Star programmable thermostats.

New York has been one of the most aggressive states in implementing Energy Star, tailored to the unique needs of the state. Residents and businesses in the state will save more than \$9 billion through Energy Star investments that have already been made. These investments will prevent the emissions of 24 million metric tons of greenhouse gases (equivalent to eliminating 16 million vehicles). Within the state, 9,000 homes have earned Energy Star ratings, and 670 companies and public entities participate in Energy Star. 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. NYSEDA'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. NYSEDA offers home builders a cash incentive of \$3,000 per home for building a home that meets or exceeds Energy Star guidelines. Companies with extremely active Energy Star programs in the state include Canon U.S.A., Eastman Kodak, Starwood Hotels and Verizon Communications.

Pennsylvania will save more than \$4 billion through investments made by Energy Star which will reduce emissions by 15 million metric tons of greenhouse gases. More than 310 companies and public entities participate in Energy Star and consumers can purchase Energy Star products at 900 locations in the Commonwealth. Pennsylvania has 1200 buildings with over 200 million square feet rated for energy efficiency with 80 buildings earning the Energy Star for superior efficiency. AFC First Financial Corporation has made low-interest loans to finance \$1 million in Energy Star heating and cooling systems. Over 60 manufacturers of Energy Star products are located in Pennsylvania. The state and EPA have been focusing efforts on improving the energy performance of schools. Over 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.

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.