

**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=10 U.S. ENVIRONMENTAL PROTECTION AGENCY FUNDING
May 15, 2009**

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 \$105 million, including specific report language directing that the funds be utilized only for the Energy Star program.** We were extremely disappointed with the \$50 million FY’ 10 request and the final FY’09 funding level. 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 energy prices increasingly volatile, 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 many state members, including (for example) California, Massachusetts, New Mexico, New York, Pennsylvania and Virginia. We are working closely with EPA on the 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 2008, 550 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. State energy offices are working with EPA to promote Energy Star products, Energy Star for new construction, Home Performance with Energy Star (especially for existing homes), Energy Star for public housing, etc.

In addition to the state partners, the program has over 2400 manufacturers using the label, 1,000 retail partners, 6,500 builder partners, 4,500 businesses, 550 utilities and

thousands of energy service providers. The Home Performance with Energy Star activity allows us to focus on whole-house improvements, not simply a single product or service. This is extremely beneficial to homeowners. Programs have already been undertaken in California, New York, Illinois, Maryland, Oregon, 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.

Expansion of Energy Star

The Energy Star program saves consumers billions of dollars every year. The payback is enormous. NASEO supports an approximate doubling of this program to \$105 million in FY'10. The elements of the expanded program are as follows:

1) \$12.5 million should be appropriated to expand the program to upgrade energy-inefficient homes. Consumers could save \$500 per year on their energy expenditures, which is \$10,000 over 20 years (nominal dollars). This is real money in the pockets of consumers. It can help them stay in their homes and help the economy. There are significant, off-the-shelf energy efficiency measures that can be utilized. A large expansion of the Home Performance with Energy Star is the critical element of this initiative. Additional work to encourage quality installation of heating and cooling equipment would also produce real savings.

2) \$7.5 million should be appropriated for an expansion of energy performance ratings systems for the nation's buildings. Information on energy use per square foot is a key motivating tool. This can help commercial building owners make the right decisions.

3) \$10 million should be appropriated for expansion of Energy Star to medium and small manufacturers and small businesses. The state energy offices are working hard to preserve and expand jobs in this difficult economy. Energy Star is a powerful tool to help reduce operating costs and maintain profits and jobs.

4) \$10 million should be appropriated for an expanded outreach program for energy efficiency to states, utilities, local governments, schools and other potential program sponsors. Energy Star provides crucial technical assistance to help work with these entities to expand energy efficiency programs throughout the economy.

5) \$10 million should be appropriated for additional outreach to state and local governments. Energy Star has been helpful, but is woefully underfunded in efforts to share best practices.

6) \$5 million should be appropriated to offer new opportunities to incorporate new technologies into Energy Star.

The funds delineated above should be added to the existing appropriation. It is especially critical for the Energy Star program to work with the states and local governments as they distribute stimulus funds for the State Energy Program (\$3.1 billion), the Energy Efficiency and Conservation Block Grant (for local and state governments)(\$3.2 billion), the Weatherization Assistance Program (\$5 billion) and the Appliance Rebates Program (\$300 million). The funding provided in this bill will help spend this money more effectively.

State Examples

In Washington State, hundreds of 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 millions of metric tons of greenhouse gases. Washington has approximately 6,000 homes that earned the Energy Star and more than 700 buildings with over 100 million square feet have been rated for energy efficiency.

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 almost 1000 locations within the state, over 12,000 homes have earned Energy Star and hundreds of companies and public entities directly participate in the program. 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.

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, over 10,000 homes have earned Energy Star ratings, and hundreds of companies and public entities participate in Energy Star. The New York State Energy Research and Development Authority (NYSERDA), the state energy office, has contributed millions of dollars to promote Energy Star within the state and this contribution

has recently expanded. 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. NYSERDA 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.

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.