

**TESTIMONY OF WILLIAM (“DUB”) TAYLOR, CHAIR
NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS
BEFORE THE SENATE INTERIOR, ENVIRONMENT AND RELATED
AGENCIES APPROPRIATIONS SUBCOMMITTEE IN SUPPORT
OF FY=10 U.S. ENVIRONMENTAL PROTECTION AGENCY FUNDING
May 15, 2009**

Madam Chair 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’ 10 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 has many state members, including California. 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 2,400 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. For example, a Mid-Atlantic regional effort has been initiated. 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:

- \$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.
- \$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.
- \$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.
- \$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.
- \$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.

- \$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 **California**, residents and businesses are projected to save over \$14 billion through the Energy Star investments that have already been made. Well over 10,000 California homes have earned the Energy Star. California also has a tax credit for the construction of a new, or purchase of an existing, Energy Star Home. The State Green Building Action Plan requires State agencies to only lease Energy Star space and purchase Energy Star equipment. The State also has an Energy Star Residential Fixture promotion program.

In **Colorado**, Energy Star investments in qualified products, homes and buildings are projected to save well over \$2 billion over the life of these efforts. Approximately 10,000 homes in the State have earned the Energy Star and over 900 buildings (over 130 million square feet) have been rated utilizing the performance rating system. Approximately one-hundred Colorado companies are now building Energy Star rated homes. Aggressive Energy Star efforts are occurring in schools throughout the state. With the passage of new State legislation and actions by the Governor, aggressive new Energy Star promotion activities have had a significant impact.

Maryland passed a group of major energy bills promoted by the Governor. The Maryland Energy Administration is tasked with leading the charge to promote energy efficiency and reduce energy consumption quickly. 140 companies and public entities are participating in Energy Star in the State. 130 million square feet of buildings in Maryland have been rated for energy efficiency. Tax incentives are also available to consumers for the purchase of Energy Star qualified products.

Thirty companies and public entities in **Mississippi** are participating actively in Energy Star product promotions. Millions of square feet of buildings have been rated for energy efficiency. The State is also working with other southeastern states to promote energy efficiency in commercial buildings through the Southeast Rebuild Collaborative. The State Energy Office (Mississippi Development Authority) has been providing training to schools and government agencies in Energy Star tools.

\$600 million will be saved in the Energy Star investments that have already been made in **Nebraska**. 21 million square feet of buildings in the State have been rated using energy performance rating system tools. The Nebraska Energy Office has also been promoting the program and sponsored an energy-efficient prototype home in Lincoln that is demonstrating affordable yet energy-efficient housing techniques. The Energy Office provides loans to finance residential energy efficient improvements. Many companies are now building Energy Star homes in the State.

Seventy-eight companies and public entities in **New Hampshire** have been actively promoting Energy Star. 2,000 homes so far have earned the Energy Star and 14 million square feet of buildings have been rated. Scores of New Hampshire companies are building Energy Star homes and the first three residence halls in the country to earn the Energy Star are located on the University of New Hampshire campus in Durham.

Rhode Island businesses and residents will save more than \$400 million through Energy Star investments they have already made. Over 2,000 homes have been rated utilizing Energy Star tools. The State has held a sales tax holiday for Energy Star labeled products. The State, in cooperation with National Grid, has been promoting Home Performance with Energy Star.

Five million square feet of building space in **South Dakota** has been rated for energy efficiency utilizing EPA's performance rating system. The State has been aggressively promoting a variety of Energy Star efforts, including Energy Star Change a Light Day.

In **Tennessee**, well over one hundred companies and public entities, including significant numbers of small businesses, have been participating in Energy Star. Businesses and residents are projected to save over \$2 billion through Energy Star investments that have already been made. The State Energy Office has taken the lead in promoting the Energy Star Challenge and the Change a Light campaign, urging consumers to shift to CFLs. Participants in the program range from Nashville Habitat for Humanity to Clayton Homes, Inc.

Utah residents and businesses will save over \$700 million through investments they have already made in Energy Star products, homes and buildings. Well over one hundred companies are actively participating in the Energy Star program. 7,500 Utah homes have earned the Energy Star and over 17 million square feet has been rated for energy efficiency in the State.

Vermont has aggressively promoted energy efficiency for many years and scores of public entities and companies have been involved in the program. Approximately 5,000 homes in the State have earned Energy Star, which is a high percentage. In addition, 120 buildings covering 8 million square feet have been rated for energy efficiency utilizing EPA's energy performance rating system. As a result of an Executive Order (14-03), State agencies are only permitted to purchase Energy Star products.

Residents and businesses in **West Virginia** will save over \$400 million as a result of Energy Star investments that they have already made. Over 13 million square feet of building space has been rated utilizing EPA's energy performance rating system. The State Energy Office (West Virginia Development Office) has been helping county school systems throughout the State by providing both Energy Star benchmarking tools and other financial mechanisms to help implement improvements. Giant Eagle and Food Lion have been Energy Star leaders in the State.

Wisconsin has approximately 500 companies and public entities that have been promoting Energy Star. Over 8,000 homes have earned Energy Star and over 180 million square feet of building space, across 1,500 buildings, have been rated for energy efficiency. Energy Star is now part of the State's procurement guidelines. A 2005 study found that Wisconsin Energy Star new homes utilize 23% less energy per square foot for heating than older Wisconsin homes, even though the new homes are generally 22% larger.

Conclusion

Significant 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.