

# **Testimony of Kateri Callahan, President Alliance to Save Energy**

**House Committee on Energy and Commerce,  
Subcommittee on Energy and Air Quality  
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## **Energy Efficiency Committee Discussion Draft**

### **Introduction**

The Alliance to Save Energy is a bipartisan, nonprofit coalition of more than 120 business, government, environmental and consumer leaders. The Alliance's mission is to promote energy efficiency worldwide to achieve a healthier economy, a cleaner environment, and greater energy security. The Alliance, founded in 1977 by Senators Charles Percy and Hubert Humphrey, currently enjoys the leadership of Senator Mark Pryor as Chairman; Duke Energy CEO Jim Rogers as Co-Chairman; and Representatives Ralph Hall, Ed Markey and Zach Wamp, along with Senators Jeff Bingaman, Larry Craig, Susan Collins and Byron Dorgan as its Vice-Chairs. Attached to this testimony are lists of the Alliance's Board of Directors and its Associate members.

The Alliance applauds the committee on its draft provisions on building and industrial energy efficiency and is pleased to offer these detailed comments.

### **The Potential Impact of Energy Efficiency in Buildings**

Natural gas prices have doubled in the last few years, and electricity prices also reached all-time highs. Including gasoline as well, recent energy price increases cost American families and businesses over \$300 billion each year. The president recognized energy security as a major issue in the State of the Union message. And the world's scientists just reaffirmed the urgent need to reduce global warming. These problems are not going to go away—electricity use in the United States is projected to grow by half by 2030. Such growth will lead to higher prices, greater volatility, and increasing dependence on foreign natural gas as well as foreign oil.

Building energy use is a major factor in these linked problems of energy prices, energy security, and global warming, and must be a major part of their solution. About 40 percent of all energy used in the United States, and more than two-thirds of electricity, goes to heat, cool, and power buildings. Building energy is also responsible for about 40 percent of U.S. carbon dioxide emissions. Just over half of that is for homes, the rest for a wide variety of commercial buildings.

Great strides have been made in improving the efficiency of appliances, heating and cooling systems, equipment, and the building envelope (walls, windows, doors, and roofs). At the same time the growing size of homes and appliances, and the growth in electronic equipment have overwhelmed the efficiency savings.

An even greater savings potential remains—a recent study by the McKinsey Global Institute found that measures that pay for themselves in ten years would save 36 percent of energy use for homes and 19 percent of energy used for commercial buildings. A 2000 study by several national labs estimated that energy-efficiency policies and programs could cost-effectively reduce U.S. energy use in residential buildings by 20 percent and in commercial buildings by 18 percent over a 20-year span, essentially reversing the growth they projected in building energy use. The American Institute of Architects has called for reducing fossil fuel use in new and renovated buildings by 60 percent by 2010 and by 100 percent by 2030.

A combination of several policies and programs have made a real impact on saving energy in buildings, including appliance standards, building energy codes, labeling programs, tax incentives, and research and development of new technologies and utility energy-efficiency programs.

## **Appliance Energy-Efficiency Standards**

Appliance standards have been one of the most effective energy-efficiency programs. Standards in place today are expected to save 7 percent of U.S. electricity use and reduce greenhouse gas emissions by 65 million metric tons by 2010, and are expected to save consumers \$234 billion (this is *net* savings—after repaying any increased first-cost for more efficient appliances). Energy efficiency advocates and states have identified at least 15 appliance types with significant energy savings opportunities but no federal efficiency standards at present. Adopting efficiency standards for these 15 products alone could save 52 TWh of electricity and 340 billion cubic feet of natural gas annually by 2020, and save consumers \$54 billion in energy costs between now and 2030. Even more could be saved by updating existing federal standards.

In recent years the Alliance and other energy-efficiency advocates have focused much of our attention on lengthy delays and lack of progress at DOE in setting required appliance standards. Due to a provision in EAct 2005—and a lawsuit—last year DOE set an explicit schedule for appliance standard rulemakings, which was later adopted in a court order. So far, they have met that schedule. However, the two new DOE-proposed standards (on distribution transformers and residential furnaces) were far weaker than we and many others believe is required by federal law, justified by DOE's own data and analysis, and needed in order to meet the energy needs of our nation.

We urge you to monitor carefully both DOE's adherence to its regulatory schedule and the actual outcome of the rulemaking process, and we thank you for holding a hearing on the program recently. We also support the strong package of appliance standards provisions you have included in the discussion draft, with some modifications.

***Consensus standards (Sec. 101, 102, 103, 122):*** First, since EAct 2005 we have reached additional consensus agreements with product manufacturers on new and updated standards

for clothes washers, dishwashers, dehumidifiers, boilers, incandescent reflector lamps, and electric motors. These standards can be adopted more quickly by Congress and with less burden on the DOE program. We do not believe these provisions are controversial, but they are important. Based on estimates by the Appliance Standards Awareness Project (ASAP), these standards should save (after all appliances have been replaced): 14 billion kilowatt-hours of electricity each year, 170 million therms of natural gas a year, 560 million gallons of water a day, and \$8 billion in reduced energy bills.

***New light bulb standard (Sec. 121):*** A new performance standard for general service light bulbs could be the most important, single energy-efficiency measure in this bill or any bill in recent years. The Alliance is currently hosting intensive negotiations with other efficiency advocates and manufacturers to come to agreement on a series of performance standards for light bulbs that would be technology-neutral, but would in effect bar the incandescent lights we have used for the past century in favor of more efficient new halogen, fluorescent, and eventually light-emitting diode technologies. We estimate such standards could save 65 billion kilowatt-hours of electricity each year or the equivalent of 80 coal-fired power plants; \$18 billion in avoided energy costs; and would avoid the release of 158 million tons of CO<sub>2</sub> and 5,700 tons of airborne mercury. We hope to have a joint proposal soon, and appreciate the committee's support in reaching and then enacting such an agreement as part of the energy package you are crafting currently.

***New rulemakings to set standards (Sec. 101, 111):*** DOE has limited its schedule for setting appliance standards to congressionally mandated rulemakings with a date certain. This narrow approach has delayed consideration of some standards with the greatest potential energy savings. For example, DOE has identified furnace fans and residential refrigerators as two product standards that offer the potential for very large energy savings, but the agency has yet to even schedule these rulemakings. As part of the consensus agreement on home appliances, Sec. 101 would require an update to the refrigerator standard by December 31, 2010, as well as additional updates to the dishwasher and clothes washer standards. Sec. 111 would require a new standard on furnace fans by July 1, 2013. ASAP estimates that a new refrigerator standard could save 14-23 billion kilowatt-hours of electricity each year, and a furnace fan standard could save another 13 billion kilowatt-hours. We strongly support these rulemakings.

***Periodic review of appliance standards and test procedures (Sec. 109, 110):*** At present, there is no requirement for DOE to review and update all existing standards and test procedures regularly. The existing law does require a limited number of reviews for some product standards, but subsequent reviews are discretionary. And, DOE test methods for a number of products are seriously lagging the pace of technology development, thus preventing effective standards for those products (examples include tankless water heaters, products that use standby power even when turned "off," and many appliances with advanced electronic controls).

The Alliance strongly supports the provision to establish a general requirement for periodic review of all standards every 3 to 5 years, with an additional 3 years to set the standard if an update is needed, and for periodic review of all test procedures every 7 years. This provision also would set deadlines for DOE's review of updates to certain commercial products in the

ASHRAE national model commercial building code, and it would harmonize the delay before standards become effective to be the greater of 3 years after the final rule or 5 years after the previous standard. Because DOE has failed to complete required rulemakings in a timely fashion, a backstop is needed. If DOE failed to complete the required review of standards, this provision would allow states to act to limit the demands on their energy systems from those products.

***Regional standards (Sec. 104):*** Efficiency standards for some climate-sensitive products such as furnaces, boilers, air conditioners, and heat pumps should be allowed to vary by region, since regional weather conditions can significantly affect the feasibility or cost-effectiveness of a given technology or efficiency measure. The markets for these products already vary by region, and building codes, as well as national standards for manufactured housing, are regional for the same reasons. The Alliance strongly supports this provision, which would clarify DOE's authority to allow standards for these products to vary in up to three regions. We would like to work with the committee to ensure that the enforcement provisions are both workable and effective, with appropriate measures at each stage of the chain of manufacture, distribution, sale, and installation. Just a stronger residential furnace standard in the North, made possible by this provision, would save 1.7 billion therms of natural gas each year when fully implemented, enough to heat about 3.1 million typical homes, according to the American Council for an Energy-Efficient Economy. Consumers would save about \$8 billion over about 20 years.

***Multiple standards for a product (Sec. 108):*** DOE has taken a very narrow view of the statutory language regarding standards it can set. Congress should clarify that DOE may include two or more specifications for different features of the product that all contribute to energy efficiency. This provision would allow this for products with more than one energy-using feature, such as a furnace with a heater and a fan. However, sometimes multiple performance standards or design requirements are needed for other products as well. One example is the authority for DOE to set standards for air conditioners in terms of both average efficiency, which reduces consumer bills, and performance during the hottest summer days, which provides added benefit by easing the strain on electric utility systems during peak demand periods. A second example is the new dishwasher and clothes washer standards, which set efficiency requirements for both direct electricity use and consumption of (heated) water.

***Expediting standards rulemakings (Sec. 105, 106):*** DOE has had trouble issuing dozens of appliance standards in a timely fashion, as detailed in a recent Government Accountability Office report requested by the Chairman and other committee members. It is not clear that statutory requirements are the main part of the problem, but the Alliance would support simplifying the process if that can be done without impacting the quality and transparency of the standards. Sec. 105 would remove the requirement for an Advanced Notice of Proposed Rulemaking. As long as there is continued opportunity for public input in the analysis, the formal rulemaking process may not be the best approach to gathering that input. Sec. 106 would set time limits and remove certain requirements for implementing a consensus agreement, in order to speed adoption of non-controversial standards.

**Technical Corrections (Sec. 107, 181):** DOE interpreted an amendment in EPOA 2005 to prevent the agency from adopting new ASHRAE standards for small commercial air conditioners (which were not covered in the standard set in EPOA 2005). This is a result not intended. Sec. 109 would correct the language in modifying the procedure; Sec. 107 is intended to set the recent ASHRAE standard into law. However, corrections are needed to move up the effective date and incorporate standards updates for certain other air conditioners that were, presumably inadvertently, rolled back to older statutory language. In addition, there is not agreement on adopting the ASHRAE standards for certain categories of smaller air conditioners; for those products DOE should be instructed to carry out the process of considering whether to adopt the ASHRAE standard or a higher standard. Sec. 181 corrects language in EPOA 2005 implementing an agreement on a standard for ceiling fans.

**Clarification of preemption:** Finally, Congress should make it clear that federal law does not preempt states from setting their own appliance standards in the absence of a federal standard in place. This principle has generally been upheld in interpretation of the federal appliance standards laws, but in some cases it has been argued that the mere authority for DOE to set standards should preempt the states, even if DOE fails to exercise that authority. If DOE fails to act, or if it establishes a “no standard” federal standard, a state should be able to adopt its own energy-saving standards for that product.

## **Building Energy Codes**

One of the most important opportunities for reducing energy use and costs is by designing and constructing a new building to be energy-efficient from the start. Every new building that is not efficient represents a lost opportunity—one that will likely be with us for another 30-50 years or longer, a time frame that will almost certainly see much higher prices and much more intense concern over energy supplies, air pollution, and greenhouse gas emissions.

There is cause for optimism in the growing interest shown by builders and developers in green buildings and rating systems such as the U.S. Green Building Council’s LEED; the bold new policy commitments to energy efficiency targets by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), the American Institute of Architects, and the U.S. Conference of Mayors; and the federal government’s own commitment (in EPOA 2005) to design new federal buildings to be 30% more efficient than current practice. But a great deal of work remains to be done. Congress can support and encourage these broader initiatives with specific actions that take best advantage of federal leverage in building codes and federal financing for home mortgages.

**National targets for building code improvements (Sec. 304):** Present law requires that DOE review any updates in residential or commercial model building codes, to determine if the revision improves energy efficiency. Following that determination, each state is required to review and, for commercial buildings, update its own building code to meet or exceed the model code. However, there is no penalty for a state that fails to comply.

Sec. 304 would make two changes to improve building codes within the existing process. First, Congress and DOE would set goals for continuous improvement of the model building codes. Rather than wait passively for action by others, DOE should instead take the initiative

to engage with organizations such as ASHRAE and the International Code Council to advance the model codes steadily toward specific targets: 30 percent efficiency improvement by 2010, for both residential and commercial model codes, and at least 50 percent improvement by 2020. ASHRAE has already adopted a similar goal, but there is no similar urgency for residential buildings, and it is hard to move diverse, consensus-based organizations to take ambitious action. DOE support is needed both for technical underpinnings and to represent the national interest in reduced energy use and greenhouse gas emissions.

Second, the provision would encourage state action in updating and achieving full compliance with the energy codes. States should be required to adopt strong codes for residential as well as commercial buildings. And they should be required to achieve strong compliance with their codes. In a recent review of residential energy code compliance studies from a dozen states, compliance rates were found to vary widely, but the average was far below 100 percent, and typically closer to 40 to 60 percent. A number of studies have pointed to the constraints, including staff time and expertise, facing many local code enforcement agencies in making sure that energy code requirements are met, both at the design and permit stage, and in verifying actual construction and installation practices on-site.

Congressional oversight would be helpful here as well. The code compliance program authorized under Section 128 of EPCA 2005 is a small but important step toward providing an incentive for states to adopt and enforce up-to-date energy codes; it should be fully funded. In addition, DOE has not made the required determination of energy savings on any recent code updates: the 2003, 2004, or 2006 residential IECC or the 2001 or 2004 ASHRAE commercial standard.

***Allow performance codes to exceed minimum appliance standards (Sec. 133):*** For appliances and equipment with a federal efficiency standard, state standards are generally preempted, including in building energy codes. This provision would allow states with performance-based building efficiency codes to assume appliance efficiency levels higher than the federal standard in setting the required overall efficiency. It would not set a higher standard for these products, even in new buildings, as builders could choose to make efficiency improvements elsewhere in the building, such as adding more insulation, in order to achieve the energy savings while installing appliances that only meet the federal standard. The Alliance supports this provision.

***Update manufactured housing standard (Sec. 132):*** About one in 12 new homes in the United States is a manufactured housing unit (147,000 in 2005). Because these homes are factory-produced with many standardized components, manufactured housing units should be inherently more energy-efficient than their site-built counterparts. For example, it is much easier and more cost-effective to achieve an air-tight duct system in the factory than on a construction site. Instead, manufactured homes are generally much less efficient than site-built homes, due to poorly insulated walls and roof, single-pane windows, and inefficient heating and cooling systems. A 2004 Pacific Northwest National Laboratory report found that improving the energy efficiency of a manufactured home, not even to the current IECC,

would save an average of \$150-\$180 per year. The initial cost would be about \$1000 to \$1500.

Congress directed that the manufactured housing efficiency standards be based on life-cycle cost analysis, but HUD, which is responsible for adopting the Manufactured Housing Construction and Safety Standards (MHCSS), has not updated these standards to keep up with changing energy prices and advances in energy-saving materials and equipment. As a result, the “HUD-code” standards are now well below the comparable energy efficiency code requirements for new site-built homes. For example, a new manufactured home built for Minnesota today is required to have only as much wall insulation as a site-built home in Miami—and the ceiling and floor insulation levels required by HUD code for that Minnesota manufactured home wouldn’t even meet the site-built model code requirements for Miami.

Many of these manufactured units are sold to low and moderate income families – those who can least afford to pay the rising utility bills for gas, electricity, and in some cases propane heating. And often taxpayers end up subsidizing the ongoing costs to operate these inefficient housing units through the Low-Income Home Energy Assistance Program (LIHEAP) or through the Low-Income Weatherization Assistance Program, which helps pay for energy-saving retrofits. It is far easier and cheaper to make these manufactured homes more efficient in the first place.

The Alliance supports requiring the standard for manufactured housing to be at least as stringent as the current model residential energy code, the International Energy Conservation Code (IECC).

***New federally assisted housing:*** To qualify for a federally insured mortgage, a new home should be required to meet or exceed the efficiency levels of the model energy code (currently the 2006 IECC). This will assure that federal taxpayer funds are not used to underwrite inefficient new homes with higher utility bills – a different kind of hidden, long-term “mortgage.” Updated standards would affect a lot of housing: a 2003 U.S. Census Bureau survey found, for homes constructed in the previous four years, 486,000 FHA mortgages, 225,000 VA mortgages, 29,000 USDA mortgages, and 38,000 public housing units.

Current law requires HUD and the Department of Agriculture (USDA) to set energy-efficiency standards for:

- Public and assisted housing,
- New homes (other than manufactured homes) with mortgages insured by the Veterans Administration and Federal Housing Administration, and
- New single-family homes with mortgages insured, guaranteed or made by USDA.

However, the agencies have never changed the standard from the legislated backstop of the 1992 Model Energy Code (the predecessor to the IECC) and ASHRAE Standard 90.1-1989. EPAct 2005 only required public and assisted housing with HOPE VI grants to meet the 2003 IECC. The Alliance supports a provision, as in the Senate committee energy bill, to update the criteria for all this housing to the current IECC code and ASHRAE standard.

## Increasing Energy Efficiency in Federal Facilities

The United States federal government is the single largest consumer, and the single largest waster, of energy in the world. In 2005 the federal government overall used 1.6 quadrillion Btu of “primary” energy (including the fuel used to make the electricity it consumed), or 1.6 percent of total energy use in the United States. Taxpayers in this country paid \$14.5 billion for that energy. Almost half of that energy, and more than half of the cost, was for vehicles and equipment, primarily for military planes, ships, and land vehicles. The rest, 0.9 quadrillion Btu at a cost of \$5.6 billion, was for heating, cooling, and powering more than 500,000 federal buildings around the country.

Repeated efforts over the last two decades have resulted in dramatic energy and cost savings, but large cost-effective savings remain available. Overall federal primary energy use decreased by 13 percent from 1985 to 2005, and the federal energy bill decreased by 25 percent in real terms, even after the 27 percent jump in fuel prices in the United States in 2005. Federal “standard” buildings reduced their primary energy intensity by about 13 percent, while “site” energy declined by 30 percent (“Standard” buildings are those not exempted due to industrial uses or national security needs; “energy intensity” is energy use per square foot of building space; “site” energy is measured at the point of use, excluding electricity system losses). Congress and the president have set even more aggressive targets for future savings that could yield well over \$1 billion in energy cost savings each year from federal buildings alone.

But these savings will not occur without greater funding and oversight. In addition to greater appropriations, the Alliance supports increased use of Energy Savings Performance Contracts and a new focus on energy efficiency throughout federal buildings.

***Energy Savings Performance Contracts (Sec. 134, 161-163):*** The discussion draft takes a number of measures to enable greater use of Energy Savings Performance Contracts (ESPCs), in which Energy Service Companies (ESCOs) finance and help implement energy-saving projects and are paid out of the resulting stream of energy bill savings. Sec. 134 sets up a program to train federal contracting personnel in the use of ESPCs. This could be useful if there are additional appropriated funds to pay for it. Sec. 161 modifies the authorization for ESPCs to clarify that the savings can include use of renewable energy and cogeneration, the sale of excess electricity and heat, and water savings. Sec. 162 clarifies that appropriated funds and financing through ESPCs can be used to fund the same project.

The Alliance also supports additional modifications to ESPC authority to remove a number of arbitrary impediments. First, the authority for federal agencies to enter into ESPCs should be permanently extended, to avoid the problems that have occurred with the lapse of authority in 2003-2004. Second, Congress should end any self-imposed agency caps on the duration of ESPC contracts below the statutory limit of 25 years and on total obligations under ESPCs. Agencies should, of course, be able to choose whether to use ESPCs and to negotiate contracts with shorter duration, but they should not impose arbitrary limits.

***Implement all cost-effective efficiency improvements in existing buildings:*** The Alliance believes that a new paradigm and a new structure are needed to ensure that all large federal buildings are made energy-efficient, that improvements are not made just when

appropriations happen to be available or an energy manager happens to be a champion of efficiency. Thus we recommend a package of policies that have been introduced (along with the changes to ESPCs above) in a new bill by Senator Pryor, S. 1434:

- All large federal buildings and facilities should conduct comprehensive energy and water savings evaluations (“energy audits”) to identify and prioritize all economic opportunities for investments to reduce energy and water use. These evaluations should consider both capital investments, such as a new boiler or chiller, and operational improvements, such as checking and adjusting lighting or mechanical system controls.
- Agencies should implement all measures identified in the energy and water evaluations that have a simple payback of fifteen years or less. The calculation of cost savings should consider not only energy and water costs but also reduced costs of building operations, maintenance, repair, and equipment replacement.
- It is critical that the agencies not only make the capital investments but also make sure that the measures work, and keep on working. Start-up commissioning, and periodic re-commissioning, are an essential part of all measures to ensure that they work as intended – followed by effective operation, maintenance, and repair as well as measurement and evaluation of savings.
- Sustained oversight is needed to ensure that every agency is implementing these measures. While congressional action is important, the first level of oversight should be agency self-certification through an open web-based tracking system, along with benchmarking of building energy and water use, and reviews in the agency energy scorecards that the Office of Management and Budget already prepares.
- Both the energy-savings evaluations and the measures themselves should be funded through a combination of increased appropriations and private financing through ESPCs and UESCs.

## **Distributed Generation and District Energy**

Energy efficiency can be promoted not just through reduction of end-use consumption but also through efficient generation of electricity and production of heat through combined heat and power systems, use of waste energy, district energy systems, and related technologies. *Subtitles D and E* set up information and training programs and authorize incentives and a revolving loan fund to support these clean energy systems. If implemented and funded, these provisions could result in significant energy savings.

## **Utility Energy-Efficiency Programs**

Utility energy-efficiency programs have been one of the most effective approaches to improve building energy efficiency. Why should utilities reduce their sales by helping their customers reduce energy consumption? Many utilities have found that helping their customers to save a kilowatt-hour of electricity is cheaper and easier than generating and delivering that kilowatt-hour. Energy efficiency is a key energy resource.

These demand-side management (DSM) programs use measures such as rebates for efficient appliances, commercial lighting retrofits, and energy audits to help their customers use less energy. The cost to the utility for the energy savings is often around 2-4 cents per kilowatt-hour (kWh), much less than the cost of generating and delivering electricity. Such efficiency investments save consumers money, increase consumer comfort, reduce air pollution and global warming, enhance economic competitiveness, and promote energy reliability and security.

Over the last two decades, states worked with regulated utilities to avoid the need for about one hundred 300-Megawatt (MW) power plants. However, utility spending on DSM programs nationwide was cut almost in half as the electricity industry was partially deregulated in the late 1990's. In the last couple years there has been a resurgence of interest in electricity and natural gas energy-efficiency programs, with new programs in states such as Georgia and Arkansas, and added funding in leaders like California and Vermont. Some states have also chosen to run similar demand reduction programs themselves.

As a focus for federal policy, the energy efficiency resource has several advantages:

- It is readily available in all parts of the nation,
- It is available for direct natural gas use as well as for electricity,
- It is cost-effective today, and
- The potential savings are enormous.

Policies that foster these state and utility programs, including goals and performance requirements, dedicated funding, consideration of the efficiency resource in utility planning, and rate structures that reward efficiency, have mostly been set at a state level. However, there are some things the federal government should do. Currently there are no relevant provisions in the discussion draft.

***State consideration of energy efficiency resource:*** Congress recognized the potential of utility energy-efficiency programs, and the need for a federal role, in EPAct 2005. Section 139 required a report, which was recently released. Section 140 authorized \$5 million a year for five years to create state pilot programs designed to achieve 0.75% annual reductions in electricity and natural gas use. In the Senate version of EPAct, Section 141 would have required state public utility commissions to consider policies to promote utility energy-efficiency programs. The new Senate energy bill includes a similar “mandate to consider” energy efficiency as a resource and rate structures that do not reward greater sales of electricity. The Alliance supports including such a provision.

***Energy efficiency resource standard:*** An even more effective approach would be a federal performance standard for electric and natural gas energy-efficiency programs. Several states are already developing innovative policies to set performance standards for utility energy-efficiency programs alongside standards for generation from renewable sources. Like a renewable electricity standard (RES), an energy efficiency resource standard (EERS) is a flexible performance-based and market-based regulatory mechanism to promote use of cost-effective energy efficiency as an energy resource. An EERS requires utilities to implement energy-efficiency programs sufficient to save a specified amount of electricity or natural gas,

such as 0.75 percent of the previous year's sales. Utilities can meet the requirement by implementing their own programs, hiring energy service companies or other contractors, or perhaps paying other utilities to achieve the savings by buying credits. The program savings are independently verified. Usually, the costs of the energy-efficiency programs must be recovered from energy customers through utility rates, but the savings from avoided energy supply are greater than the efficiency cost.

This new proposal may not be fully ripe for inclusion in the committee bill, but the Alliance urges the committee to work with the many stakeholders in developing such a standard, and, if considering a renewable generation standard, to consider incorporating or adding such a standard for the efficiency resource as well.

## **Energy Information Administration**

*Energy information (Sec. 201):* The Energy Information Administration (EIA) services are critical not just on energy supply and energy markets but also in understanding and addressing energy consumption and energy efficiency. EIA Energy Consumption Surveys provide unique and invaluable data to policy makers, industry, and researchers. Because of funding cuts, the residential transportation survey was last conducted in 1994, and the Residential, Manufacturing, and Commercial Buildings Energy Consumption Surveys (RECS, MECS, and CBECS) are conducted every four years rather than every three years, as required by the Energy Policy Act of 1992, and with reduced questions. The Alliance urges that this provision be modified to clearly include energy consumption and energy efficiency in its scope, in order to better assist utilization of the efficiency resource.

## **Conclusion**

The Energy Policy Act of 2005 included some important measures to reduce building energy use, including new appliance standards and tax incentives. But, while helpful, they were not aggressive enough to address the critical energy issues facing our nation. In the last year and a half, concern about the linked issues of energy prices, energy security, and global warming has only grown. There are measures we could and should take, such as consumer education, that would have an immediate impact. But polls also show that a large majority of Americans are rightly more concerned that Congress find long-term energy solutions than that Congress quickly address current prices. There is an opportunity now to enact significant energy-efficiency measures that will benefit the economy, the environment, and energy security for years to come. The committee discussion draft takes major steps in that direction, especially on appliance efficiency standards and building energy codes. The Alliance thanks you for your commitment, and urges you to continue to seize the opportunity to reduce energy waste, supply shortages, price volatility, pollution, and global warming, to transform energy crises into economic opportunities.