

January 20, 2016

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Harry Reid
Democratic Leader
U.S. Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Majority Leader McConnell and Democratic Leader Reid:

We are writing to express our priorities for energy efficiency provisions in S. 2012, the Energy Policy Modernization Act of 2015. As you know, S. 2012 was approved by the U.S. Senate Committee on Energy and Natural Resources (ENR) with strong bipartisan support on July 30, 2015, under the leadership of Chairwoman Lisa Murkowski and Ranking Member Maria Cantwell. We encourage the Senate to take up S. 2012 with the following priorities in mind to help maintain bipartisan support and pass a bill that can be enacted into law.

First, S. 2012 should preserve and strengthen the role of the U.S. Department of Energy (DOE) in supporting and propagating updated building energy codes at the state and local level. In terms of energy and cost savings, as explained in more detail in the enclosed analysis prepared by the American Council for an Energy-Efficient Economy (ACEEE), U.S. homeowners and businesses stand to realize tremendous gains from state and local adoption of current building energy codes. U.S. DOE's role in code adoption is critical and S. 2012 (as reported) would lead to even greater savings over time. We support the building energy codes language currently included in S. 2012 and encourage in the strongest terms its inclusion in any comprehensive energy legislation considered by the Senate.

Second, we encourage the Senate to adopt provisions that would permit and encourage the inclusion of energy efficiency in the residential mortgage underwriting process. These provisions were first articulated in the Sensible Accounting to Value Energy (SAVE) Act, first introduced by Senators Johnny Isakson and Michael Bennett, and currently included in legislation that was also favorably reported by the Senate ENR Committee with strong bipartisan support.¹ The SAVE Act would allow the commonsense consideration of energy efficiency during mortgage underwriting, which would help homeowners realize the true value of home improvements that improve comfort and generate savings. We would support an amendment to add the SAVE Act provisions to S. 2012.

Third, we urge the Senate to approve an amendment that would replace the current provisions relating to residential furnace standards in S. 2012 with language that matches Sec. 3123 of H.R. 8, the North American Energy Security and Infrastructure Act of 2015, which was approved by

¹ S. 720, the Energy Savings and Industrial Competitiveness Act of 2015, introduced by Senators Rob Portman and Jeanne Shaheen, was approved 20-2 by the Senate ENR Committee on July 30, 2015. S. 720 includes the provisions of the SAVE Act.

the House of Representatives on December 3, 2015. Unfortunately, at the last minute, apparently due to the time-crunch that typically accompanies a committee business meeting, language was added to S. 2012 that did not reflect a consensus reached by stakeholders. We would support an amendment to replace the current non-consensus furnace standard language in S. 2012 with the House-adopted consensus language that was developed over time and is broadly supported by stakeholders.

And fourth, we also support the retention of reauthorizations of the Weatherization Assistance Program and the State Energy Program in S. 2012. These provisions are critical for low-income Americans in all parts of the country and generate benefits across all sectors of the economy.

Energy efficiency is an energy resource—available to all homeowners and businesses—that is essential to our country’s energy independence. More than half of the energy used today to power our economy is wasted, which represents an enormous opportunity for achieving savings and extracting gains in the energy productivity of our economy. The Senate now has an opportunity to pass comprehensive legislation, which currently enjoys strong bipartisan support, that would improve the energy efficiency of homes and commercial buildings in every town, city, county, and state; help consumers and businesses manage their energy consumption and realize returns on their investments; and generate meaningful savings for all Americans.

Thank you for your consideration.

Alliance to Save Energy
American Council for an Energy-Efficient Economy
ASHRAE
Association of Energy Engineers
Big Ass Solutions
Efficiency First
Energy Future Coalition
Environmental and Energy Study Institute
Home Performance Coalition
Institute for Market Transformation
International Association of Lighting Designers
International Copper Association, Ltd.
Large Public Power Council
National Association of Energy Service Companies
North American Insulation Manufacturers Association
National Association of State Energy Officials
Sacramento Municipal Utility District
Schneider Electric
Seattle City Light
The Stella Group, Ltd.
U.S. Green Building Council

cc: Chairwoman and Ranking Member, U.S. Senate Committee on Energy and Natural Resources