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Submitted by: Jason Reott, Senior Policy Manager, Alliance to Save Energy
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Subject: U.S. Department of Energy (DOE) FY2026 Appropriations OWT

The Alliance to Save Energy, a bipartisan, non-profit organization representing a coalition of businesses, government, and environmental and consumer leaders, respectfully submits this testimony alongside the undersigned allied organizations to urge you to support robust energy efficiency (EE) investments in critical programs managed by the U.S. Department of Energy (DOE). Increasing investment in these programs will bolster grid reliability and resilience, grow jobs in the clean energy sector, and provide savings to American consumers.

Energy efficiency, a key domestic resource, is critical to ensuring safe, reliable, and affordable energy to Americans now and in the future. Efficiency measures have helped cut our energy use in half relative to the size of the U.S. economy since 1980. The energy waste reduction has effectively delivered more than $2,000 in annual savings per American. According to the American Council for an Energy-Efficient Economy, scaling up key energy efficiency-related policies and programs can slash U.S. energy use and greenhouse gas emissions by about 50% by 2050. These energy savings would amount to more than $700 billion in 2050.[1]

Anticipated power sector infrastructure build-up is estimated to cost an additional $385-520 billion annually by 2050. **Energy efficiency can offset those costs by about $107 billion**, with about **75% of those savings going to residential families and homes**, resulting in lower energy bills.[2] Energy efficiency allows us to reduce electricity demand, without sacrificing our habits and comfort. The U.S. energy efficiency workforce is comprised of over 2.2 million Americans, which is the largest share of the entire U.S. energy sector and is more than all combined jobs in clean and fossil energy generation.[3] Most of these jobs provide $22.44/hour on average, with more than 80% of EE employers providing healthcare and 78% providing retirement benefits.[4] These jobs cannot be shipped overseas, ensuring that future generations of Americans can pursue competitive careers in energy efficiency.

The importance of the U.S. DOE in research, technical assistance, and market integration efforts that have driven gains in energy efficiency cannot be overstated. U.S. DOE EE programs provide exceptional value to American consumers and businesses, yielding benefits that far outweigh the relatively nominal outlays appropriated by Congress. According to various impact evaluation studies, DOE's innovation investments have had a benefit-to-cost ratio of 33 to 1 and generated billions of net economic benefits for the country.[5]

We respectfully request FY2026 regular appropriations funding for the following DOE programs, as summarized below:

<u>Buildings Technologies (BTO):</u> $378 million to develop innovative, cost-effective technologies,

[1] Nadel, S., and L. Ungar. 2019. *Halfway There: Energy Efficiency Can Cut Energy Use and Greenhouse Gas Emissions in Half by 2050*. Washington, DC: ACEEE. https://www.aceee.org/research-report/u1907

[2] https://www.cell.com/one-earth/pdfExtended/S2590-3322(23)00342-1

[3] E4TheFuture and E2. October 2023. *Energy Efficiency Jobs in America – 2023*. https://e4thefuture.org/wp-content/uploads/2023/10/Energy-Efficiency-Jobs-in-America-2023.pdf

[4] U.S. DOE. *United States Energy & Employment Report 2023*. June 2023. https://www.energy.gov/sites/default/files/2023-06/2023%20USEER%20REPORT-v2.pdf

[5] Dowd, J. 2017. *Aggregate Economic Return on Investment in the U.S. DOE Office of Energy Efficiency and Renewable Energy.* U.S. Department of Energy. https://www.energy.gov/eere/analysis/downloads/aggregate-economic-return-investment-us-doe-office- energy-efficiency-and

tools, and solutions that help U.S. homeowners, consumers, and businesses achieve peak energy efficiency performance in their buildings across all sectors of our economy. Within this account, robust funding is needed for:

- Residential Buildings Integration (RBI): **$91 million** for DOE to collaborate with the residential building industry to improve the energy efficiency of both new and existing homes. RBI develops critical technologies, tools, and solutions that help U.S. consumers and businesses achieve peak efficiency performance in residential buildings across the country. RBI should continue operating the Buildings Upgrade Prize program to drive energy affordability and innovative energy retrofits in homes and buildings across the country. RBI should also continue to provide for residential grid-interactive efficient buildings (GEBs) activities and information sharing on associated technologies, costs, and benefits to position American companies to lead in this area. RBI's work supports workforce development and training and has partnerships with thousands of small businesses in this sector, the construction trades, equipment, smart grid technology and systems suppliers, integrators, and state and local governments. RBI should continue to support the residential workforce, including by enabling non-profit and industry trade associations to administer nationwide training coordination, promoting recruitment and retention, and researching program efficiencies for workforce expansion in residential energy efficiency. The integration research, demonstration, and market transformation activities of RBI are critical to drive energy affordability and cut utility bills for all Americans.
- Commercial Building Integration (CBI): **$70 million** for the program's research, development, and evaluation help to advance a range of innovative building technologies and solutions, paving the way for high performing buildings that could use between 50% and 70% less energy than typical buildings. CBI should continue to provide for commercial grid-interactive efficient buildings (GEBs) activities and information sharing on associated technologies, costs, and benefits to position American companies to lead in this area. CBI works with industry, small businesses, academia, national labs, and other entities to advance energy efficiency solutions and technologies for commercial buildings. The program, which considers buildings as systems and as part of the electric grid, continues to be transformative in moving industry partners to embrace innovation.
- Efficiency Standards, Building Codes, and Test Procedures: **$90 million for equipment and building standards**, including **$60 million for appliance standards** and at least **$30 million for the Building Energy Codes Program**. The Energy Policy and Conservation Act requires DOE to conduct regular reviews of appliance standards and to consider updates if they would be technologically feasible and economically justified. This funding would ensure that staff are able to undertake that work so that the program can continue delivering pocketbook savings to American families while supporting American manufacturers of high-quality products. DOE plays an important support and technical assistance role in the development and implementation of building energy codes, which are adopted by states and local governments for new construction and renovations of residential and commercial buildings, that reflect developments in building energy efficiency and "lock in" savings for the life of the building. Education, training, and technical assistance have been woefully underfunded over the past several years and can be very impactful in assisting in codes' adoption and effective implementation.
- Emerging Technologies (ET): **$127 million** for the program to enable cost-effective, energy-efficient technologies to be developed and introduced into the marketplace. ET funds and directs applied research and development (R&D) for technologies and tools that support building energy efficiency, particularly electric technologies for a carbon-free grid.

Industrial Programs:

The Office of Energy Efficiency and Renewable Energy (EERE) promotes innovative technologies, energy efficiency, and American competitiveness through an array of programs with the overarching goal of keeping energy affordable and reliable. Within EERE, continued support is needed to strengthen efforts focused on the industrial sector, with funding of at least:

- **$215 million for Advanced Materials and Manufacturing Technologies (AMMTO)** to drive manufacturing innovation and boost American industrial competitiveness, particularly in material innovations and reshoring industrial capacity. AMMTO is at the center of DOE's response to building a secure and resilient American energy supply chain.
- **$277 million for Industrial Efficiency and Decarbonization (IEDO)** to invest in research, development, and demonstrations across the domestic industrial base to modernize and strengthen American industrial leadership against global competitors. Innovation in this sector will reduce operational and energy costs for manufacturers and lower costs for consumers when they purchase US manufactured products. Furthermore, strengthening domestic manufacturing reduces reliance on foreign materials, protecting the US from supply chain disruptions and adversarial economic pressures.
    - **Industrial Energy Resiliency:** Report on the future electricity needs of the industrial sector and work with National Labs and relevant stakeholders to develop pathways that would meet industry energy goals while preserving affordable electricity rates for consumers and grid reliability.
    - **Smart Manufacturing:** Support the development and adoption of smart manufacturing practices directed toward small and medium-sized manufacturers. This includes but is not limited to expanded funding for the Clean Energy Smart Manufacturing Innovative Institute (CESMII) to increase educational and technical assistance activities directed toward smart manufacturing adoption and MESC's State Manufacturing Leadership Program.
    - **Industrial Data Pilot Program:** A study based on available combined data to build rigorous statistics on the average product emissions intensity of covered goods produced in the U.S. and in covered countries. Sustained support for this data-driven initiative is critical to establishing a standardized, credible system for measuring emissions intensity. Accurate reporting on emissions intensity of industrial materials would allow America to harness any carbon advantage and even the playing field between domestic manufacturers and foreign competitors in countries with more emissions intensive products.

Office of Manufacturing and Energy Supply Chains (MESC): At least $19 million to provide a discrete new MESC account outside of EERE to support strengthening MESC's overall performance, organization, budget, operations, human capital, and project management as the office invests in manufacturing capacity and workforce development. MESC's programs build out America's energy supply chain and catalyze private sector manufacturing investments in communities across the U.S.

Office of Clean Energy Demonstrations (OCED): At least $125 million to continue the office's mission of partnering with the private sector to transform the America's energy and industrial sectors. OCED's program portfolio includes advanced nuclear, carbon management, first-of-a-kind industrial technologies, long-duration energy storage, and other transformative projects to build a strong U.S. energy economy. In particular, the Industrial Demonstrations Program leverages over $14 billion in private investment to bring cutting-edge industrial technologies to facilities across 20 states. This investment is needed to modernize America's industrial sector and ensure that materials produced here can be competitive with companies around the world.

Federal Energy Management Program (FEMP): At least $63 million to provide project and policy

expertise to all federal agencies, including not less than $20 million for the Department to continue its work through the Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) program under the Federal Energy Efficiency Fund and $2 million for the Performance Based Contract National Resource Initiative (PCNRC). With minimal funding, FEMP supports all agencies of the Federal government in their quest to save energy and money for the American taxpayer while improving agency infrastructure and addressing deferred maintenance. FEMP is at the forefront of efforts to improve federal building energy performance, which is accomplished in part by accessing and leveraging private capital in performance contracts. FEMP's work has attracted private capital used to finance over 454 projects across two dozen agencies and resulted in approximately $8.9 billion in investments in federal energy efficiency and renewable energy improvements. These improvements have generated approximately $19.3 billion in cumulative energy cost savings for the federal government and have created 63,000 job-years. Specified funding for AFFECT has been provided in prior fiscal years to provide small grants to federal agencies to help achieve energy savings and resilience goals. These grants are then leveraged through performance contracts, allowing agencies to utilize private finance to complete innovative and comprehensive energy and water conservation projects that would not otherwise be possible. **Since its inception, AFFECT has leveraged $290 million in congressional funding to attract $3.8 billion in private investment, saving the government more than $137 million annually in energy costs.** The PCNRC is a hub for best practices and solutions for performance contracts implemented in state, local, and federal markets.

We recommend $22 million for the Office of State and Community Energy Programs (SCEP) for Program Direction to support successful implementation and oversight of the Office's programs, such as WAP and SEP noted below.

Weatherization Assistance Program (WAP): At least $442 million is recommended for the Weatherization Assistance Program, including $375 million for the base Program, $15 million for training and technical assistance, and $52 million for the Weatherization Readiness Fund. R&D investments will continue to make emerging technologies cheaper and more accessible, but DOE's Weatherization Assistance Program is particularly important for bringing energy efficiency to communities and families that need it most. According to the Energy Information Administration, over 25 million American households report forgoing food or medicine to pay energy costs, while over 12 million households report being unable to use their heating or cooling equipment. Since 1976, WAP has helped make more than 8 million homes more efficient, saving the average recipient about $4,200 over the lifetime of their home. Each WAP dollar produces $4.50 in benefits, including energy savings as well as improved health and safety. Federal weatherization assistance also helps workers and small businesses, directly supporting more than 8,500 jobs and supporting thousands more in related industries.

State Energy Program (SEP): At least $90 million is recommended for State Energy Program grants. The Department is directed not to utilize funds from the State Energy Program appropriation, either from annual appropriations or IIJA or IRA funds for technical assistance. SEP leverages over $10 for every federal dollar invested and saves over $7 for every federal dollar invested. In addition to energy efficiency and renewable energy programs, SEP is critical for dealing with cyber security and energy emergency preparedness and response. SEP is extremely flexible and is the basis for a variety of partnership programs.

U.S. Energy & Employment Report (USEER): $2 million for the Office of Policy to complete the annual U.S. energy employment report that includes a comprehensive statistical survey to collect data, publish the data, and provide a summary report. The information collected will include data related to employment figures and demographics in the U.S. energy sector. The report presents a unique snapshot of energy efficiency employment in key sectors of the economy, including construction and

manufacturing.

<u>Energy Information Administration (EIA)</u>: At least $145 million to continue the important data collection, analysis, and reporting activities of the EIA, including not less than $18 million to administer and increase the detail and frequency of the Commercial Buildings Energy Consumption Survey (CBECS), the Residential Energy Consumption Survey (RECS), and the Manufacturing Energy Consumption Survey (MECS) as directed in section 40413 of the Bipartisan Infrastructure Law (PL 117-58). The EIA's data products ensure that Congress, federal and state governments, the private sector, and the public have access to timely and reliable energy information which inform important energy-related decisions, including market pricing. Key products include petroleum and natural gas inventory reports; short and long-term forecasts for energy markets, production and use; and trends in energy use in homes, buildings, and manufacturing. To better capture evolving national energy use trends, we strongly support an allocation of $18 million in funding for the CBECS, RECS and MECS, which are foundational for understanding and improving the energy use of sectors that account for more than two-thirds of U.S. energy consumption. This represents an increase of $5.2 million and would give EIA the resources to implement the directive in section 40413 of the Bipartisan Infrastructure Law that required more detailed and frequent reporting of this information but did not include the needed funding.

We stand ready to work with Congress, the White House, and federal agencies to identify ways the U.S. can improve affordability and access to energy-efficient technologies, unlock utility savings for consumers, reduce energy-related carbon emissions, and improve public health. **To prevent delays and maintain bipartisan support for FY2026 appropriations, we encourage Congress to reject the inclusion of any controversial policy riders that may hinder the regular order of the appropriations process.** We appreciate your consideration of our requests.

Sincerely,

Alliance to Save Energy
American Council for an Energy-Efficient Economy (ACEEE)
Building Performance Association (BPA)
Building Potential
California Efficiency + Demand Management Council (CEDMC)
Cellulose Insulation Manufacturers Association (CIMA)
E4TheFuture
Environmental and Energy Study Institute (EESI)
Federal Performance Contracting Coalition (FPCC)
Institute for Market Transformation (IMT)
Midwest Energy Efficiency Alliance (MEEA)
National Association for State Community Services Programs (NASCSP)
National Association of Energy Service Companies (NAESCO)
National Association of State Energy Officials (NASEO)
New Buildings Institute (NBI)
North American Insulation Manufacturers Association
Northeast Energy Efficiency and Electrification Council (NEEEC)
Polyisocyanurate Insulation Manufacturers Association
Southeast Energy Efficiency Alliance (SEEA)
Southwest Energy Efficiency Project (SWEEP)
U.S. Green Building Council (USGBC)