ALLIANCE TO SAVE ENERGY
using less. doing more.

President Joseph R. Biden
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

March 31, 2022

Re: Energy Efficiency Investments as Part of Defense Production Act Authority and U.S. Response to the Current Geopolitical Crisis in Ukraine

Dear President Biden:

We the undersigned coalition of businesses, trade associations, environmental and energy efficiency advocates urge you to consider domestic investments in energy efficiency materials, supplies, and technologies as the administration contemplates strategies including the application of the Defense Production Act (DPA) (50 U.S.C. section 4501 et seq) in response to the national energy issues resulting from the crisis in Ukraine.

Investments in energy efficiency affect U.S. reliance on energy supply resources and therefore have a direct impact on domestic energy security. Although the DPA has its original foundation in the War Powers Acts of WW II, and adopted in response to the Korean War, current authorities extend beyond military capabilities and now also include domestic preparedness. Pursuant to section 4516 this includes energy "as a strategic and critical material" and under Title III would allow for incentives such as loans, loan guarantees, direct purchases, and purchase commitments to provide energy as a strategic and critical material.

Investments in energy efficiency reduce energy intensity throughout all sectors of the U.S. economy — including manufacturing, transportation, and the built environment. The industrial sector accounts for 36% of end use of U.S. energy consumption; transportation another 35%; residential 17%; and commercial 12%.[1] Absent the investments made in energy efficiency since 1980, energy consumption would have been more than 60% higher.[2] Importantly, these same investments avoided approximately $800 billion per year in energy cost for consumers.

Notwithstanding the impact of efficiency in lowering energy intensity and consumer costs, significant opportunities to reduce energy demand remain. This includes 19.2 quads of wasted

[1] https://www.eia.gov/energyexplained/us-energy-facts/.
[2] https://energyefficiencyimpact.org.

energy in transportation, 12.9 quads in industrial and manufacturing, 4.01 quads in the residential sector, and 3.03 quads in the commercial sector.[3]

Investments in energy efficiency would effectively avoid energy waste and reduce demand of critical energy supply, in addition to creating greater energy availability, security, reliability, and affordability. Energy efficiency investments should include but not be limited to:

(1) incentives and investments to further industrial sector energy efficiency — such as financing tools, benchmarking tied to tax credits and deductions, and industrial research and development (R&D) and commercialization;
(2) transportation incentives for consumers and businesses to purchase highly efficient vehicles, including electric and alternative fuel vehicles, in addition to benchmarking incentives and R&D to drive greater efficiency in airline, marine, and rail transportation;
(3) in the residential sector, expansion of relevant tax and other financial incentives to motivate the purchase of energy efficient equipment, supplies, and appliances (including robust incentives related to the building envelope), in addition to higher incentives for single and multi-family home builders to build efficient and zero-energy homes (including linking energy efficiency standards to the receipt of federal resources to build affordable housing);
(4) in the case of the commercial environment, greater assistance to small business owners and larger commercial facilities, coupled with tax and other incentives;
(5) investments in "active efficiency" technologies, including but not limited to grid-interactive and efficient smart homes and commercial buildings, smart manufacturing, advanced grid technologies, and the development of smart interactive appliances and equipment; and
(6) resources to ensure that supply chain needs are met for the manufacturing of relevant energy efficient products and equipment.

These critical investments would further the nation's climate goals and positively impact the entire economy. As indicated in the recent report *Halfway There*, energy efficiency alone can reduce carbon emissions by 50% by 2050, and according to the International Energy Agency (IEA), over 40% of the emission reduction objectives of the Paris Agreement can be achieved through energy efficiency by 2040.

When examining the economic impact, energy efficiency is currently the largest employer in the clean energy workforce, employing over 2.1 million people in the U.S. — nearly seven times that of the wind and solar industries combined, and 12 times the size of the entire coal industry. These jobs pay on average $24.44 an hour, or 28% higher than the national median.[4]

In conclusion, as you consider the nation's response to the multiple issues before us — energy availability, security, reliability, affordability, *and* climate change — we urge you to identify energy efficiency as a key and necessary substantive part of domestic energy policy. We further urge you to consider energy efficiency solutions as you apply the Defense Production Act.

[3] https://flowcharts.llnl.gov/content/assets/images/charts/Energy/Energy_2020_United-States.png.
[4] https://e4thefuture.org/wp-content/uploads/2021/10/Energy-Efficiency-Jobs-in-America_National-Summary-2021.pdf.

We thank you for your attention to these important issues. If you have any questions or need additional information, please contact Vincent Barnes of the Alliance to Save Energy at vbarnes@ase.org.

Sincerely,

Acuity Brands, Inc.
ACEEE
Alliance to Save Energy
American Chemistry Council
American Institute of Architects
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Carrier Global Corporation
Covestro LLC
Daikin US Corporation
Dallas-Fort Worth International Airport, DFW
DuPont
Google Nest
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International Window Film Association
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Midwest Energy Efficiency Alliance
NAESCO
North American Insulation Manufacturers Association
Polyisocyanurate Insulation Manufacturers Association
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Signify
The Combined Heat and Power Alliance
The International Copper Association
Uplight
Watsco
Window and Door Manufacturers Association