

February 10, 2009

The Honorable Harry Reid
Majority Leader
S-221 Capitol Building
United States Senate
Washington, D.C. 20510-7020

The Honorable Mitch McConnell
Minority Leader
361A Russell Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 Capitol Building
Washington, DC 20515-6501

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

Dear Conferees:

We write as an informal coalition of businesses, states, energy and environmental organizations, trade associations and manufacturers of energy efficient products to convey our strong support for critically important clean energy provisions in H.R. 1, the American Recovery and Investment Act. We wish to communicate key priorities to ensure that the final legislation is as effective as possible in promoting clean energy and meeting President Obama's objectives of creating new jobs, encouraging new technology deployment and innovation, promoting energy security, and decreasing pollution caused by global warming. At the outset, we express our recognition and appreciation for the efforts that the House and Senate have devoted to their respective economic recovery bills, and our desire that the final Conference agreement be concluded by the end of this week or sooner in order to ensure that this vitally important bill reach the President's desk by the start of the Presidents' Day recess period.

In addition to the many important clean energy provisions included in both the House and Senate bills, we strongly recommend that the following provisions be included in the final Conference agreement and/or Conference Report:

- We urge that the final Conference agreement fund the Department of Energy State Energy Program ("SEP") at no less than \$3.4 billion (the House funding level), with appropriate conditioning and the prioritization language contained in Section 7006 of the House bill. The House funding level will permit the states to deliver vital energy efficiency services and innovations throughout the economic crisis, giving priority to existing state-approved programs to enable energy efficiency funds to be expended quickly by state energy offices.
- We urge that the Conference agreement adopt the Senate funding level of \$4.2 billion for the Department of Energy's Energy Efficiency and

Conservation Block Grant Program to enable states and local governments to aggressively implement energy efficiency programs.

- Regarding funding for “Green Federal Buildings,” we urge conferees to ensure that funds are available to all federal agencies and to add language in the appropriate areas of the bill where funding is proposed for energy efficiency in Federal buildings (House bill pages 62, 87 and 211) as follows: “priority should be given to projects that are comprehensive and leverage private sector funds.” We also urge the Conferees to include the following language in the Conference Report: *“Comprehensive projects are those that utilize multiple energy conservation measures that are optimized as a package providing the highest level of efficiency and attainment of federal energy savings goals; additionally, in order to achieve maximum energy savings and job creation, the government is urged to use appropriated dollars in conjunction with private sector financing and to ensure funds are in compliance with Section 432 of the Energy Independence and Security Act of 2007 (USC 8253).”* We continue to recommend that some of the funding for Green Federal Buildings be targeted or transferred to the Department of Energy’s Federal Energy Management Program (“FEMP”), a program which is adept at executing comprehensive energy efficiency projects throughout the Federal government.
- We urge that the Conference agreement include \$300 million in funding provided in the House bill for matching grants for rebates to be provided by the states for the purchase by consumers of higher tier energy-efficient Energy Star products. Funding of \$100 million should also be provided to the EPA Energy Star Program as EPA has in place effective programs that states, municipalities, utilities, and businesses can use to quickly and effectively promote energy-saving investments in all sectors. We also request that Conference language stipulate that rebates be provided to consumers only for the purchase of higher tier energy-efficient products.
- We urge that the Conference agreement include the proposed Dorgan-Bennett language funding the Building Energy Codes Program at \$100 million; this program promotes energy-efficient building codes, training and technical assistance to the states.
- We urge that the Conference agreement contain the proposed Dorgan-Bennett language directing DOE to raise the contract ceiling on energy savings performance contracts entered into prior to December 1, 2008, in order to ensure that negotiated and fully approved contracts are implemented to provide immediate construction jobs related to Federal facilities.
- We urge that the Conferees fund the Weatherization Assistance Program at no less than the \$6.2 billion provided in the House bill. The House level of funding will allow this critical program to expand to meet President Obama’s goal of weatherizing one million homes per year; the investment in this program is estimated to create 32,000 jobs in the auditing and retrofitting industries.

- In terms of addressing industrial and commercial energy efficiency, we urge the Conferees to include the \$500 million provided in the House bill for the Waste Energy Recovery Incentive Grant Program, which provides incentive grants to the owners and operators of projects that produce either electricity or thermal energy through waste energy recovery. We also ask that the Conference Report contain language directing the Department of Energy to allocate funding to the expansion of the Industrial Assessment Centers, which provide “on the job training” to energy engineers as well as much-needed energy efficiency resources to small manufacturing firms in every state.
- We strongly support the Senate funding of \$1.6 billion for an institutional grants program for energy efficiency retrofits in schools and other institutions, as authorized by Section 399(A) of the Energy Policy and Conservation Act (42 U.S.C. 6341).

The inclusion of these critical clean energy provisions in the final Conference agreement is essential in securing President Obama’s goal of a clean energy economy. We look forward to working with you to ensure the swift adoption of the Conference Report containing these bold energy efficiency measures.

Sincerely,

Alliance to Save Energy
 American Council for an Energy-Efficient Economy
 Better Buildings Incorporated
 Business Council for Sustainable Energy
 Conservation Law Foundation
 Conservation Services Group
 Dow Chemical Company
 Energy Federation, Inc.
 Energy Future Coalition
 Environment Northeast (ENE)
 Environmental and Energy Study Institute (EESI)
 Federal Performance Contracting Coalition
 Fluid Market Strategies, Inc.
 Johnson Controls, Inc.
 National Association for State Community Services Programs
 National Association of Energy Service Companies
 National Association of State Energy Officials
 National Electrical Manufacturers Association
 North American Insulation Manufacturers Association
 Northeast Utilities
 Optimal Energy
 Polyisocyanurate Insulation Manufacturers Association
 Recycled Energy Development

SAVE Energy Coalition
Southeast Energy Efficiency Alliance
The Stella Group

Enclosure: Rebuttal of CBO Report