

**Written Statement of Kateri Callahan
President
The Alliance to Save Energy**

**Before the
Subcommittee on Energy and Mineral Resources**

**Committee on Natural Resources
U.S. House of Representatives**

June 18, 2014

Good afternoon, and thank you for having me here today. My name is Kateri Callahan and I am president of the Alliance to Save Energy [Alliance to Save Energy](#), a bipartisan, non-profit coalition of more than 150 businesses organizations and institutions – spanning every sector of the economy – that work to advance energy efficiency. Founded in 1977 by Senators Charles Percy, a Republican from Illinois, and Hubert Humphrey, a Democrat from Minnesota, the Alliance enjoys the leadership and support of 16 bi-partisan and bi-cameral Members of Congress who serve as our Honorary Vice-Chairs and help the Alliance to drive U.S. energy productivity gains and to stop energy waste through meaningful, sensible and cost-effective national energy efficiency policy. (Attached and made a part of this statement is a roster of Alliance Associate members and the Board of Directors.)

In the vein of sound energy efficiency policy, before I begin, I would like to commend two members of this subcommittee for introducing legislation that will help schools around the country reduce their energy bills, so they can focus their resources on what really matters: educating our young people. The School Building Enhancement Act, introduced by Congressman Holt would work through two already-established energy efficiency programs, Energy Star for K-12 and EnergySmart Schools to provide grants and planning assistance for states to implement cost-saving building designs; to deploy fleets of energy-efficient buses; and to maximize transportation alternatives for students, staff, and parents to and from school.

The Streamlining Energy Efficiency for Schools Act, introduced by Congressman Cartwright would streamline existing federal initiatives and establish the Department of Energy (DOE) as the lead agency in coordinating efforts to finance energy projects for schools, by providing technical assistance to help schools navigate the existing federal programs and financing options available.

These two measures exemplify the types of common sense, cost-effective policies that localities and states around the country are employing to unleash the potential of energy efficiency to cut waste and drive economic development and jobs growth while lowering greenhouse gas emissions.

My statement today highlights some of the creative policies and successes being achieved at the sub-national level. I also will discuss the potential benefit to our country that would accrue from a national commitment to cutting half of the energy waste in our economy, or as we prefer to talk about it, a national commitment to double energy productivity between now and the year 2030. ("Energy productivity" is defined as the amount of economic output – GDP – created per unit of energy consumed.)

In 2012, the Alliance created a [Commission](#) on National Energy Efficiency Policy, led by Senator Mark Warner (D-Va.) and National Grid US President Tom King, to identify solutions for increasing U.S. energy productivity and aid in jump-starting the economy. Based on findings from the Commission's initial research reports, we established an ambitious goal of doubling U.S. energy productivity by 2030.

Through the work of the Commission, we have demonstrated that this bold goal is not only achievable, but that it can be accomplished simply by broad adoption of policies and programs that are in place in certain states and cities already. And the benefits to the nation from achieving this goal would be monumental. According to economic impact [modeling](#), the net benefits could be over \$1,000 a year in average household savings in utility and transportation costs, over a million added jobs, and a one-third reduction in carbon dioxide emissions.

The Commission worked for a year to identify the implementable energy policy solutions – meaning those that could attract wide bi-partisan and public support – to move America forward to achieving this goal. We examined the potential within each sector of the economy – industry, buildings, transportation, and power generation – to deploy cost-effective energy efficiency. The result of that effort is "Energy 2030," a comprehensive set of energy policy recommendations for policymakers at all levels of government and the private sector to take action to double U.S. energy productivity by 2030. These recommendations were crafted to focus on actionable, achievable policies that are low cost, possible without government mandates, and that will have a big economic payback for any investment.

The recommendations deploy three overarching strategies to meet the Energy 2030 goal: unleash **investment** in energy productivity throughout the economy; **modernize** regulations and infrastructure to improve energy productivity; and **educate** and engage consumers, workers, business executives, and government leaders on ways to drive energy productivity gains.

Independent analysis has shown that achieving this goal of doubling U.S. energy productivity by **2030 would help Americans save \$327 billion in avoided energy costs, create 1.3 million domestic jobs, and reduce energy imports by over \$100 billion.**

These potential benefits are driving action. The federal government has already taken on the goal of doubling energy productivity by 2030. As a result, the federal government is **investing, modernizing and educating** its employees, contractors and vendors. Through policies currently in place, the federal government – our country's single largest energy user -- on track to

increase its energy productivity by 50%, cutting waste and saving energy – benefiting taxpayers and our overall economy.

Cities and states are reaping big benefits from energy efficiency policies as well. Take Mr. Lamborn's home state of Colorado as an example. Since 2009, energy efficiency programs in Colorado have reduced enough energy to power 210,000 homes. The efficiency programs and measures implemented during 2009-2013 are expected to provide \$924 million in net economic benefits to the state. Energy efficiency avoided the equivalent pollution of taking 215,000 cars off the road, saved the equivalent of 5,000 homes' annual use of water, and has helped create hundreds of jobs in the energy sector, according to the CoPIRG foundation.¹

Drilling down to the local level, in Mr. Lamborn's district, Fort Carson, Colorado has adopted a goal to be net zero energy, water, and waste by 2020. The National Renewable Energy Lab predicts implementation of all net zero energy measures planned by Fort Carson would result in thousands of jobs. Using a variety of tools, including energy savings performance contracts (ESPCs), Fort Carson is on track to reach that goal—they have reduced energy intensity by over 16%, compared to a FY 2003 baseline, saving valuable resources and cutting energy bills.²

Nine cities and two states—including major cities like New York, Chicago, and Washington, DC—have adopted energy benchmarking and disclosure policies as recommended in Energy 2030. Under these policies, certain large building owners are required to measure their buildings' energy use and publicly share the information, so that energy use data can be compared for similar buildings. The Environmental Protection Agency has found that buildings that participate in these types of education and awareness programs cut their energy usage by an average of 2.4% every year.³ EPA estimates that for an average school district with 800,000 square feet of building space, that means energy cost savings of \$140,000 over three years—money that can be spent on school supplies or teachers' salaries, instead of energy bills.

Smaller communities and businesses are also increasing their energy productivity, and seeing savings. In Mr. Holt's state of New Jersey, the Plainfield school district cut energy spending by \$1.2 million in two years after entering an energy savings contract. An energy saving contract, often referred to as an Energy Saving Performance Contract or "ESPC" is a contract to upgrade a facility that guarantees that improvements to a building will deliver a certain amount of water and energy savings over a fixed period. The costs of facility and infrastructure retrofits or renewal projects are then offset by the energy and operational savings that are achieved as a result, helping organizations from schools to governments to maintain cash flow. The facility

¹ Daniel Katz, Director of the CoPIRG Foundation, <http://www.copirg.org/news/cof/victory-puc-rejects-xcel%E2%80%99s-energy-savings-rollback-proposal>

² Director of Public Works of Fort Carson, Colorado, "Fort Carson Sustainability Journey," April 2014. http://energy.gov/sites/prod/files/2014/05/f15/spiders_fort_carson_sustainability.pdf

³ EPA, "Benchmarking and Energy Savings," October 2012. http://www.energystar.gov/ia/business/downloads/datatrends/DataTrends_Savings_20121002.pdf?3d9b-91a5

does not have to outlay initial capital costs, and the contractor is repaid for their investment through the energy and water savings. Plainfield's largest energy savings came from replacing outdated equipment and making behavioral changes.⁴

The American Council for an Energy-Efficient Economy (ACEEE) recently conducted an [analysis](#) to determine the benefits, state-by-state, of adopting four of the most common and effective energy efficiency policies available to any state: implementing an energy efficiency savings target; enacting national model building codes; constructing combined heat and power (CHP) systems; and adopting efficiency standards for products and equipment.⁵ The benefits would be huge—if each state implemented these four policies, national GDP would increase by \$17.2 billion in 2030 and 611,000 net jobs would be created.

The economic benefits to implementing energy efficiency policies are clear. Mr. Chairman, by ACEEE's analysis, by adopting energy efficiency policies, 2030 the State of Colorado would see an additional 10,200 jobs. Mr. Ranking Member, New Jersey would have 13,300 new jobs. Other states would see large increases as well; Texas would gain over 55,000, Michigan would gain nearly 14,000, and Georgia would gain 18,500 jobs.

Increasing energy productivity is the quickest, cheapest, and cleanest way to address many of our energy challenges. Energy efficiency policies and programs create local jobs that cannot be outsourced, and help American families and businesses lower their energy costs. Energy efficiency policies also offer Americans protection from rising energy costs caused by political instability abroad, and move us towards greater energy security.

Thank you for your time and attention. I would be glad to respond to any questions that you may have.

⁴ Tom Wright-Pier Santi, The Star Ledger, "Plainfield schools' energy saving program trims \$1M in spending," April 2014. http://www.nj.com/union/index.ssf/2014/04/plainfield_schools_energy_saving_program_trims_11m_in_spending_over_2_years.html

⁵ ACEEE, "Change is in the Air: How States Can Harness Energy Efficiency to Strengthen the Economy and Reduce Pollution," April 2014. <http://www.aceee.org/sites/default/files/publications/researchreports/e1401.pdf>

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