

**Statement of the Coalition of Northeastern Governors
to the Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Regarding FY2010 Appropriations for
the U.S. Department of Energy's
State Energy Program, Weatherization Assistance Program,
Northeast Home Heating Oil Reserve, and Regional Biomass Energy Program
April 3, 2009**

The Coalition of Northeastern Governors (CONEG) is pleased to provide this testimony to the House Committee on Appropriations Subcommittee on Energy and Water Development regarding FY2010 appropriations for the U.S. Department of Energy (DOE). The CONEG Governors request funding for the following Energy Efficiency and Renewable Energy Programs: \$300 million for the Weatherization Assistance Program, \$50 million for the State Energy Program, and \$140 million for the Buildings Technologies Program. In addition, the Governors request \$140 million for the Energy Information Administration, and sufficient funding for maintenance and operation of the Northeast Home Heating Oil Reserve. The Governors also urge the Committee to ensure that, through the U.S. Department of Energy, \$7.5 million is provided to maintain the critical networks and market development work of the National Biomass Partnership (previously known as the Regional Biomass Energy Program).

The Governors recognize the daunting fiscal challenges facing the Subcommittee this year, and we appreciate the significant funding Congress provided for these energy programs in the American Recovery and Reinvestment Act. Even with these critical, one-time funds, continued base funding is needed to help sustain valuable green jobs and to realize and effectively assess the continuing energy and environmental benefits of these programs.

Weatherization Assistance and State Energy Programs

In the current economy, the Weatherization Assistance Program and the State Energy Program have taken on a new significance. These successful programs allow states to quickly and efficiently implement energy saving technologies and practices, creating green jobs and achieving real savings for families struggling with unaffordable home energy costs.

Weatherization Assistance Program (WAP): Weatherization is an immediate and effective tool to manage the energy use of low-income households. These households can spend as much as 20 percent of their annual income on home energy bills compared to just three percent by other households. Through a network of more than 900 local weatherization service providers, the WAP improves the energy efficiency of more than 100,000 low-income dwellings a year, thereby reducing the home energy bills of the nation's most vulnerable citizens.

Since its inception in 1976, the program has weatherized more than 6.2 million low-income residences across the country. Many of these weatherization upgrades are inexpensive measures

and may include installing insulation, sealing ducts, and tuning and repairing heating and cooling systems. In addition, the program uses a 'whole-house' approach, incorporating advanced technologies to address the comprehensive energy usage in low-income homes, as well as related health and safety improvements. This approach maximizes both energy and dollar savings.

On average, weatherization measures that address a home's heating and cooling systems, electrical system, and electricity consuming appliances reduce energy bills by almost 32 percent. According to the Energy Information Administration, this translates to an average household energy savings of \$344 per year.

This successful program has a proven track record of creating numerous economic and non-energy benefits in communities, including increased home values, job creation, and improved health and safety of occupants.

State Energy Program (SEP): The State Energy Program, the cornerstone of the state-federal partnership, is vital to achieving energy efficiency and conservation in energy end-use sectors such as buildings, industrial, agriculture, transportation, and power generation. The program, which has proven its effectiveness, assists states' initiatives that help realize national goals of greater energy efficiency, reduced energy costs, development of alternative and renewable energy resources, and reduced reliance on imported sources of energy. The SEP also helps states in their critical emergency preparedness activities, improving the security and reliability of energy infrastructure, and preparing for natural disasters.

Through the SEP's targeted programs, local governments, businesses, schools, as well as individuals become aware of opportunities and receive assistance for specific improvements that result in energy efficiency, reduced energy costs, diversified energy use, and job creation in multiple sectors. Working with DOE, states tailor their renewable energy and energy efficiency programs to maximize the effectiveness of the program's resources. The Northeast states have used SEP funds to support projects to update emergency plans to anticipate and respond to potential shortages of electric power, natural gas and deliverable fuels. SEP funds have also been used by state agencies to assist in reducing energy use in commercial and institutional buildings, fleets, and equipment; perform small business energy audits; and provide public information and education to local residents, small businesses, farmers, and others to make them aware of opportunities to reduce energy consumption and energy bills.

The modest federal funds provided to the SEP are an efficient federal investment, as they are leveraged by significant non-federal public and private sources. According to the most recent data from the Department of Energy (2006), each dollar of SEP funding is leveraged by \$10.71 in state, local and private sources; and results in \$7.22 in energy cost savings.

In its recent evaluation of the program, Oak Ridge National Laboratory found that the program has "a substantial positive impact on the nation's energy situation." The report estimated that the program results in annual cost savings of \$256 million while providing environmental and public health benefits through reduced energy use and emissions reductions. For example, the program

results in an annual reduction of carbon emissions of 826 million metric tons – the same amount produced by 582,000 automobiles in a single year.

Buildings Technologies Program (BTP)

The Buildings Technologies Program has created unique and effective partnerships with states, industry, national laboratories, universities and manufacturers to improve the energy efficiency of new and existing buildings, and the equipment and systems within them. The Program supports research and development of innovative new technologies and better building practices, and development of building energy codes and equipment standards. It also provides tools, guidelines, training, and access to technical and financial resources.

Buildings consume more energy than any other sector of the U.S. economy, including transportation and industry. With roughly 15 million new buildings projected to be built by 2015, a tremendous opportunity exists for the development and deployment of energy efficient technologies and building practices. The potential energy and cost savings are significant.

The strategic goal of the Building Technologies Program is to create technologies and design approaches that lead to marketable net-zero energy homes by 2020 and net-zero energy commercial buildings by 2025. These net-zero energy buildings would use 60 percent to 70 percent less energy, with the balance of energy needs supplied by renewable technologies.

BTP is working to achieve this goal on several fronts. Research supported by BTP includes innovative integrated strategies that improve the efficiencies of all energy uses including heating and cooling, ventilation, lighting and appliances. The Building Energy Codes Program serves as an information resource on national model energy codes and works with other federal, state, and local government agencies; national code organizations; and industry to promote and enforce stronger building energy codes. BTP collaborates with partners of the highly successful ENERGY STAR program to increase awareness, availability and purchase of energy efficient appliances, lighting and windows. According to DOE, in 2006, ENERGY STAR saved 170 billion kilowatt hours – or almost 5 percent of the total 2006 electricity demand – and helped avoid greenhouse gas emissions equivalent to those from 25 million automobiles.

Energy Information Administration

EIA provides timely, reliable and credible information and analysis on the energy produced, imported and consumed in the United States. As Congress and the Administration continue to develop and debate a national energy strategy, EIA is increasingly called upon to provide unbiased, timely and reliable information, analyses and forecasts. In addition, states rely on EIA data as the core of their information for energy emergency planning.

New requirements included in the *Energy Independence and Security Act of 2007*, as well as the evaluation of an increasingly more complex and interdependent energy industry, has created a vastly increased workload for EIA and the need for more rigorous data collection and analysis. Increased funding in FY2010 will help ensure that EIA can begin to revise and update its energy

data collection and analysis programs so it can continue to provide the most accurate and reliable information on the energy markets and industry.

Northeast Home Heating Oil Reserve

The nation's heightened emphasis on energy reliability and security places renewed importance on the Northeast Home Heating Oil Reserve. Almost 70 percent of the 7.7 million households heating primarily with home heating oil are in the Northeast, making the region particularly vulnerable to the effects of supply disruptions and price volatility. The Northeast region is literally at the end of the energy product pipeline. Any disruption along the delivery infrastructure anywhere in the country negatively affects the Northeast. The Reserve provides an important buffer to ensure that the states will have prompt access to immediate supplies in the event of a supply emergency.

Renewable Energy and the National Biomass Partnership

Even as research in advanced bioenergy resources and their applications continues, the goal of reducing the nation's dependence on imported energy can be accelerated by timely steps to deploy the nation's varied bioenergy resources and technologies into the market place. The National Biomass Partnership, a collaboration of five regional biomass energy programs created by Congress, is a critical link in the chain of research, resource production and technology commercialization that is essential to bringing bioenergy technologies successfully into the marketplace. The absence of a strong federal partner threatens this state-private sector effort to better coordinate the institutional and physical infrastructure for deployment of sustainable biomass fuels and bioenergy technologies.

States contribute significant resources to support the development of biomass fuels, technology, and infrastructure. These programs increase public understanding, provide technical assistance to state and local governments and to businesses, and bring about the state and local policies and institutions that are critical to the emergence of on-the-ground bioenergy markets. Through the National Biomass Partnership, states join with each other and with private sector and university partners to tailor bioenergy development efforts to the regionally distinct bioenergy resources and markets. The Partnership, with its established network for cooperation and coordination of biomass energy activities that links state, regional and national objectives, has demonstrated its ability to efficiently leverage resources; coordinate policies and activities among states; and expedite deployment of the biomass fuels, technology, and infrastructure that is necessary to reach common goals of states and the federal government. In the Northeast alone, the Northeast Regional Biomass Partnership (NRBP) directly influenced \$24 million in biomass investments – 69 percent of the overall biomass investment made in the region in 2003. Working with state, federal and private sector officials, the NRBP has provided bioenergy education and training to nearly 3,000 people in the region and contributed to state-developed bioenergy policies and programs.

In conclusion, the Coalition of Northeastern Governors request that you provide \$300 million for the Weatherization Assistance Program, \$50 million for the State Energy Program, \$140 million

for the Buildings Technologies Program, and \$140 million for the Energy Information Administration. We also urge Congress to provide sufficient funding for maintenance and operation of the Northeast Home Heating Oil Reserve; and ensure that, through the U.S. Department of Energy, \$7.5 million is provided for the work of the National Biomass Partnership. CONEG welcomes the opportunity to provide additional information on these essential programs as Congress continues the FY2010 appropriations process.

Identical testimony was also submitted for the record to the Senate Appropriations Subcommittee on Energy and Water Development.