

**TESTIMONY OF DAVID TERRY, EXECUTIVE DIRECTOR,
NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS,
BEFORE THE SENATE INTERIOR, ENVIRONMENT, AND RELATED
AGENCIES APPROPRIATIONS SUBCOMMITTEE IN SUPPORT
OF FY'16 U.S. ENVIRONMENTAL PROTECTION AGENCY FUNDING**

March 29, 2015

Chairman Murkowski, Ranking Member Udall, and members of the Subcommittee, I am David Terry, Executive Director of the National Association of State Energy Officials (NASEO), which represents the 56 State and Territory Energy Offices. NASEO is submitting this testimony in support of funding for the ENERGY STAR program (within the Climate Protection Partnership Division of the Office of Air and Radiation) at the U.S. Environmental Protection Agency (EPA). NASEO supports funding of at least **\$55 million**, including specific report language directing that the funds be utilized only for the ENERGY STAR program. The ENERGY STAR program is successful, **voluntary**, and cost-effective. With increasing electricity prices and volatile natural gas markets, ENERGY STAR helps consumers and businesses control expenditures over the long term. The program is strongly supported by product manufacturers, and ENERGY STAR leverages the states' efficiency actions. Voluntary ENERGY STAR activities are occurring, in conjunction with many states including Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin.

The ENERGY STAR program is focused on **voluntary** efforts that reduce the use of energy, promotes energy efficiency and renewable energy, and works with states, local governments, and business to achieve these goals in a cooperative, public-private manner. NASEO has worked very closely with EPA and approximately 40 states are ENERGY STAR Partners. With very limited funding, EPA's ENERGY STAR program works closely with the State Energy Offices to give consumers and businesses the opportunity to make better energy decisions and catalyzes product efficiency improvements by manufacturers **without regulation or mandates**.

ENERGY STAR focuses on energy efficient products as well as buildings (e.g., residential, commercial, and industrial). In 2013, nearly 300 million ENERGY STAR products were purchased across more than 70 product categories. The ENERGY STAR label is recognized across the United States. It makes the work of the State Energy Offices much easier, by working with the public on easily recognized products, services, and targets. In order to obtain the ENERGY STAR label a product has to meet established guidelines. ENERGY STAR's voluntary partnership programs include ENERGY STAR Buildings, ENERGY STAR Homes, ENERGY STAR Small Business, and ENERGY STAR Labeled Products. The program operates by encouraging consumers and working closely with state and local governments to

purchase these products and services. Marketplace barriers are also eradicated through education. State Energy Offices are working with EPA to promote ENERGY STAR products, ENERGY STAR for new construction, ENERGY STAR for public housing, etc. A successful example of how State Energy Offices are leveraging this key national program is the Nebraska Energy Office, which since 2005, has utilized ENERGY STAR as the standard for certifying home and office electronics that are eligible under the state's successful and long-running Dollar and Energy Savings Loan program.

In addition to the state partners, the program has over 16,000 voluntary partners including over 2,000 manufacturers using the label, more than 1,000 retail partners, more than 5,000 builder partners, 4,500 businesses, 550 utilities and thousands of energy service providers. The Home Performance with ENERGY STAR activity allows us to focus on whole-house improvements, not simply a single product or service. This is extremely beneficial to homeowners. Over 30 states, including Alabama, California, Kentucky, Minnesota, Nevada, and New Jersey, operate or support the Home Performance with ENERGY STAR programs. The New York and Illinois energy offices were recently honored with Partner of the Year awards by the program. We are also working closely with EPA to support the ENERGY STAR Challenge, which encourages commercial and industrial building owners to voluntarily reduce energy use by 10% or more within 5 years or less, usually through very simple actions.

The State Energy Offices are very encouraged with progress made at EPA and in our states to promote programs to make schools more energy efficient, in addition to an expanding ENERGY STAR Business Partners program. In Kentucky, the state has partnered with school districts and engineering firms to advance ENERGY STAR rated schools, resulting in more than 250 ENERGY STAR rated schools in the state, a 400% increase since 2010. Over the past few years, Kentucky has moved aggressively to promote zero-net energy schools. Other states that have over 100 ENERGY STAR rated schools include Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Michigan, Minnesota, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia, Washington and Wisconsin.

EPA has been increasing the technical assistance work with the State Energy Offices in such areas as ENERGY STAR Portfolio Manager (how to rate the performance of buildings), setting an energy target, and financing options for building improvements and building upgrade strategies. ENERGY STAR Portfolio Manager is used extensively by State Energy Offices to benchmark performance of state and municipal buildings, saving taxpayer dollars. Nearly 40% of the country's commercial building space uses Portfolio Manager to measure, track, assess, and report energy and water consumption.

The State Energy Offices are working cooperatively with our peers in the state environmental agencies and state public utilities commissions to ensure that programs, regulations, projects and policies are developed recognizing both energy and environmental concerns. We have worked closely with this program at EPA to address these issues. We encourage these continued efforts.

Conclusion

The ENERGY STAR program saves consumers billions of dollars every year. The payback is enormous. NASEO supports robust program funding in FY'16. Funding for the ENERGY STAR program is justified. NASEO endorses these activities and the State Energy Offices are working very closely with EPA to cooperatively implement a variety of critical national programs without mandates.