

August 17, 2016

The Honorable Lisa Murkowski
Chairman
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

The Honorable Fred Upton
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Maria Cantwell
Ranking Member
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

The Honorable Frank Pallone
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Murkowski and Upton and Ranking Members Cantwell and Pallone:

We the undersigned businesses and trade associations are writing to express our strong support for the policies included in the Energy Policy Modernization Act of 2015 (S. 2012) and the North American Energy Security and Infrastructure Act (H.R. 8) that promote energy efficiency in industrial, commercial, and residential applications and urge you to include these provisions in the final conferenced package.

We support low to no-cost, no-mandate provisions that advance energy efficiency, while preserving the critical role of government oversight. American taxpayers save money on their energy bills and businesses thrive when we reduce regulatory burdens, increase transparency, and focus on the federal government as a first mover. We believe that marrying the key energy efficiency provisions in S. 2012 and H.R. 8 will have a positive impact on the U.S. economy.

Our businesses, along with many trade associations, companies and advocacy organizations, have long supported common sense energy efficiency legislation, such as those sponsored over the last two Congresses by Senators Portman (R-OH) and Shaheen (D-NH) in the Senate and Congressmen McKinley (R-WV) and Welch (D-VT) in the House. We commend the Senate for including these provisions in S. 2012 and believe, if included in conference, they will reduce energy consumption, advance the adoption of new technologies, produce energy savings for businesses and families, while encouraging private-sector job creation and resulting in a stronger and more durable American economy.

We support the building codes section 1001 of S. 2012. We urge conferees to retain the current Senate language which supports strong, updated model building energy codes and which were developed through a bipartisan, transparent process. Section 1001 retains state authority over building code adoption and clarifies the role of the Department of Energy as one of offering technical assistance. We are concerned that the provisions in H.R.8 provide DOE with too much authority over the costs of building materials and sets a precedent of excessive federal intervention.

Some of the provisions we are most enthusiastic about for conference relate to Federal energy efficiency. Section 1006 of S. 2012 clarifies the use of Energy Savings Performance Contracting, a provision approved twice by the Energy and Commerce Committee. We also support extension of the energy efficiency goals of the Federal government. Section 3116 of H.R. 8 extends the energy efficiency goals for two years at 3% per year. We prefer the longer term, yet slightly less aggressive, goal of 2.5% per year reduction for 10 years as was included in Section 1017 of S. 2012 as it will encourage agencies to make energy efficiency investments on a continuing basis. We also support the portions of section 3116

of H.R. 8 and section 1015 of S. 2012, which repeal the ban on fossil fuel use in Federal buildings that was included in the Energy Independence and Security Act of 2007.

We would further ask that you include the SAVE Act, sections 1501-1506 of S. 2012, which provides one of the only ways to substantially impact the energy efficiency of our nation's residences with neither government monetary support nor mandates. The voluntary program would allow homeowners and buyers to value energy efficiency during the mortgage underwriting process in Federal Housing Administration (FHA) loans only.

Further provisions we support include Smart Buildings in section 1014 and the Smart manufacturing provisions in sections 1201-1203 in S. 2012. We also support the Energy Star Program Integrity Act, which was included section 3124 of H.R. 8, a clarification of the effective date of regional standards (section 3125 of H.R. 8) and the application of energy conservation standards to certain external power supplies (section 3128 and Section 1107 of S. 2012). All three of these have been negotiated among businesses, trade associations and the energy efficiency advocacy community. We additionally support process reforms to the Department of Energy appliance standards setting process in Section 3152 of H.R. 8.

We have included a side-by-side of these provisions and would be happy to provide any additional information that might be useful and to meet with you or your staff at your convenience.

Sincerely,

ABB Inc.

Honeywell

American Chemistry Council

Johnson Controls, Inc.

BASF Corporation

National Association of Manufacturers

Covestro LLC

Owens Corning

Daikin US Corporation

PPG

The Dow Chemical Company

Schneider Electric

Danfoss

United Technologies

Eaton

U.S. Chamber of Commerce

cc: Senators John Barrasso, Jim Risch, John Cornyn, Ron Wyden, and Bernie Sanders
Representatives Rob Bishop, Joe Barton, Ed Whitfield, John Shimkus, Robert Latta, Cathy McMorris Rodgers, Pete Olson, David Mickinley, Mike Pompeo, Morgan Griffith, Bill Johnson, Bill Flores, Markwayne Mullin, Don Young, Cynthia Lummis, Jeff Denham, Bruce Westerman, Lamar Smith, Randy Weber, Mike Conaway, Glenn Thompson, Raul Grijalva, Crescent Hardy, Lee Zeldin, Collin Peterson, Eddie Bernice Johnson, Peter DeFazio, Bobby Rush, Lois Capps, Doris Matsui, John Sarbanes, Peter Welch, Ben Ray Lujan, Paul Tonko, Jared Huffman, and Debbie Dingell