



**American Chemistry Council Statement for the Record
S. 720, the “Energy Savings and Industrial Competitiveness Act of 2015”
Submitted to Senate Energy and Natural Resources Committee
April 28, 2015**

Introduction

The American Chemistry Council (ACC)* welcomes this opportunity to re-state our support for S. 720, the “Energy Savings and Industrial Competitiveness Act of 2015”. The Council thanks Senators Portman and Shaheen for developing and introducing S. 720 and we thank Senators Murkowski and Cantwell for holding today’s hearing. While ACC supports passage of S.720 in its entirety, we wish to highlight the important contribution that Section 433, the “Sensible Accounting to Value Energy (SAVE) Act,” makes to the bill.

American Chemistry and Energy Efficiency

America’s chemistry companies are leaders in energy efficiency. They invent and make products used in high-performance building insulation, windows, and appliances; lightweight plastic packaging and vehicle parts; engine lubricants and fuel additives; compact fluorescent light bulbs, photovoltaic solutions, and energy storage systems; and many others. These markets are significant, and growing.

In today’s highly competitive global commerce, we know that being energy-efficient in our own operations helps our industry reduce costs and maintain U.S. production and jobs. This commitment has led to a 49 percent improvement in energy efficiency for the chemical industry since 1974. Responsible Care® companies have improved energy efficiency by 14 percent since 1992.

It is important to note that having an affordable and a reliable supply of energy inputs is essential to making the U.S. a competitive producer of energy efficient products and services. The chemical industry uses natural gas liquids to make chemistry products that are used to make energy efficiency solutions. There is a direct connection between policies to create a reliable supply of natural gas and a competitive manufacturing sector to produce the products that make the economy more energy efficient.

Section 433, the “Sensible Accounting to Value Energy (SAVE) Act”

The “SAVE Act,” originally introduced by Senators Isakson and Bennet, has enjoyed strong bipartisan support since its inception. The bill will help homeowners realize the true value of energy-efficient homes by recognizing that reduced energy costs make these homes more affordable.



Recent evidence suggests that owners of energy-efficient homes are 32 percent less likely to default on mortgages. Current lending practices don't account for a significant cost of homeownership—utility bills. This bill would provide a flexible and voluntary pathway for lenders to better assess risk and account for energy savings realized by homeowners. The “SAVE Act” would also allow appraisers to more easily include the value of energy-efficient features in the overall value of buildings. We believe this voluntary program will help inform homebuyers about their home purchase and encourage owners to invest in energy efficiency. Furthermore, by encouraging more home improvement projects and unlocking demand for new energy-efficient homes, the “SAVE Act” would create manufacturing and construction jobs. These jobs are essential for strengthening the economic recovery.

Conclusion

Given the bipartisan nature of the “SAVE Act,” we urge the committee to support Section 433 of S. 720. Most products that go into new homes in this country are made right here in the U.S., but product manufacturers who are continually developing new technologies are finding that builders cannot use these new products because the incremental cost in most cases cannot be financed as part of a home buyer's mortgage. Passing S. 720, with Section 433 included, will help unlock manufacturing demand for these innovative new products and significantly reduce homeowners' utility bills.

If you have any questions about ACC's positions on S. 720 and Section 433, please contact Booth Jameson at Booth.Jameson@americanchemistry.com

*The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is an \$812 billion enterprise and a key element of the nation's economy. It is the nation's largest exporter, accounting for twelve percent of all U.S. exports. Chemistry companies are among the nation's largest energy consumers.

