

Energy Efficiency

Summary

Energy efficiency is the ability to maximize energy use via more efficient technologies throughout the electric utility system, as well as for electric customers to minimize their energy use via a variety of tools, technologies, and behaviors. It is one of the most important, cost-saving tools available to utilities to meet energy demand, defer generation investment, and reduce greenhouse gas and other emissions. The federal government creates incentives for energy efficiency through legislation, regulations, the tax code, and executive orders. The American Public Power Association (APPA or Association) provides tools and support for its members to deploy energy efficiency measures at their utilities. The Association is generally supportive of federal efforts to encourage and support such activities so long as they are cost-effective for consumers and have a reasonable payback period.

Congressional Action

Congressional interest in energy efficiency remains strong. On May 16, the House Energy & Commerce Committee approved five bills to promote energy efficiency. These bills would reauthorize the Energy Efficiency and Conservation Block Grant Program, Weatherization Assistance Program, and programs at the Department of Energy (DOE) to improve the energy efficiency of buildings. In addition, they also would establish a smart energy and water management program at DOE and direct the department to establish an initiative to implement smart building technology at one or more federal buildings. House consideration of these bills are expected later this spring or summer.

In addition, APPA has been working closely with Congress and various stakeholders on the reintroduction of energy efficiency legislation in the 116th Congress. On April 30, 2019, Senate Energy & Natural Resources Committee Ranking Member Joe Manchin (D-WV) and Senator John Hoeven (R-ND) reintroduced the All-of-the-Above Federal Building Energy Conservation Act of 2019. The bill, S. 1245, would repeal the requirement in section 433 of the Energy Independence

and Security Act (EISA) of 2007 that new and existing federal buildings undergoing major renovations phase out fossil fuel-generated energy consumption by 2030. The federal government has been unable to find a long-term path for compliance with this unrealistic requirement. The legislation also includes language to require the federal government to implement strong, cost-effective energy efficiency measures to meaningfully reduce energy usage at federal buildings. In addition, the bill would ensure major renovations to existing federal facilities achieve 30-percent-less energy usage than code, which is the same standard set for new federal buildings. On May 10, 2019, Representatives Buddy Carter (R-GA) and Mark Veasey (D-TX) reintroduced companion legislation in the House, H.R. 2664. APPA is supportive of the legislation.

APPA was also supportive of energy efficiency legislation introduced in the 115th Congress that could be reintroduced this year, including S. 385 and H.R. 1443, the Energy Savings and Industrial Competitiveness Act. Sponsored by Senators Rob Portman (R-OH) and Jeanne Shaheen (D-NH) in the Senate and Representatives David McKinley (R-WV) and Peter Welch (D-VT) in the House, these bills (which were similar, but not identical) would have revised a variety of programs to encourage energy efficiency in buildings, the industrial sector, federal government, and certain appliances. S. 385 was reported out of the Senate Energy & Natural Resources Committee on May 10, 2017. It was also incorporated into S. 1460, the comprehensive energy bill introduced by Senators Lisa Murkowski (R-AK) and Maria Cantwell (D-WA). APPA supported S. 385, but believed the mandates and other requirements in the bill should have been changed to voluntary goals. The Association was particularly supportive of the following sections in S. 385:

- **Section 112**—it would have authorized \$10 million for career skills training programs for classroom instruction and on-the-job training for industry-related certification to install energy efficient building technologies. One of APPA's strategic initiatives is workforce planning and development, and the Association believes this program, along with other workforce initiatives, would have advanced energy workforce development.

- **Sections 221 and 231**—it would have established rebate programs at DOE (DOE) to encourage the replacement of inefficient electric motors and transformers.
- **Sections 421 and 422**—Similar to S. 1245 and H.R. 2664, sections 421 and 422 would have repealed the requirement in section 433 of the EISA that new and existing federal buildings undergoing major renovations phase out fossil fuel-generated energy consumption by 2030. These sections would have provided the federal government with the flexibility to achieve its energy efficiency goals without the energy ban by providing energy intensity reduction goals; encouraging the use of energy management systems; reducing the frequency of energy audits for facilities achieving their energy intensity goals; requiring alterations and additions to existing federal buildings to meet model energy codes and requiring federal buildings to meet state or local energy codes where they are stronger; applying the standard of “30-percent-better-than-code” to major renovations; and strengthening the “30-percent-better-than-code” requirement.

APPA also supported S. 1071, the Duplicative Green Buildings Program Evaluation Act in the 115th Congress. Sponsored by former Senator Jeff Flake (R-AZ), S. 1071 would have directed DOE to evaluate potentially duplicative green building programs and determine if there are ways to eliminate overlap, improve coordination, and increase their effectiveness. The Association supported the legislation because it would have encouraged good governance and ensured maximum funding and management of green buildings programs at DOE.

At the beginning of the 115th Congress, House Energy & Commerce Committee Chairman Greg Walden (R-OR) and Energy Subcommittee Chairman Fred Upton (R-MI) signaled their intention to complete a comprehensive review of the Energy Policy and Conservation Act (EPCA). EPCA was enacted in 1975 to “increase energy production and supply, reduce energy demand, provide energy efficiency, and give the executive branch additional powers to respond to disruptions in energy supply.” Among other things, the statute directs DOE to conduct regular reviews of efficiency standards. APPA has been concerned about the pace at which DOE has been updating such standards and the burdens they can create on utilities and consumers. However, the committee did not take up legislation to address issues associated with EPCA in the 115th Congress. The House Energy & Commerce Committee’s Energy Subcommittee, under new Subcommittee Chairman Bobby Rush (D-IL), held a hearing on March 7, 2019, to examine DOE’s failure to publish and update these standards. Future legislative activity on EPCA is possible by the committee later this year.

Regulatory Action

On March 28, 2017, President Trump signed Executive Order (EO) 13783, entitled “Promoting Energy Independence and Economic Growth.” EO 13783 requires the heads of agencies to review all existing regulations, orders, guidance documents, policies, and any other similar agency actions that potentially burden the development or use of domestically produced energy resources. DOE formed a Regulatory Reform Task Force to conduct a review of agency action subject to review under the EO. On May 30, 2017, DOE published a Request for Information (RFI) in the *Federal Register* seeking input from entities significantly affected by DOE regulations. The RFI closed on July 14, 2017, with DOE receiving 132 public comments. After reviewing those comments, the Task Force recommended reviewing the DOE Appliance Standards Program, which sets separate test procedures and minimum energy conservation standards for more than 60 categories of appliances. On February 6, 2019, DOE published in the *Federal Register* a proposed rule that would amend its Process Improvement Rule to modify how the department develops efficiency standards. The proposed revisions would make it mandatory for test procedures on appliances to be released before efficiency rules are finalized and require DOE to use test procedures set by industry. The public comment period for the proposal closed on May 6, 2019.

American Public Power Association Position

APPA strongly supports legislation to improve energy efficiency in multiple sectors. Many public power utilities have already taken steps on their own or through federal incentives, other funds, or local initiatives to improve energy efficiency for their customers. The Association will continue to monitor and work on priorities with stakeholders in the House Energy & Commerce and Senate Energy & Natural Resources Committees in the 116th Congress. This includes working closely with the House Energy & Commerce Committee to ensure that the payback period for efficiency standards issued under EPCA are reasonable and cost-effective. In addition, APPA continues to support the goals and intent of S. 1071, S. 385, and H.R. 1443 from the 115th Congress. The Association also supports the repeal of section 433 of EISA and replacement of that section with more realistic efficiency requirements, such as those in H.R. 2664 and S. 1245.

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The American Public Power Association is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. We represent public power before the federal government to protect the interests of the more than 49 million people that public power utilities serve, and the 93,000 people they employ. Our association advocates and advises on electricity policy, technology, trends, training, and operations. Our members strengthen their communities by providing superior service, engaging citizens, and instilling pride in community-owned power.