

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) provides tools and support for its members to deploy energy efficiency measures at their utilities. APPA 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

Congress has long had, and continues to have, a strong interest in promoting energy efficiency. During the 116th Congress, APPA worked closely with Congress and various stakeholders on the reintroduction of energy efficiency legislation, S. 1245, the All-of-the-Above Federal Building Energy Conservation Act of 2019, authored by Senate Energy & Natural Resources Committee Ranking Member Joe Manchin (D-WV) and Senator John Hoeven (R-ND). The bill would have repealed the requirement in section 433 of the Energy Independence and Security Act (EISA) of 2007 that new and existing federal buildings undergoing major renovations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 included language to require the federal government to implement strong, cost-effective energy efficiency measures to meaningfully reduce energy usage at federal buildings. It would have also ensured that major renovations to existing federal facilities achieve 30-percent-less energy usage than code, which is the same standard set for new federal buildings. S. 1245 was approved by the Senate

Energy & Natural Resources Committee in July 2019. APPA also supported companion legislation to S. 1245, H.R. 2664, introduced by Representatives Buddy Carter (R-GA) and Mark Veasey (D-TX).

In addition, APPA supported S. 2137/H.R. 3962, the Energy Savings and Industrial Competitiveness Act, sponsored by Senators Rob Portman (R-OH) and Jeanne Shaheen (D-NH) in the Senate and Representatives Peter Welch (D-VT) and David McKinley (R-WV) in the House. These bills, which are 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. 2137 was reported out of the Senate Energy & Natural Resources Committee in October 2019. APPA supported S. 2137, but believes some of the mandates and other requirements in the bill should be changed to voluntary goals. The association is particularly supportive of the following sections in S. 2137:

- **Section 112**—would authorize \$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 advance energy workforce development.
- **Sections 211 and 221**—would establish rebate programs at DOE to encourage the replacement of inefficient electric motors and transformers.
- **Sections 421 and 423**—Similar to S. 1245 and H.R. 2664, sections 421 and 423 would repeal 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 provide 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; and expand the “30-percent-less energy usage than code” standard to major renovations, which is the current standard for new construction.

Several efficiency provisions were included in the Energy Act of 2020, which passed as part of the Consolidated Appropriations Act, 2021 and signed into law on December 28, 2020. The law includes reauthorization of the Weatherization Assistance Program and provisions from the Energy Savings and Industrial Competitiveness Act to establish rebate programs for energy efficient transformers and electric motors.

Regulatory Action

On March 28, 2017, President Trump signed Executive Order (EO) 13783, entitled “Promoting Energy Independence and Economic Growth.” EO 13783 required 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. DOE finalized its Process Improvement Rule on January 15, 2020, which is being challenged by several states and environmental groups. Their legal petitions assert that the rule’s requirement that an updated or new standard save a minimum amount of energy (0.3 quadrillion BTUs over 30 years) ties standards to an arbitrary threshold. The litigation is still pending.

On September 5, 2019, DOE proposed not to move forward with more stringent efficiency standards for general service incandescent (GSILs) lightbulbs, citing concerns that new standards would force consumers to buy replacement bulbs that are more expensive. The efficiency standard of 45 lumens per watt for GSILs was previously supported by the Obama administration. In December, DOE made a final determination to maintain the current efficiency standards. Several states and environmental groups are suing the department in response to the decision.

APPA 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, state funds, or local initiatives to improve energy efficiency for their customers. APPA will continue to monitor and work on priorities with stakeholders in the House Energy & Commerce and Senate Energy & Natural Resources Committees in the 117th Congress. This includes working with the committees to promote energy efficiency, as well as ensure that the payback period for efficiency standards issued under the Energy Policy and Conservation Act are reasonable and cost-effective. In addition, APPA continues to support the goals and intent of S. 2137/H.R. 3962 and 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.

APPA Contact

Sarah Czufin, Government Relations Director, 202-467-2959 / sczufin@publicpower.org

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.