

**TESTIMONY OF DAVID TERRY, EXECUTIVE DIRECTOR, NASEO, BEFORE THE
U.S. HOUSE ENERGY AND WATER DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE IN SUPPORT OF FY'22 U.S. DOE FUNDING – May 7, 2021**

Chair Kaptur, Ranking Member Simpson, and members of the Subcommittee, I am David Terry, Executive Director of the National Association of State Energy Officials (NASEO). I am testifying on behalf of our 56 governor-designated state and territory members. NASEO respectfully requests funding for the following U.S. Department of Energy (DOE) programs:

\$121 million for the U.S. State Energy Program (SEP) with \$90 million directed for *formula grants to the states* (plus \$6 million for technical assistance to states and \$25 million to address energy and air quality in schools); **\$325 million for the Weatherization Assistance Program (WAP)** (plus \$5 million for technical assistance); \$530 million for the Building Technologies Office, including \$100 million for building energy codes—especially funding to support state and local technical assistance, and \$50 million for grid-interactive efficient buildings; \$400 million for the Vehicle Technologies Office; \$280 million for the Solar Energy Program; \$56 million for FEMP, including \$2 million for the state collaborative; \$252 million for the Office of Cybersecurity, Energy Security, and Emergency Response, including \$50 million for energy-sector risk identification and mitigation grants to states and \$20 million for program direction; \$225 million for the Office of Electricity, including \$25 million for Transmission Permitting and State Technical Assistance; and \$2 million for Office of Policy to produce the U.S. Energy Employment Report. **The \$90 million SEP request and \$325 million WAP request is consistent with the “Dear Colleague” letter, signed by 118 members, you received on 4/28/21, led by Mr. Tonko and Mr. McKinley.** These requests are separate from additional funding necessary for infrastructure and climate change responses. Section VI of the FY’21 House Energy and Water Development Appropriations bill is a good starting point for addressing

climate and infrastructure, with funding for SEP, WAP and EECBG. DOE must move quickly to fill the 150 open job slots within EERE, or the Subcommittee's objectives and the Administration's agenda will not be satisfied.

The underlying SEP statute provides extraordinary flexibility and reflects the states' approach to advancing renewable energy, energy efficiency, transportation electrification, energy workforce development, resilience and climate actions, and energy-sector security. For example, the eight state REVWest initiative is advancing EV infrastructure and many states use SEP funds to accelerate this work. Southeastern states use SEP funds to collaborate on energy emergency planning, response, and resilience. States are coordinating on workforce development and equity programs with SEP. In addition, states from across regions, such as MI, TX, and MS, use SEP funds to accelerate energy technology innovation initiatives in coordination with universities and the private sector. All of this work is accomplished through the SEP formula funds. Past Administrations have sought to "slice off" a portion of the SEP formula funds provided by Congress for DOE-directed competitive awards in areas selected by DOE. NASEO strongly opposes the use of this approach which limits states collaborative work on priority activities. According to two Oak Ridge National Laboratory (ORNL) studies, SEP provides exceptional value. ORNL found that each dollar of SEP formula funds used by the states leverages \$10.71 of state and private funds and realizes \$7.22 in energy cost savings for citizens and businesses. The State Energy Offices lead or co-lead energy emergency planning and response across electricity, natural gas, and petroleum products. This state-federal-private function is a hallmark of SEP. NASEO strongly supports the role of CESER. It is critical to increase program direction funds to manage and deliver these critical functions. Finally, SEP is one of the only connections between billions of dollars spent by DOE on R&D *and* the priorities of states. A

greater reliance by DOE on the states to ensure federal R&D meets real world conditions would maximize the impact of R&D funding and leverage the vast deployment capability of states.

Greater coordination among EERE, FE, OE, CESER, ARPA-E and the states is necessary.

Below are a few examples of the states' utilization of SEP funding.

Ohio – SEP Project Saves School District \$89,000 Annually. The Ohio Energy Office provided \$215,000 in SEP funds to Sidney City Schools to replace existing, end-of-life fluorescent lighting systems with efficient LEDs at the district's high school, middle school, and administrative offices. All project materials were provided by a local company. As a result of the project, Sidney City Schools is expected to reduce its lighting energy costs by 70 percent.

Idaho – Idaho Coordinates Energy Emergency Planning and Preparedness Efforts. Idaho's energy office leverages SEP funding to coordinate energy planning and policy development. This includes supporting energy emergency preparedness (*e.g.*, emergency fuel shortage plans and resilience) as well as providing information to rural communities about energy efficiency through the state's Government Leading by Example program.

Arizona – Supports Emergency Uninterruptible Power for Key Facility. The Arizona Energy Office provided the City of Douglas (population 17,000) with emergency funding for replacement of an uninterruptible power supply for a city-owned facility leased to one of the city's largest employers (350 jobs) and would have closed without this help.

California – Supports Development of Appliance Standards. California uses SEP funds to develop and implement appliance and building standards. In 2020, appliance standards became effective for general services lamps (GSL), walk-in coolers and freezers, ceiling fans, ceiling fan light kits, portable air conditioners, spray sprinkler bodies, and pool pumps. New appliance standards will lead to energy and cost savings. For example, after GSL

stock turns over, annual electricity savings will be 4,000-13,600 gigawatt-hours; portable air conditioners will realize 369 gigawatt-hours in savings; spray sprinkler bodies will save 150 billion gallons of water per year; and pool pump motors will save 62 gigawatt-hours annually.

Florida – Implements Resilience Upgrades at 86 Mission-Critical Facilities. The Florida Energy Office installed over one megawatt of solar power at mission-critical facilities through the SunSmart Schools Emergency Shelter E-Shelter Program. The SEP-funded program outfitted 86 schools that double as emergency shelters with 10kW bimodal PV arrays with battery back-up. These systems provide power to critical loads during emergencies, while offsetting electricity costs during normal operation. With additional funds from utilities, the program expanded to 118 solar systems at schools in 46 of Florida's 67 counties.

Illinois – Achieved 2,431,955 kWh Annual Savings in Environmental Justice Communities. The Illinois Energy Office used SEP funds to support upgrades at four publicly-owned wastewater treatment plants in 2020, leveraging \$16,018,574 in matching funds from municipalities and saving 2,431,955 kWhs annually. Of the total \$2,527,424 in funds awarded, 79% of was granted to facilities serving EJ communities.

New Jersey – Upgrades Efficiency at the Highland Lakes Fire Department. The New Jersey Energy Office provided SEP Funds for lighting and HVAC retrofits for the Highland Lakes Fire Department. The project converted inefficient fluorescent and incandescent lights to LEDs. In addition, the firehouse installed three air conditioning condenser units, programmable thermostats, faucet aerators, and pipe insulation to save on electric and oil heating costs.

Nevada – Supports EV Charging Installation Along Nevada Electric Highway.

The Nevada Energy Office supports transportation electrification through the Nevada Electric Highway (NEH) program and participation in the Regional Electric Vehicle Plan for the West

(REV West). NEH has projects in 13 of Nevada's 16 counties, leveraging \$3.7 million of Volkswagen Settlement funds, \$500,000 in state funds, and \$2.6 million from local utilities to construct at least 30 EV charging sites across the state.

Pennsylvania – Assist Local Communities in Developing Climate Action Plans and Provide Technical Assistance. Pennsylvania's Energy Office partnered with ICLEI to train 150 local government representatives, college students, and their advisors on developing greenhouse gas inventories and climate action plans to achieve climate goals in 270 municipalities.

Tennessee – Creates Plan to Triple EV Charging Stations. The Tennessee Energy Office used SEP funds to support the roll-out of a statewide network of EV fast-charging stations, which will result in tripling the number of available EV fast-chargers. In 2019, Drive Electric Tennessee released a roadmap to increase EV adoption to 200,000 EVs (up from 11,000 EVs). This network will connect rural and urban areas and will improve efficiency and resiliency.

Washington – Develop State Energy Strategy, Prioritizes Underserved Communities. Washington's Energy Office helped the state move toward a clean, affordable, and just energy future by completing legislative rulemakings, developing a new state energy strategy, and incorporating equity principles into clean energy programs. Washington completed rules related to the clean electricity, clean buildings and new energy efficient appliance standards legislation passed in 2019. The state charted the next frontier of energy policy opportunities by completing the 2021 State Energy Strategy. The State Energy Office also administers the Clean Energy Fund grant awards, which prioritize communities underserved by EV infrastructure.

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