

**TESTIMONY OF DAVID TERRY, EXECUTIVE DIRECTOR, NASEO, BEFORE THE
U.S. HOUSE ENERGY AND WATER DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE IN SUPPORT OF FY'23 U.S. DOE FUNDING – May 27, 2022**

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) 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: **\$90 million for the U.S. State Energy Program (SEP); \$375 million for the Weatherization Assistance Program** (with robust funding for the innovation and resilience funds); \$392 million for the Building Technologies Office, with \$20 million for building energy codes, and \$50 million for grid-interactive efficient buildings; \$602 million for the Vehicle Technologies Office; a robust increase for SETO; \$202 million for CESER, with robust support for ISER and program direction; A robust increase for the Office of Electricity including \$81 million for energy storage and \$50 million for regional electricity market development; \$478 for carbon management within FECM; \$56 million for FEMP; and \$90 million for the Grid Deployment Office. The DOE \$4 billion request for EERE is justified given the extraordinary energy affordability, climate, and reliability crises the nation is facing. **The \$90 million SEP request is consistent with the “Dear Colleague” letter, signed by 103 Members, you received on 4/29/22, led by Mr. Tonko and Mr. McKinley.** The SEP statute provides states with flexibility to advance energy security, resilience, renewables, efficiency, EVs, grid planning and more in ways that link with state policy to achieve greater national energy impact. States also work collaboratively using SEP formula funds to accelerate results: REVWest EV charging initiative (e.g., AZ, ID, NV, UT, WY); Microgrid Working Group (e.g., CT, KY, ID, IL, NJ, PA, TN, WA); Southeast EV initiative (e.g., FL, KY, TN, AL); the Western Petroleum Response Collaborative (e.g., AK,

WA, CA, NV, ID, AZ) which responds to disruptions caused by extreme weather; coordination on low-carbon hydrogen (e.g., ID, AZ, CO); and building-grid electric management (e.g., CT, ID, FL, ID, IL, NJ, TN, PA). Past Administrations have “sliced off” a portion of the SEP formula funds provided by Congress for DOE-directed competitive awards on DOE priority topics. NASEO strongly opposes the use of this approach which limits states collaborative work on their priority activities. We urge Congress to explicitly provide the requested \$90 million *as formula funding to states with no more than 5% of the appropriated amount for use by DOE in providing technical assistance and support.* The SEP formula funds allow states to leverage DOE’s research activities and work with the private sector to improve electricity resilience, accelerate clean energy development, catalyze investments in carbon capture infrastructure, advance low-carbon hydrogen markets, support manufacturing energy efficiency, lower home energy costs through energy efficiency, and accelerate energy technology innovation through state-private sector partnerships. Two Oak Ridge National Laboratory (ORNL) studies found that each \$1 of SEP formula funds leverages \$10.71 of state and private funds and realizes \$7.22 in energy cost savings for citizens and businesses. With SEP funds the State Energy Offices lead or co-lead energy emergency planning and response across electricity, natural gas, and petroleum products in coordination with DOE’s CESER—which provides exceptional leadership and technical expertise to the states and energy industry. Finally, SEP is the key connection between billions of dollars spent by DOE on R&D *and* the priorities of states. State energy policy guides energy markets and the DOE-state relationship must continue to be enhanced to achieve greater impact. 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 deployment capability of states. Below are a few examples of the states’ utilization of SEP funds.

Ohio—Reduce School Energy Lighting Costs by 70%. 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. Sidney City Schools is expected to reduce its lighting energy costs by 70 percent.

Idaho—Coordinate Energy Emergency Preparedness. The Idaho Energy Office uses SEP funds to coordinate energy planning and policy, energy emergency preparedness, and rural community energy efficiency. The office also administers the Idaho State Energy Alliance for development of a sound energy portfolio aimed at affordable and reliable energy development.

Arizona—Supports Emergency Power for Key Facility. The Arizona Energy Office provided the City of Douglas with SEP funds for an uninterrupted power supply for a city-owned facility leased to one of the city's largest employers (350 jobs) which would have otherwise closed.

California—Development of Appliance Standards. California uses SEP funds for appliance efficiency standards. In 2020 California’s general services lamps standard became national, and in 2021 they established standards for desktop/notebook computers, gaming systems, and pool pumps. Examples of previous standard successes: portable air conditioners saving 369 gigawatt-hours annually, and sprinklers saving 150 billion gallons of water annually.

Connecticut—Public Buildings Energy Efficiency. Connecticut utilizes SEP funds to advance energy infrastructure and strategic activities, such as energy software for 3,941 state-owned/leased buildings—saving \$12 million. SEP funds are also used for community energy investments such as a farm heat recovery systems which decreased diesel use by 1,400 gallons.

Illinois—Leverage \$16 Million with 79% of Funds Going to EJ Communities. The Illinois Energy Office used SEP funds to support upgrades at four publicly-owned wastewater treatment

plants, leveraging \$16,018,574 in funds from municipalities and saving 2,431,955 kWh annually.

Of the funds awarded, 79% was granted to facilities serving EJ communities.

Florida—Resilience at 86 Schools/Shelters. The Florida Energy Office installed PV arrays and battery back-up at 86 schools that also serve as emergency shelters through the SunSmart Schools Emergency Shelter E-Shelter Program. These systems provide power to critical loads during emergencies and offset electricity costs, and they have weathered numerous storms and hurricanes with the majority of the PV systems surviving severe weather events—proving the quality and resiliency of these systems. Additional utility funds added schools in 46 of Florida's 67 counties, and each system is being inspected and upgraded over time to enhance performance.

Nevada—EV Charging Installation Along Nevada Highways. The Nevada Energy Office uses SEP funds to support transportation electrification through the Nevada Electric Highway program and participation in the Regional Electric Vehicle Plan for the West—an 8 state partnership. The program leveraged \$3.7 million in VW funds, \$500,000 in state funds, and \$2.6 million from local utilities to construct over 30 EV charging sites across the state.

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.

Pennsylvania—Assist Local Communities in Developing Climate Plans. Pennsylvania's Energy Office partnered with ICLEI to train 150 local government staff, college students, and others on developing GHG inventories and plans to achieve climate goals in 270 municipalities.

Tennessee—Leading the Charge on Transportation Electrification. The Tennessee Office of Energy Programs (OEP) used a portion of their SEP funds—in partnership with the Tennessee Valley Authority—to support EV fast-charging and add 40 priority charging locations in order to double the state’s fast-charging network. OEP also leveraged SEP funds to partner with TN-DOT on the plan for IIJA-funded EV fast-charging. The Drive Electric Tennessee Roadmap aims to increase EV adoption to 200,000 EVs by 2028, up from 18,494 in 2022. This work has been foundational to the state’s leadership in EV infrastructure and EV-related manufacturing.

Texas—Energy Technology Innovation for Economic Impact. The Texas State Energy Conservation Office utilized their SEP funds for cleantech incubators at the University of Texas at Austin and Texas A&M Engineering Experiment Station. The investments of less than \$459,000 in SEP funds between September 2020 and December 2021 helped raise \$37.6 million for innovative energy technology, with \$24 million in direct, indirect and induced economic impact. This Texas program is a model for other states.

Washington—Energy Emergency Response. The Washington State Energy Office utilized their SEP funds to address critical energy emergency preparedness and response. In 2021, heavy rain led to flooding and landslides, damaging infrastructure in Washington and British Columbia resulting in a regional fuel emergency. The State Energy Office led efforts to ensure critical fuel deliveries. Damage in British Columbia’s Trans Mountain Pipeline which Washington refineries rely on for crude oil was forced to close. The State Energy Office collaborated with British Columbia and the multi-state Western Petroleum Shortage Collaborative. The positive outcome was the result of great planning and coordination at the state, federal, international levels.

Contact: David Terry, NASEO Executive Director (dterry@naseo.org) (1300 North 17th Street, Suite 1275, Arlington, VA 22209) and Jeff Genzer, NASEO Counsel (jcg@dwgp.com).