

Attachment—Additional Questions for the Record

Subcommittee on Energy Hearing on “A Smarter Investment: Pathways to a Clean Energy Future” Thursday, February 18, 2021

Ms. Paula R. Glover, President, Alliance to Save Energy

The Honorable Bobby L. Rush (D-IL)

1. In a February 1, 2021 op-ed, you wrote that “energy consumption in the U.S. and related emissions would be about 67 percent higher today if not for the efficiency gains we’ve made since 1980, which has saved consumers \$800 billion annually on energy bills.” Additionally, you stated that the Department of Energy’s minimum efficiency standards for appliances save the average U.S. household over \$500 per year and that energy efficiency can account for nearly half of the emissions reductions needed to meet the goals of the Paris Climate Agreement. However, minority, low-income, urban, and rural communities continue to endure the burden of high energy costs and the disproportionate burden of greenhouse gas pollution.
 - a. How can the federal government better meet the needs of minority, low-income, urban, rural, and other overburdened communities through energy efficiency and energy conservation measures?

RESPONSE: According to the Department of Energy, one in three U.S. households faces challenges in paying their energy bills, and one in five faces the dire decision whether to “heat or eat.” Households earning less than 200 percent of the federal poverty level spend an average of 16.3% of their income on energy costs, while households earning more than 200 percent of the federal poverty level spend just 3.5%. Put another way, a family of four that is supported by two wage-earners making less than \$12.75 an hour faces a burden nearly five-times as painful as a similar household making the national average of \$24.60. Energy efficiency is a powerful tool for addressing this cost burden, which is a significant impediment for housing affordability and economic stability in minority, low-income, urban, and rural communities. Addressing this burden requires intentional, strategic policies.

Energy efficiency solutions inherently favor households with greater incomes and higher financial literacy— and energy efficient programs and products often consist of higher costs upfront. That said, the effectiveness of energy efficiency adoption in low-income and minority communities is fully dependent on the consumer’s ability to access and afford energy efficiency resources and solutions.

From a product or appliance perspective, low-income consumers should be incentivized to purchase the most energy efficient performing asset, which as a general rule will cost more. Therefore, incentives should be designed to provide more immediate cost advantages at time of purchase, in addition to any savings the consumer will receive over a product lifetime cycle. At-time-of-purchase incentives that match affordability concerns will have the effect of driving low-income consumers to the most energy efficient product or appliance, because it is the most affordable.

Additional programs to assist with affordability and access include:

- Expanding the Department of Energy's Weatherization Assistance Program and coordinating it more closely with the Department of Housing and Urban Development to ensure that households that need it most are receiving services.
- Making energy efficiency a priority for all federal affordable housing programs to ensure that affordable housing comes with low energy costs. Ensure all new federally assisted housing is built to be energy efficient, by requiring them to meet or exceed the most recently published model building energy codes including locally-developed building performance standards.
- Homes receiving federally backed or insured mortgages should be encouraged or incentivized to participate in benchmarking and transparency programs, including energy audits.
- All federally backed or insured mortgages should consider energy costs, or energy cost savings due to energy efficiency, in its affordability and ability-to-pay metrics and home valuations.
- Continuing a robust appliance and equipment standards program that protects consumers from higher energy bills by setting a floor for energy performance for commonly used products.
- Providing technical assistance, grants and other resources to strengthen model building energy code adoption and enforcement by States and local jurisdictions to ensure all new homes are built to a minimum energy performance standard.
- Adopting stronger tax incentives and/or rebate programs encouraging energy efficiency improvements in homes as well as construction of high-efficiency new homes and multi-family housing.
- Update long-outdated efficiency performance standard for manufactured homes.

The Honorable Kathy Castor (D-FL)

1. Ms. Glover, you mentioned in your opening statement that energy efficiency has an important role to play in creating economic opportunities. Could you elaborate on what kind of job opportunities you see in energy efficiency? How would investing in energy efficiency jobs ultimately help create a stronger workforce in communities across the country? What can Congress do to facilitate the creation of high-quality jobs as part of the transition to a clean energy economy?

RESPONSE: Energy efficiency is by far the largest job creator in the clean energy economy, with nearly 2.4 million jobs nationwide before the COVID-19 pandemic resulted in more than 300,000 job losses in the sector over the past year. For context, the

efficiency workforce entering 2020 was nearly seven times the size of the wind and solar industries combined, and more than 10 times that of the coal industry. Some 60% of efficiency jobs are in construction, with the remainder in manufacturing, engineering, professional services, and other areas. Importantly, these jobs are spread throughout the country, in rural and urban areas alike. At least 99.7% of U.S. counties have energy efficiency jobs, and 40 states employ at least 11,000 efficiency workers each. According to a recent report by Environmental Entrepreneurs (E2), energy efficiency is a family-supporting industry with workers earning an hourly wage of \$24.44, or 28% more than the national median of \$19.14. Additionally, most efficiency jobs are in small businesses. There are 361,329 energy efficiency companies in the U.S., and 80 percent of them have fewer than 20 employees. Congress has a tremendous opportunity to expand energy efficiency jobs and entrepreneurial activity through policies encouraging efficiency improvements. Programs such as providing efficiency improvement grants to small businesses, retrofitting critical public buildings, expanding tax incentives for home and building efficiency improvements, and expanding weatherization assistance would stimulate billions of dollars in additional economic activity and create hundreds of thousands of jobs.

Notwithstanding the above, African Americans and other minorities have been underrepresented in the energy industry in general, and the energy efficiency sector more specifically. According to the 2020 U.S. Energy and Employment Report, African Americans represent only 8% of the energy efficiency workforce, as compared to 77% for whites, and 15% for Hispanics and Latinos. These numbers while concerning provide substantive opportunities. For example, Chairman Rush's Blue Collar to Green Collar Jobs Development Act – specifically addresses new skill requirements and ensures that economic opportunities arising from the energy transition reaches historically disadvantaged businesses and communities, and those workers in communities at greatest risk from the energy transition.

2. Ms. Glover, we want to ensure that all Americans experience the benefits of the transition to a clean energy economy. Given the recent winter storm in Texas and the Southern Plains, how would investments in energy efficiency and weatherization benefit everyday Americans?

RESPONSE: The recent storms in Texas and the Southern Plains clearly demonstrated just how vulnerable our grid is and the massive economic costs that prolonged outages can impose, particularly with severe weather events expected to increase as a result of climate change. Energy efficiency is an essential resource that should be considered when planning to manage overall demand on the grid to ensure reliable and affordable power for all Americans. Improved energy efficiency-- and increasingly, new digital technologies for shifting loads and creating demand flexibility, are a critical piece of the equation. For example, if homes and buildings in Texas had used 20% less energy by being more efficient, not only would have occupants of those structures been better able to maintain safe conditions, but it would have required 20% less energy to keep the grid operating. We should avoid looking only at power generation as a

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solution for reliability and resilience, and focus at least as much on optimizing energy consumption and efficiency to create a modern grid that is more sustainable, reliable and affordable.