

**Testimony of
The Honorable Jeanne Shaheen
United States Senator, New Hampshire**

Before the

**U.S. House Energy and Commerce Committee
Subcommittee on Energy and Power**

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**Hearing on “American Energy Security and Innovation: An Assessment of Private-Sector
Successes and Opportunities in Energy Efficient Technologies”**

Chairman Whitfield, Ranking Member Rush and Members of the Subcommittee:

Thank you for the opportunity to speak today before the Subcommittee on Energy and Power about the benefits of energy efficiency, an effective and affordable policy approach for improving energy security and creating private sector jobs today.

I am happy to be here at the invitation of the Committee and to participate in this important discussion about our national energy priorities. Today I am going to talk about how energy efficiency legislation like the bipartisan bill I co-authored last year with Senator Rob Portman of Ohio, The Energy Savings and Industrial Competitiveness Act, can foster and spur private sector growth across a number of key economic sectors.

Senator Portman and I were pleased that several of our provisions were signed into law last year as part of the American Energy Manufacturing Technical Corrections Act, with the assistance of this Committee. But we are not finished and plan to reintroduce a similar version of the legislation soon.

The United States Needs a Comprehensive National Energy Policy

The United States continues to face very serious energy problems. We remain overly dependent on foreign oil and reliant on an outdated energy infrastructure that harms American businesses and gives our overseas competitors an unfair advantage.

The need for a comprehensive national energy policy that offers solutions to these problems is clear. The world is on the verge of a significant economic transformation that will be built on fundamental changes in the way we produce and use energy. Millions of new jobs will be created in this modern energy economy as new technologies and techniques are developed and deployed in homes, office buildings, power plants and factories.

I am excited about these opportunities, but Congress must play a role to ensure that the United States is positioned and ready to take advantage of this awesome opportunity. China, Germany and even Brazil are aggressively vying to lead the charge and secure these new jobs.

I want to make sure we are taking the lead to seize this great potential. That's why I support a national policy that will create the necessary incentives for industry to innovate so we can position the United States as a world leader in energy once again.

We must utilize a wide-range mix of energy sources, including natural gas, oil, nuclear and renewables like wind, biomass and solar, to address our energy needs. This will make our energy future more stable and our economy stronger.

The Important Role of Energy Efficiency in a National Energy Policy

However, as today's hearing will highlight, we can't just talk about the supply side. We also need to address how we consume the energy once we have it. Efficient energy consumption is an integral component of any truly effective energy policy. If we make energy efficiency technologies commercially available, we will immediately begin reducing costs across our economy.

Efficiency is the cheapest and fastest approach to improving our nation's infrastructure and our economy's energy independence. Energy saving techniques and technologies lower costs and free up capital that allows businesses to expand and our economy to grow.

We can start improving our efficiency now by installing ready and proven technologies such as modern heating and cooling systems, smart meters, computer-controlled thermostats and low-energy lighting. There are substantial opportunities that exist across all sectors of our economy to conserve energy and create good-paying private sector jobs.

Energy Efficiency Success Stories

There are countless examples of energy efficiency success stories in the private sector, both in my home state of New Hampshire and across the country.

One of the most well-known is the recent eco-friendly makeover of the Empire State Building, which reduced energy costs by \$4.4 million a year and created 252 jobs. These savings were achieved through a number of initiatives, including the refurbishment of all 6,500 windows and the installation of items including a chiller plant retrofit, new building controls and a web based tenant energy management system.

Not only is the Empire State Building more energy efficient now, but it is also estimated to have saved 4,000 metric tons of carbon emissions.

In New Hampshire, businesses are currently implementing efficiency upgrades and reaping the benefits of these decisions. For example, High Liner Foods in Portsmouth is an energy-intensive seafood processing plant that requires a substantial amount of energy to operate successfully. At one point, the 180,000 square foot facility consumed roughly 2 megawatts of power at any given time during normal operations. By installing efficient lighting, new boilers and various demand response techniques, the company is making great strides in reducing energy consumption, which allows them to expand their business footprint in the state.

We also have private companies in New Hampshire who manufacture the types of energy efficient technologies that are being successfully deployed across the country. Last year, I attended the ribbon cutting of Warner Power's new facility in Hollis, which is dedicated to the development and manufacture of a high efficiency distribution transformer. The equipment the company makes represents the first major advancement in transformers in over one hundred years.

As you may know, studies have shown that inefficiencies in transformers result in a loss of five percent of all electricity generated in the United States. With the wide-scale use of Warner Power's transformer and their control system technology, the company estimates that 1.5 percent of all transformer energy losses could be eliminated. This would save the country 60 terawatts of electricity per year, which is equal to 5 times New Hampshire's annual electricity consumption.

Energy Efficiency Enjoys Diverse Support Among Industry, Advocates and Labor Groups

While disagreements remain about the right comprehensive approach to fixing our nation's energy policies, energy efficiency has emerged as an excellent example of a bipartisan and affordable opportunity to immediately grow our economy and improve energy security.

In recent months, my staff and I have met with a number of trade associations and organizations that have released reports describing their energy policy priorities. These include the Alliance to Save Energy's National Commission on Energy Efficiency Policy, the National Association of Manufacturers' Energy Efficiency Task Force on the building sector and the Business Roundtable's *Taking Action on Energy: A CEO Vision for America's Energy Future*. I have also heard from labor organizations and the environmental community about their policy recommendations for transforming the United States to a modern energy economy.

These groups represent different sectors of the economy and different interests within each, but their energy efficiency proposals are similar and all aim to enable domestic businesses to leverage private capital, reduce business risk from energy price volatility, spur economic growth and create jobs.

One of the more difficult tasks we have as legislators is to find consensus on not just policy recommendations like the ones found in these reports, but on actual legislative language. I am proud to say that last Congress Senator Portman and I were able to find this broad support for our legislation by working with all interested stakeholders to craft common sense and effective provisions.

An Overview of Shaheen-Portman Legislation

Shaheen-Portman provides a bipartisan roadmap to create and implement a national strategy to increase the use of energy efficiency technologies in the residential, commercial and industrial sectors of our economy.

As I mentioned earlier, last year's passage of the American Energy Manufacturing Technical Corrections Act shows that Congress can work in a bipartisan and bicameral fashion to pass efficiency legislation. Among the Shaheen-Portman provisions signed into law as part of this

Act are requirements for the federal agency government to utilize advanced metering tools and for the Department of Energy to study and better understand the barriers to the deployment of industrial energy efficiency.

While this was a step in the right direction, there is still much more to be done and that's why Senator Portman and I plan to introduce similar legislation again this year. Highlights will include:

- *Buildings*: Providing incentives and support (not mandates) for residential and commercial buildings to cut energy use. This is important because buildings consume nearly 40 percent of all energy in the United States;
- *Industrial*: Assisting the manufacturing sector, which consumes more energy than any other sector of the U.S. economy, implement energy efficient production technologies; and
- *Federal Agency*: Requiring the federal government, the single largest user of energy in the country, to adopt more efficient building standards and smart metering technology.

Our bill will have a swift and measurable benefit to our economy and our environment. A study by experts at the American Council for an Energy Efficient Economy found that last year's version would have saved consumers \$4 billion by 2020 and help businesses add 80,000 jobs to the economy. It would also cut carbon-dioxide emissions by the equivalent of taking 5 million cars off the road.

In addition, it's important to note that our bill didn't increase the deficit at all. Rather, it authorized new programs that could be funded when we decide on the budget. Even there, we were careful to offset that authorization by reallocating authorizations from existing programs. We remain committed to this approach.

Shaheen-Portman passed the Senate Energy and Natural Resources Committee in the last Congress with a broad bipartisan vote and had more than 200 endorsements from a wide range of businesses, environmental groups, think tanks and trade associations, from the U.S. Chamber of Commerce and the National Association of Manufacturers (NAM) to the Natural Resources Defense Council (NRDC). These are the types of non-traditional alliances that have allowed us to make significant progress, and I know we will continue to build on this momentum.

Conclusion

Again, thank you for the opportunity to contribute to today's discussion. It is clear to me that the tide is with us, both on and off the Hill, for continuing to pursue energy efficiency legislation.

I look forward to working with each of you on the Subcommittee to continue crafting the right policies that will reduce the barriers to energy efficiency investments and maximize private sector job growth.