

Testimony of
**THE INTERNATIONAL ASSOCIATION OF
HEAT AND FROST INSULATORS
AND ALLIED WORKERS**

At Large International Vice President Tim Keane



Before

U.S. House Energy and Commerce Subcommittee on Energy

Hearing On "Building A 100 Percent Clean Economy: Solutions for The U.S.
Building Sector

September 20, 2019

TESTIMONY OF INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS AT LARGE INTERNATIONAL VICE PRESIDENT TIM KEANE

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Good morning Chairman Rush, Ranking Member Upton and Members of the Energy Subcommittee. My name is Tim Keane, and I am the International Vice President At Large for the International Association of Heat and Frost Insulators and Allied Workers, and I greatly appreciate the opportunity to appear before the Energy Subcommittee today.

Since 1903 when our union was created, our members have been known by many names: Pipe Covers, Asbestos Workers, and now Insulators, but we are and have always been the original clean energy workers. When our first members applied insulation on hot pipes at energy plants, steel plants and other manufacturing facilities, the primary purpose of the insulation was for worker protection. Very quickly it was discovered that insulation on mechanical systems would also generate significant energy savings.

While the value of commercial and industrial insulation, collectively known as mechanical insulation, has been known for many years, it is often overlooked. I thank you Mr. Chairman for today's hearing and for this opportunity to share with you and your colleagues the importance of mechanical insulation, and what are members do every day.

To summarize my testimony, mechanical insulation is a proven energy efficiency technology that promotes our national energy, economic and environmental goals.

Increased utilization of mechanical insulation saves energy for commercial buildings and industrial facilities that makes our nation more energy independent. The energy savings of mechanical insulation also help our economy as our manufacturing sector becomes more competitive in the global economy. As a result of reduced fossil-fuel energy consumption, mechanical insulation also reduces carbon emissions.

ENERGY BENEFITS

We estimate that implementing a comprehensive mechanical insulation maintenance program in the commercial and industrial markets would produce annual energy savings of 1.2 quads of primary energy or savings of roughly \$4.8 billion per year with a return of investments ranging from 25 percent to over 100 percent. These savings are achievable because the U.S. Department of Energy has estimated that up to 20 percent of mechanical systems have missing or damaged mechanical insulation.

ECONOMIC BENEFITS

In addition to the job creation and job retention for the commercial and industrial sectors, increasing the utilization of mechanical insulation can create 89,000 good paying jobs in our industry. It is also important to note that 95 percent of the products utilized in this industry are manufactured in the United States. These jobs can't be outsourced.

ENVIRONMENTAL BENEFITS

A comprehensive mechanical insulation maintenance and upgrade program could reduce 43 million tons of carbon dioxide.

As the House Energy and Commerce Committee and other congressional committees work to develop clean energy legislation, the Insulators encourage your support for the following principles and policies that Insulators Union General President McCourt shared with the congressional leadership last December:

ACHIEVABLE OVER ASPIRATIONAL

The reality of climate change demands that we take immediate action to reduce carbon emissions. Another important reality is that our nation will continue to require considerable fossil energy to ensure reliable baseload power for today and tomorrow. Our union does not discourage ambitious and aspirational goals for a 100 percent clean energy economy, but our focus must be on what can be achieved now.

BIPARTISAN AND BALANCED

Energy policy is often divisive, and the Insulators encourage your support for energy efficiency investments that have consistently enjoyed strong bipartisan congressional support. Clean energy incentives should include both technologies, like mechanical insulation, that are already available for increased utilization, and investments in research and development to promote new clean energy technologies. There should be a level playing field for all clean energy technologies.

LABOR STANDARDS

It is imperative that clean energy legislation contain bipartisan building trades labor standards (Davis-Bacon prevailing wages, use of Project Labor Agreements) to ensure that clean energy jobs are good jobs. These labor standards recognize that clean energy infrastructure should be built by the best trained and most productive and safest construction workers.

SUPPORT FOR MECHANICAL INSULATION INCENTIVES

The Insulators greatly appreciate the important work that your committee has already produced to promote energy efficiency, and we encourage your support for the following mechanical insulation incentives, and I realize that some of these initiatives are not in your committee's jurisdiction

- Mechanical Insulation Incentive bill (H.R. 3349), legislation to provide tax incentives for greater utilization of mechanical insulation.
- Improve the Section 179 (d) tax incentive to ensure that mechanical insulation is fully utilized for commercial building energy efficiency improvements.
- Improve Building Codes to require mechanical insulation upgrades for new construction and retrofit projects and maintenance for existing facilities.
- Support mechanical insulation investments in public building projects with emphasis on U.S. military bases and health care and education facilities .
- Support policies to maintain and improve our carbon-free nuclear energy facilities.
- Support federal initiatives to promote Combined Heat and Power facilities.
- Support federal initiatives to promote the construction of LNG export facilities constructed with Project Labor Agreements.
- Support increased utilization of mechanical insulation in Energy Savings Performance Contracts.
- Support for a National Energy Efficiency Resource Standard (EERS).

Energy efficiency is often considered the fifth fuel behind coal, oil and natural gas, nuclear and renewable energy, but for this committee, energy efficiency should be considered the first fuel because the cheapest and cleanest energy is the energy that is conserved.

It is also often said that energy efficiency is the low-hanging fruit where energy savings are easily achievable. For the Insulators, we work to achieve energy savings, but we also see the fruit of potential energy savings fall from the tree and rot on the ground as we are missing opportunities by not doing more to save energy with mechanical insulation.

As I conclude my testimony, I have focused on what the Insulators are doing to achieve a clean economy, but I also want to recognize the important energy efficiency work that other building trades unions perform. It is unfortunate that some characterize building trades jobs as dirty or temporary jobs; the truth is that building trades unions and our contractors invest \$1.3 billion per year in our apprenticeship programs that produce the best-trained, safest and most productive craft workers for long-term careers.

As Chairman Rush knows, one of the best apprenticeship programs in the nation is my home Local 17 that is in Chairman's Rush's district.

Thank you, Mr. Chairman, and I am looking forward to continuing this important conversation as we work to build a clean economy.