



April 8, 2022

Honorable Joe Manchin
Chairman
Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
U.S. Senate
Washington, DC 20510

Honorable Frank Pallone
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Honorable Ron Wyden
Chairman
Committee on Finance
219 Dirksen Senate Office Building
U.S. Senate
Washington, DC 20510

Honorable Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Manchin, Wyden, Neal, and Pallone:

We the undersigned coalition of businesses, trade associations, environmental, and energy efficiency advocates, write to urge you to maximize investments in energy efficiency, including tax incentives as you begin to reconsider a viable budget reconciliation package. Maximized investments in energy efficiency will have a direct impact on energy security, reliability, and affordability, in addition to reducing carbon emissions.

The impacts of energy efficiency are well-known, and a focus on energy efficiency tax incentives such as 25C, 45L, and 179D, in addition to other measures, such as strengthening energy codes, developing climate banks targeting disadvantaged communities, Hope for Homes, investing in industrial decarbonization, and critical facility modernization, would provide even greater results. As energy consumption levels are lowered through efficient products, equipment, and technologies, demand for energy supply is also reduced. The built environment alone accounts for 40% of U.S. energy consumption, including single and multi-family homes, small and large businesses, offices, warehouses, and other facilities.¹ These numbers could be much higher but for investments made in energy efficiency

¹ <https://www.eia.gov/energyexplained/use-of-energy/>.

since 1980, reducing energy consumption by 60%.² Importantly, these same investments avoid nearly \$800 billion more per year in energy costs for consumers.³

Energy efficiency should play an essential role in U.S. energy policy and should be seen as necessary and critical to help address the nation's energy challenges. Arguably, efficiency investments are even more critical when considering avoided infrastructure costs, in addition to adding greater energy system reliability because of reduced demand.⁴

Moreover, energy efficiency is one of the most cost effective and fastest ways to reduce carbon emissions.⁵ As indicated in the recent report [Halfway There](#), energy efficiency alone can reduce carbon emissions by 50% by 2050, and according to the International Energy Agency (IEA), over 40% of the emission reduction objectives of the Paris Agreement can be achieved through energy efficiency by 2040.

Furthermore, when examining the economic impact, energy efficiency is currently the largest employer in the clean energy workforce, employing over 2.1 million people in the U.S. — nearly seven times that of the wind and solar industries combined, and 12 times the size of the entire coal industry. These jobs pay on average \$24.44 an hour, or 28% higher than the national median.⁶

As you consider moving forward with a budget reconciliation package and tackling our energy challenges and future preparedness, we urge you to make substantive investments in energy efficiency. We thank you for your continued leadership on these important issues. If you have any questions or need additional information, please contact Vincent Barnes of the Alliance to Save Energy, at vbarnes@ase.org.

Sincerely,

2G Energy Inc.
A.O. Smith
ACEEE
Acuity Brands Inc.
Air-Conditioning, Heating, and Refrigeration Institute
Alliance to Save Energy
Ameresco
American Gas Association
American Institute of Architects
ASHRAE
Association of Energy Engineers

² <https://energyefficiencyimpact.org>.

³ *Id.*

⁴ <https://www.energy.gov/eere/energy-efficiency>. Also see: <https://www.epa.gov/statelocalenergy/local-energy-efficiency-benefits-and-opportunities>.

⁵ <https://www.epa.gov/statelocalenergy/local-energy-efficiency-benefits-and-opportunities>.

⁶ <https://e4thefuture.org/wp-content/uploads/2021/10/Energy-Efficiency-Jobs-in-America-National-Summary-2021.pdf>.

Building Performance Association
Business Council for Sustainable Energy
Combined Heat and Power Alliance
Copper Development Association
Covestro LLC
Daikin
DE Solutions
DuPont
E4TheFuture
Heat is Power Association
Integrated CHP Systems Corp.
Kanin Energy
Knauf Insulation
Kraft Energy Systems
Legrand North & Central America
Lutron Electronics
Martin Energy Group
Metrus
Midwest Energy Efficiency Alliance
NAESCO
NASEO
National Electrical Manufacturers Association
Natural Resources Defense Council
North American Insulation Manufacturers Association
Polyisocyanurate Insulation Manufacturers Association
Puget Sound Energy
Rheem Manufacturing Company
Seattle City Light
Sheet Metal and Air Conditioning Contractors' National Association
Signify
Turbine Inlet Cooling Association
US Green Building Council
Watsco