

July 25, 2019

The Honorable Tina Smith
United States Senator
720 Hart Senate Office Building
Washington, DC 20510

Dear Senator Smith:

We write to express our support for The American Energy Efficiency Act of 2019. The bill sets a national energy efficiency resource standard (EERS) administered by the states to lower utility bills for consumers and reduce emissions that contribute to climate change.

Energy efficiency is the most cost-effective way to address climate change. The American Council for an Energy-Efficient Economy has estimated that a national EERS would save an additional 128 quadrillion Btu of energy over 25 years – more than the total US energy use in a year. Reducing energy waste also reduces carbon dioxide emissions by more than 6 billion metric tons. Moreover, a national EERS transforms waste into wealth: \$150 billion net savings for families and businesses that are added into the economy over time, resulting in 400,000 added jobs in 2030.

EERS programs are successful across 26 states; 45 percent of US electricity sales in 2017 were under a state EERS program. EERS programs work by setting energy consumption reduction targets for electricity and natural gas, with targets slowly ratcheting up over time. Utilities meet these targets by offering efficiency programs to help their customers save energy, reduce waste, and save money. The cost to utilities averages less than 3 cents per kilowatt-hour saved; the benefits of these programs are much greater.

Electricity and natural gas markets are among the least free markets for consumer goods in the American economy, with heavy regulation and, often, monopolies. In many states, utilities are actually disincentivized to reduce waste and save their customers money on their bills. A national EERS helps solve that problem by setting performance savings targets and letting utilities plan how to meet those targets as administered by the states. The Act leaves decision-making to utilities and program administrators, and refrains from specifying investments, resources, or efficiency measures.

As Congress considers climate legislation and other proposals that may cost trillions of dollars, we urge you to pass commonsense legislation that saves consumers money on their bills by reducing waste and saving energy.

American Council for an Energy-Efficient Economy (ACEEE)
Natural Resources Defense Council (NRDC)

The International Association of Heat and Frost Insulators and Allied Workers (HFIAW)
Union of Concerned Scientists (UCS)
Alliance for Industrial Efficiency
Heat is Power Association
Midwest Cogeneration Association
Clean Air Task Force
National Wildlife Federation (NWF)
Third Way Clean Energy
Center for Energy and Environment (CEE)
Clean Energy Economy Minnesota
Fresh Energy
Sheet Metal and Air Conditioning Contractors National Association (SMACNA)
Sierra Club
Building Performance Association
Conservation Law Foundation
National Association of Energy Service Companies (NAESCO)
Voices for Progress
U.S. Green Building Council (USGBC)
E4TheFuture
The Institute for Market Transformation (IMT)
Environmental and Energy Study Institute (EESI)

CC: Majority Leader and Minority Leader, U.S. Senate
Chairman and Ranking Member, U.S. Senate Committee on Energy and Natural
Resources