



## Policy Brief: Climate Change and Energy Efficiency

Recent reports, including the Fourth National Climate Assessment released by the Trump administration, highlight the economic costs and environmental consequences of climate change. Momentum is growing for addressing this challenge in a way that strengthens U.S. economic productivity and competitiveness.

Energy efficiency is the most effective tool we have for addressing this threat while also boosting economic growth, improving energy security, and advancing U.S. global competitiveness. Congress should look first to policies that optimize the energy efficiency of our residential, commercial and industrial buildings.

### **The benefits of energy efficiency are clear and compelling:**

- Increasing energy efficiency is the most practical strategy for reducing carbon emissions. The International Energy Agency reports that efficiency can capture more than 40 percent of the emission reductions needed to meet global targets.
- Energy efficiency is the largest sector in the clean energy industry, supporting 2.25 million jobs, with the insulation industry's workforce exceeding 500,000.
- Efficiency gains save consumers billions of dollars in energy costs annually – money that consumers can direct back into the economy.

### **Carbon reduction strategies considered by Congress should focus on the built environment to capture the massive emission reductions available.**

- **Residential Buildings:** In 2018, the U.S. built more than 800,000 homes. Federal policy should ensure that new home construction meets current model building energy code standards and spur net zero energy ready new home construction. The U.S. should also capture the massive carbon reduction potential in the more than 100 million existing homes in America through a national home energy efficiency retrofit initiative.
- **Commercial buildings:** Existing commercial buildings consume 18% of all energy in the U.S. – a massive opportunity to cut emissions through energy-efficient retrofits. The U.S. should support policies that update energy codes and incentivize private investment. Policies that address new construction are also critical because commercial floor space is expected to reach 126.1 billion square feet by 2050 – a 39% increase over 2017 levels.
- **Industrial facilities:** The Department of Energy estimates that increased maintenance in small and large industrial facilities would deliver \$3 billion in energy savings and 37 million metric tons in emission reductions. While Federal policy has focused on promoting residential and commercial efficiency, future policies should unlock the potential energy savings found in industrial plants.