

March 8, 2017

The Honorable Mike Simpson
Chairman, Subcommittee on Energy &
Water Development
U.S. House of Representatives
Committee on Appropriations
Washington, D.C. 20515

The Honorable Marcy Kaptur
Ranking Member, Subcommittee on Energy &
Water Development
U.S. House of Representatives
Committee on Appropriations
Washington, D.C. 20515

The Honorable Lamar Alexander
Chairman, Subcommittee on Energy &
Water Development
U.S. Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Dianne Feinstein
Ranking Member, Subcommittee on Energy &
Water Development
U.S. Senate Committee on Appropriations
Washington, D.C. 20510

Dear Chairman Simpson, Ranking Member Kaptur, Chairman Alexander and Ranking Member Feinstein:

On behalf of the insulation industry, we are writing to urge continued funding support for several Department of Energy (DOE) programs that significantly impact building energy efficiency; the Building Technologies Programs, the Federal Energy Management Program (FEMP), and the Weatherization and Intergovernmental Program.

The organizations listed here represent the broader community of insulation interests, including insulation manufacturers, fabricators, laminators, chemical manufacturers, insulation distributors, and insulation contractors. Our organizations believe these programs are extremely beneficial and, for a relatively small investment, have a significant impact on manufacturing and building energy use. Buildings alone are responsible for 41% of the total U.S. energy consumption and 74% of electricity consumption. The sources of energy waste most impacted by insulation, heat conduction and air infiltration through the opaque envelope (*i.e.*, the walls, roof, and foundation), are responsible for 11 Quads of energy, which is 28% of total building energy use.

The national benefits for reducing building energy use include: consumer and business cost savings; improved energy productivity and a stronger economy; reduction in air pollution; increased job growth; improved resiliency; and increased flexibility and reliability of our energy system and grid. According to the most recent "U.S. Energy and Employment" report by DOE (January 2017), there are now 2.2 million Americans directly employed in energy-efficiency jobs in the United States and 135,000 of these were added in 2016. In addition, employers in the energy efficiency sector expect the highest growth rate (9%) of any of the other energy sectors over the next year. Within the energy-efficiency sector, 363,000 jobs (17%) are in the sub category of advanced building materials and insulation. These anticipated jobs add to the insulation industry's economic contributions that account for nearly 400,000 jobs in the U.S. and more than \$20 billion in payrolls (2016) according to a recent industry report.

Maintaining robust funding levels for these programs will permit DOE to continue many useful activities that ensure steady progress in reducing building energy waste. These activities include:

- Applied research and development related to advanced materials and technologies;
- Assessing and validating the performance and benefits of new materials, technologies, and building techniques;
- Building America, a program where DOE partners with homebuilders and parties to develop cost-effective construction practices and techniques for energy efficient homes and disseminates that information to a broad audience;
- Zero Energy Ready Homes, a voluntary market transformation program;
- Development of building energy modeling open-source software and maintenance of existing DOE energy software tools;
- Development and deployment of code compliance tools, such as *REScheck* and *COMcheck*;
- Technical assistance to states and local governments for the adoption and implementation of building energy codes;
- Technical support and evaluations by Pacific Northwest National Laboratory (PNNL) and other national labs in code development and adoption activities, including the analysis and support for improving the IECC and ASHRAE 90.1 model building energy codes;
- Finalize the DOE PNNL modeling study related to energy and water savings from the increased use of insulation; and
- Tools and technical assistance to help federal building managers reduce energy use.

Most of the DOE programs in the area of building energy efficiency help to overcome market barriers. For instance, applied research and development in the area of building construction is an important function for DOE because the highly fragmented nature of businesses and industries within this sector tends to deter private research. Likewise, DOE programs that assess and validate new technologies and building practices remove risks for people like homebuilders, architects and contractors, who do not have the resources to shoulder that burden themselves. Other DOE programs address the split incentives common in residential and commercial construction (*i.e.*, the party in control of initial energy-efficiency decisions at the time of construction vs. the party stuck paying the heating bills) by providing state and local governments with technical, unbiased information so those governments can make informed decisions about the adoption of building energy codes.

In closing, we urge you to preserve DOE's role in helping ensure the spread of energy efficient technologies and practices within the building sector. Technological advancements in the area of energy efficiency are important to the improvement of our economy and quality of life.

Sincerely,

American Chemistry Council Center for the Polyurethanes Industry
Cellulose Insulation Manufacturers Association
EPS Industry Alliance
Extruded Polystyrene Foam Association

High Performance Insulation Professionals
Insulation Contractors Association of America
National Insulation Association
North American Insulation Manufacturers Association
Polyisocyanurate Insulation Manufacturers Association
Reflective Insulation Manufacturers Association International
Spray Polyurethane Foam Alliance