







March 24, 2015

Senator Thad Cochran, Chairman Senate Committee on Appropriations 113 Dirksen Senate Office Building Washington, DC 20150

Senator Lamar Alexander, Chairman Senate Subcommittee on Energy and Water Development 428 Dirksen Senate Office Building Washington, DC 20510 Senator Barbara Mikulski, Ranking Member Senate Committee on Appropriations 503 Hart Senate Office Building Washington, DC 20510

Senator Dianne Feinstein, Ranking Member Senate Subcommittee on Energy and Water Development 818-C Hart Senate Office Building Washington, DC 20510

Dear Chairmen Cochran and Alexander and Ranking Members Mikulski and Feinstein:

On the behalf of the Business Council for Sustainable Energy (BCSE) I am writing to express support for funding of the Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy (EERE), and other critical DOE programs in the Fiscal Year 2016 Energy and Water Appropriations bill.

BCSE is a coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors, and also includes independent electric power producers, investor-owned utilities, public power, and commercial end users. Founded in 1992, the Council advocates for policies that expand the use of commercially-available clean energy technologies, products and services. The coalition's diverse business membership is united around the continued revitalization of the economy and the creation of a secure and reliable energy future in America.

BCSE recognizes that under the tight budget constraints Congress will need to carefully scrutinize each and every dollar. Without stable and consistent funding, however; many of these important programs and the value they create for the US taxpayer will be lost.

Over the years, EERE programs have helped diversify the nation's energy portfolio, led to robust growth and job creation in new, emerging energy markets, and made the United States energy supply more secure, reliable, and clean. The 2015 edition of the BCSE-Bloomberg New Energy Finance <u>Sustainable Energy in America Factbook</u>¹ demonstrates the way in which affordable, homegrown and clean energy sources are powering the U.S. economy with jobs and investment, and are promoting the security and diversity of our energy supply.

According to the *Factbook*, the U.S. economy is becoming more energy-productive with efficiency improvements in buildings and transportation breaking new ground. Total energy use in the U.S. fell 2.4 % between 2007 and 2014 and annualized electricity growth remained flat while at the same time, U.S. gross domestic product grew by 8%. These

¹ For a complete copy of the 2015 edition of the *Sustainable Energy in America Factbook* visit the Council's website at http://www.bcse.org/sustainableenergyfactbook.html

trends reflect the decoupling between energy consumption and economic growth. Combined with other changes in the energy sector these trends are making the U.S. one of the most attractive markets in the world for companies whose operations entail significant energy-related costs.

Renewable energy is a prominent part of the U.S. capacity mix, with 205 GW installed. Since the year 2000, 93 % of all new power capacity built in the U.S. has come from natural gas and renewable energy and 40% of all electricity in the U.S. is now generated by natural gas and renewable energy sources. The cost of these technologies is also coming down making them more cost competitive. From 2007-2014, for example, the cost of PV modules has fallen more than 80% and the cost of wind turbines has fallen more than 27%.

The natural gas industry is building and reconfiguring infrastructure to reflect changes of a shifting and speedily expanding natural gas market. Natural gas production has increased by 25% since 2007, driven by the emergence of technologies and techniques to extract unconventional natural gas resources at a low cost.

The federal support that helped develop and improve these technologies has been critical and should be continued in order to link technology development to commercialization and value for U.S. taxpayers as we shift toward a modernized grid.

BCSE provided testimony at hearing today before the House Science, Space, and Technology Committee's Subcommittee on Energy regarding the value of the research, development, demonstration, deployment and commercialization activities of EERE. The BCSE testimony provides specific views from Council members regarding programs that have been effective for their industries and that bring a strong rate of return to tax payers. For a copy of the BCSE testimony, please go here.

The Council wishes to work with members of the Appropriations Committee to maximize the value of limited federal dollars and we request the opportunity to meet with your staff to further discuss the Council's position and support for EERE programs.

Sincerely,

Lisa Jacobson, President

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CC: Members of the Senate Appropriations Subcommittee on Energy and Water Development