



March 3, 2016

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

Senator Barbara Mikulski, Ranking Member
Senate Committee on Appropriations
503 Hart Senate Office Building
Washington, DC 20510

Senator Lamar Alexander, Chairman
Senate Subcommittee on Energy and Water
Development
428 Dirksen 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 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 2017 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 2016 edition of the BCSE-Bloomberg New Energy Finance *Sustainable Energy in America Factbook*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 United States is now one of the most attractive markets in the world for companies whose operations entail significant energy-related costs. At 7.1¢/kWh, the retail price of electricity for the industrial sector in the U.S. is lower than that in other major economies, such as Germany, China and India.

¹ For a complete copy of the 2016 edition of the *Sustainable Energy in America Factbook* visit the Council's website at <http://www.bcse.org/sustainableenergyfactbook.html>

The *Factbook* also shows that investment in energy efficiency continues to pay dividends for the U.S. economy. American energy productivity – the ratio of U.S. GDP to energy consumed - has increased by 13% from 2007 to 2015. The U.S. economy has now grown by 10% since 2007, while primary energy consumption has fallen by 2.4. 60% of the energy intensity improvements seen since 1980 are due to efficiency gains, with only 40% the result of structural changes in the economy.

Renewable energy is a prominent part (20%) of the U.S. power fleet, with 222GW of installed capacity across the country, a 57% increase over 2008 levels. Hydropower is the largest source of U.S. renewable energy capacity at 79GW (excluding pumped storage). Non-hydropower renewables now account for 7.1% of U.S. electricity, up from 6.8% the previous year. This figure has grown every year since 2005, when non-hydro renewables generated only 2.5% of U.S. electricity. Wind and solar have quadrupled in capacity since 2008 (from 26GW to 103GW). Biogas, biomass, geothermal and waste-to-energy represent 17GW of U.S. capacity and can provide power 24/7. While these technologies have comparable economics in terms of unsubsidized costs, they have lacked access to the same incentives as the fast growing sectors.

The technology innovations in the natural gas sector that have opened up new supply from shale gas production have lowered natural gas prices and have resulted in 2015 being a record year for both natural gas consumption and production. Production has increased by 7% since 2014 alone and 26% from 2007. Natural gas is now within striking distance of being the largest source of US power, producing 32% of US generation in 2015, compared to 34% for coal. Output from the Marcellus and Utica shales has been so abundant that domestic natural gas production has increased 6.8% from 2014 alone, and 26% from 2007 levels, even as traditional "dry" gas production declines.

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.

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,

A handwritten signature in cursive script, appearing to read "Lisa Jacobson".

Lisa Jacobson, President

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