



November 29, 2017

The Honorable Thad Cochran
Chairman
U.S. Senate Committee on Appropriations
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
U.S. Senate Committee on Appropriations
Washington, DC 20510

The Honorable Rodney Frelinghuysen
Chairman
U.S. House Committee on Appropriations
Washington, DC 20510

The Honorable Nita Lowey
Ranking Member
U.S. House Committee on Appropriations
Washington, DC 20510

Dear Chairman Cochran, Ranking Member Leahy, Chairman Frelinghuysen, and Ranking Member Lowey:

On behalf of the Business Council for Sustainable Energy (BCSE) I am writing to urge Congress to act quickly to reach an agreement to increase the Fiscal Year 2018 caps as enacted in the Budget Control Act of 2011. Such an increase should ensure that non-defense programs receive the appropriate funding levels to ensure a safe, secure, reliable and diverse energy system.

BCSE is a coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors. It includes independent electric power producers, investor-owned utilities, public power, manufacturers, commercial end users and service providers in energy and environmental markets. Founded in 1992 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.

The Budget Control Act of 2011 set caps on discretionary spending through 2021, which have been modified in subsequent years. However, without further action by Congress, in FY 2018, the statutory caps set by the Budget Control Act are reduced through an enforcement mechanism known as "sequestration."

If the caps are left unchanged, billions of dollars will be sequestered from non-defense programs, including critical energy programs, at the Department of Energy (DOE), Environmental Protection Agency, and energy programs at the Department of State. We know this has been a challenging year for the budget, but without an increase in the caps and adequate funding, the security, reliability, and diversity of our nation's energy supply will be at risk.

As Congress moves forward with appropriations legislation for Fiscal Year 2018, we request that you consider the value that energy programs at the Department of Energy, Environmental Protection Agency and State Department, provide to the reliability and security of the nation's energy system, as well as to consumers and businesses.

Department of Energy Programs

Clean energy research, development, deployment, and commercialization activities, funded through the Department of Energy (DOE) have helped lower costs for consumers and have made the United States one of the most attractive markets in the world for companies whose operations entail significant energy-related costs. In 2016 consumers devoted less than 4% of their total annual household spending to energy - the smallest share ever recorded - and retail

electricity prices dropped 3% on average¹; electricity prices for the industrial sector in the United States are lower than other major economies and the Increasing amount of domestic natural gas production has lowered the price of natural gas.² Energy productivity also continues to improve as less and less energy is needed to grow the economy.³

As a neutral player, rather than one with a financial interest, the federal government can help analyze policy options for deploying new energy technologies and their potential impacts on the grid, streamline the processes of permitting, inspection, and interconnection of new energy technologies, and work to address market barriers to the adoption of new technologies that are market ready.

To continue growth in these sectors, long-term, stable policies will be needed to level the playing field and to provide market access to new technologies. Continued investment in energy RD&D is needed to increase the efficiency of our energy generation and use, and to spur new innovations.

Energy Programs at the Department of State

The Business Council for Sustainable Energy (BCSE) supports the appropriation of \$10 million in the FY2018 State and Foreign Operations Bill towards U.S. contributions to international programs, multi-lateral funds and institutions, specifically the United Nations Framework Convention on Climate Change (UNFCCC) and the International Panel on Climate Change (IPCC). The BCSE would also like to express its continued support for the Green Climate Fund (GCF).

As an accredited business observer to the UNFCCC for over twenty years, the Council can attest to the role this inter-governmental process has played in shaping markets in both developing and developed countries for existing clean energy technologies. The IPCC's work also provides critical scientific assessment that assists both countries and companies alike in their planning. Preserving the U.S. financial contributions to these international programs and institutions not only protects the opportunity for U.S. governmental leadership but also protects and promotes the business interests of American companies.

These business interests include, but are not limited to, the defense of intellectual property rights, the creation of an open and transparent system of accounting, the ability to define and use market-based mechanisms and the ability to access financial mechanisms to fund projects overseas.

Environmental Protection Agency Programs

BCSE supports federal investment in initiatives that help businesses manage environmental issues, foster transparency and best practices in emissions and water management, and recognize leadership in environmental stewardship and sustainability. These programs are included in the FY2018 Interior and Environment Appropriations bill.

This includes programs funded by the Environmental Protection Agency (EPA), under the Office of Air and Radiation and Enforcement Division related to air quality, international climate change programs, climate change research and partnership programs, and water management, as well as the ENERGY STAR program.

As a business group working to advance clean energy policies over the last 25 years, BCSE has seen first-hand the importance of the federal role EPA fills in sharing technical assistance and information about new technologies and practices to help speed adoption and allow consumers to make more informed decisions.

¹ *Sustainable Energy in America Factbook* at <http://www.bcse.org/sustainableenergyfactbook.html>

² *Sustainable Energy in America Factbook* at <http://www.bcse.org/sustainableenergyfactbook.html>

³ Ibid

The federal government's role in these efforts is critical to provide transparent, standardized and independent data, expertise, and analytical tools that cannot be replicated by private sector or non-governmental organizations with the same credibility.

Clear Direction in Legislative Language Needed

In addition to increasing the budget caps, and providing adequate funding for these federal energy programs, BCSE encourages Congress to provide clear direction in legislative language across all energy program areas under the terms of a continuing resolution or omnibus package for FY2018 in order to avoid a scenario that appears to give the Administration discretion to suspend or discontinue programs, activities, or projects.

BCSE stands ready to be a resource and to provide additional support for your efforts to ensure that Congress's directives are followed and programs continue uninterrupted.

Sincerely,

A handwritten signature in black ink that reads "Lisa Jacobson". The signature is fluid and cursive, with the first name "Lisa" being more prominent than the last name "Jacobson".

Lisa Jacobson, President

CC: Members of the House and Senate Committees on Appropriations