



March 6, 2019

The Honorable Nita M. Lowey, Chair
House Committee on Appropriations
2365 Rayburn House Office Building
Washington, DC 201515

The Honorable Kay Granger, Ranking Member
House Committee on Appropriations
1026 Longworth House Office Building
Washington, DC 201515

The Honorable Marcy Kaptur, Chair
Subcommittee on Energy & Water Development
2186 Rayburn House Office Building
Washington, DC 201515

The Honorable Mike Simpson, Ranking Member
Subcommittee on Energy & Water Development
2084 Rayburn House Office Building
Washington, DC 201515

Dear Chairmen Lowey and Kaptur and Ranking Members Granger and Simpson:

The Business Council for Sustainable Energy (BCSE) applauds Congress for its work last year to pass the Energy and Water Appropriations bill for fiscal year (FY) 2019 which ensured that funding for critical clean energy programs did not get caught up in the government shutdown earlier this year. Lack of funding for key clean energy programs at the Department of Energy (DOE) – and across the federal government – could have undermined job creation and modernization of the country's aging energy infrastructure.

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.

As Congress moves forward with appropriations legislation for Fiscal Year 2020, we urge you to do the following:

- 1) Enact a budget agreement to address budget caps for domestic programs;
- 2) Continue robust funding for the DOE offices of Energy Efficiency and Renewable Energy (EERE), Fossil Energy (FE), Electricity Delivery and Energy Reliability (EDER), Advanced Research Projects Agency-Energy (ARPA-E) and other essential DOE clean energy programs - a chart containing funding requests for the renewable energy, energy efficiency and natural gas sectors is attached for your reference;
- 3) Provide clear direction to DOE in legislative language or report language regarding congressional intent.

Statistics from the 2019 edition of the *Sustainable Energy in America Factbook* recently released by BCSE and Bloomberg New Energy Finance document trends that show that renewable energy, energy efficiency and natural gas deliver more jobs, increased economic growth, greater energy productivity and fewer emissions for the United States:

- **U.S. Electricity Mix:**
 - Since 2009, the U.S. power sector has made large strides toward a decarbonized grid. In the last decade, natural gas' share of electricity generation increased from 24% to 35% and renewable energy's share climbed from 11% to 18%. In total, natural gas and renewable energy have accounted for over 94% of

all U.S. capacity additions in the past 25 years. Of note, combined heat and power (CHP) contributed 8.5% of power generation in 2018.

- **Consumers are dedicating a smaller share of spending to energy costs:**
 - Consumers dedicated a record low share of their household spending to electricity (1.3%) and natural gas (0.4%). Total household spending dedicated to energy costs was 4.2%, a near-record low.
- **U.S. energy productivity trends:**
 - U.S. economic growth has broadly ‘decoupled’ from energy use, as reflected in improvements to energy productivity: within the past decade (2009 – 2018), GDP has climbed 22% while primary energy consumption has grown only 7.5%. The energy productivity of the U.S. economy has grown 14% since 2009. However, in 2018 energy consumption grew by 3.3%, outpacing the GDP growth rate of 2.9%, resulting in an energy productivity decline of 0.4%. This can be attributed in part to extreme weather pressures on building heating and cooling demand and increased industrial activity.
 - Although overall energy productivity declined in 2018, the U.S. continued to grow more productive and efficient in its use of electricity.
- **America beats the competition with low energy prices:**
 - The U.S. is one of the most attractive markets in the world for companies whose operations entail significant energy-related costs. At 6.88¢ per kilowatt hour, the retail price of electricity for the industrial sector in the U.S. in 2017 was lower than that in other major economies, such as China, Japan, and Mexico.
- **The U.S. attracts substantial clean energy investment:**
 - The U.S. finished the year as the second-highest-ranked country (after China) in total new investment in renewable energy and energy-smart technologies.
 - The U.S. green bond market is \$49 billion in 2018 and almost entirely upheld by mortgage giant Fannie Mae. The enterprise’s green mortgage program continues to expand, with over \$22 billion of new commercial green pools sold into capital markets.
- **Modern and resilient infrastructure:**
 - Investor-owned utilities and independent transmission developers spent an estimated \$21.9 billion on transmission in 2017, a 6% increase over 2016, and an 83% increase since 2011.
 - Investment in midstream gas infrastructure—transmission, distribution, and storage—climbed to \$27.5 billion in 2017, a 9.4% increase from 2016.
- **U.S. greenhouse gas emissions:**
 - While U.S. greenhouse gas emissions rose for the first time in several years, a cleaner electricity mix kept the increase in power sector emissions to 0.6% and the carbon intensity of the power sector decreased by 0.7% year over year in 2018.
 - Companies, states and cities that have pledged support for the Paris climate agreement now represent more than half the U.S. population, more than half the American economy and more than one-third of nationwide GHG emissions

This success is the result of a long-time bipartisan consensus of DOE’s world class research, both pure and applied, successfully linked with industry. Continued investment in energy research development and deployment is needed to increase the efficiency of our energy generation and use, and to spur new innovations. 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 DOE programs.

Sincerely,



Lisa Jacobson, President

Cc: Members of the House Committee on Appropriations
Attachment