

April 21, 2014

The Honorable Lamar Smith
Chairman
Committee on Science, Space, and Technology
U.S. House of Representatives
Washington, DC 20515

The Honorable Eddie Bernice Johnson
Ranking Member
Committee on Science, Space, and Technology
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman and Ranking Member Johnson:

The Environmental and Energy Study Institute (EESI) and the Center for Small Business and the Environment (CSBE) wish to express our deep concerns about provisions in the “America COMPETES Reauthorization Act of 2015” (COMPETES Act). In its current form, the bill to be considered tomorrow by the House Committee on Science, Space, and Technology would eliminate or slash funding for programs that are vital to our nation’s growing advanced energy industry thereby severely curtailing U.S. economic development and competitiveness and undermining national security, health and prosperity.

We respectfully urge the Committee to:

- **Reject provisions in the version of the COMPETES Act scheduled for markup tomorrow that would cut the U.S. Department of Energy’s Office of Energy Efficiency and Renewable Energy (EERE) R&D budget 29 percent below the FY 2015 appropriation and 50 percent below the President’s FY 2016.**
- **Reject efforts to prohibit or limit U.S. use of our own R&D results (specifically, language in Section 661 that would bar the results of any DOE-supported R&D activity from being “used for regulatory assessments or determinations by Federal regulatory authorities.”).** This would completely eliminate an entire source of valuable knowledge the United States relies on to compete in the global marketplace of the 21st Century – knowledge that will help solve the global challenges and prevent crises that affect us all, directly or indirectly, such as access to affordable, safe and clean energy, water, air, soil and food.

Federally funded R&D and public/private partnerships are giving innovative energy technologies and practices the ability to take root and compete with mature energy technologies that already are deeply rooted in the U.S. economy, fed in large part by decades of government subsidies and national infrastructure development. Advanced energy technologies are in various stages of development. Some have grown into viable businesses after years of intermittent government support and are now achieving the benefits that their early nurturing promised. Public/private investment in sustainable energy is returning big dividends, including:

- growth in domestic and international market share
- U.S. jobs
- pollution prevention
- savings/asset-building for consumers and communities, state and local governments, investors, taxpayers and the federal treasury

Advanced technology, such as renewable energy and energy efficiency products and services, is a key driver toward the highly anticipated renaissance in U.S. domestic manufacturing and will be a huge economic growth area for the next 20 to 30 years. According to recent reports, the U.S. solar energy industry alone currently employs more than 700,000 people and is expanding 10 times faster than other industries. The market for energy efficiency goods and services is also growing. As the U.S. sustainable energy sector expands, our national energy bill shrinks; the electric power grid and its customers are less vulnerable to power outages; homes are more comfortable, affordable and safe from extreme cold and heat; communities are more resilient; and the United States is stronger and more competitive. Federal investment in a sustainable and resilient energy economy is a forward-thinking strategy that is both optimistic and practical. Why would we want to cut back now on investing in a clean energy future while other countries are ramping up?

Buildings R&D as an Example:

EERE-funded research is improving products we use every day, from air-conditioning systems to whole buildings. Residential and commercial buildings consume about 40 percent of total U.S. energy and 70 percent of the electricity produced. We spend (and waste) billions of dollars every year to own and operate inefficient houses and buildings. To a great extent, energy efficiency codes and standards have successfully mitigated a surge in the building sector's energy use even as the population grows and people plug in more electronics. Continued R&D and demonstrations of low to "net-zero" energy-use buildings offer the potential to dramatically reduce the building sector's energy/electricity consumption and environmental impact while enhancing long-term performance and value. How? By doing what U.S. manufacturers, small businesses and the hundreds of thousands of individual architects,

engineers, builders, contractors, building owners and managers are unable and unwilling to do on their own: Basic and applied research, development, testing and demonstration of new materials and technologies and techniques for integrating the components into a high performing system. Building science is the underpinning that enables industry professionals to design, build and operate high performing, sustainable and resilient homes and buildings cost competitively. Continuously improving our understanding of building science and energy is a major value proposition for consumers, businesses, investors and public officials. In this regard, we urge the Committee to:

- **Reject language in the COMPETES Act as written that would remove DOE’s existing authority to provide grants and technical assistance for the development of standards for high performance buildings and for the Advanced Energy Technology Transfer Centers to develop and distribute informational materials on how to use energy more efficiently (Sections 643 and 646).**
- **Reject the repeal of programs that allow demonstrations of renewable energy technologies in state and local government buildings (Section 650).**

In addition to our deep concern about proposed cuts to the Office of EERE (Section 681(c)), we also urge the Committee to:

- **Reject funding cuts to ARPA-E (Section 681(e)).** Like DARPA, its Defense Department namesake, ARPA-E fills a gap by supporting high-risk R&D. It is an important government role.
- **Reject funding cuts to the DOE Office of Science’s Biological and Environmental Research Program (Section 509(a)(3)).** The climate science-related activities of BER, rather than being indicative of wasteful federal spending on “duplicative” federal programs, are in fact contributing to the scientific body of knowledge, together with the special expertise of other federal departments and agencies, such as the Department of Commerce and NOAA.

Finally, the COMPETES Act as written contains some policy-related provisions that we believe could have a serious negative impact on long-term U.S. competitiveness, security and economic health. As noted, the proposal to prohibit federal regulatory authorities from considering the results of DOE-supported R&D seems to us a self-defeating action. Similarly, we also are very concerned about provisions that could undermine or even reverse gains we’ve made toward a sustainable transportation sector from R&D in biofuels and advanced electric vehicle and battery technologies.

Specifically, we urge the Committee to **reject proposals to:**

- Eliminate existing authorization for integrated bio-refinery demonstration projects and R&D in offshore wind, next generation lighting, hybrid and electric propulsion systems, plug-in hybrid systems, advanced combustion engines, and secondary EV battery use.
- Remove “reductions of energy-related emissions, including greenhouse gases” from goals of ARPA-E (Section 671).
- Prohibit DOE from continuing to support a joint initiative with the Department of Defense and the Department of Agriculture to establish a cost-competitive drop-in biofuels production capability for military and commercial applications (Section 648).

EESI is an independent, nonprofit policy outreach and education organization based in Washington, DC, that promotes successful examples of sustainable energy and development and expands their impact through innovative policy solutions. CSBE is a 501(c)(3) grassroots voluntary network of small business persons who share the belief that entrepreneurial creativity and drive can protect the environment while creating jobs and economic growth. CSBE promotes profitable and successful small business models for environmental action such as dramatically reducing energy consumption, creating “green” jobs, and mobilizing support for solutions that are economically and environmentally sustainable.

We would be delighted to work with you and your colleagues to help develop and promote win-win policy solutions. Thank you in advance for considering our concerns.

Sincerely,

Carol Werner
Executive Director
Environmental and Energy Study Institute

Scott Sklar
Executive Director
Center for Small Business and the Environment