

**TESTIMONY OF DAVID TERRY, PRESIDENT, NASEO, BEFORE THE U.S. HOUSE ENERGY AND WATER DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE IN SUPPORT OF FY'25 U.S. DOE FUNDING – April 26, 2024**

Chair Fleischmann, Ranking Member Kaptur, and members of the Subcommittee, I am David Terry, President of the National Association of State Energy Officials (NASEO) testifying on behalf of our 56 governor-designated state and territory members. NASEO respectfully requests funding for the following U.S. Department of Energy (DOE) programs: **\$90 million for the U.S. State Energy Program (SEP); \$375 million for the Weatherization Assistance Program** (plus \$52 million for the Readiness Fund and \$15 million for T&TA); \$399 million for the Building Technologies Office, with not less than \$30 million for building energy codes, and \$50 million for grid-interactive efficient buildings within EERE; \$502 million for the Vehicle Technologies Office; \$318 million for Solar Energy Technologies Office; \$20 million for the R-STEP Program within EERE, which is helping states advance solutions to siting and permitting; the budget request for Strategic Programs within EERE; \$200 million for CESER, including \$28.5 million for Preparedness, Policy, and Risk Analysis; \$293 million for the Office of Electricity including \$95 million for energy storage and \$50 million for regional electricity market development; \$460 million for carbon management within FECM (equal to FY'23 and FY'24 levels); \$70 million for FEMP; \$2 million for the U.S. Energy and Employment Report; and \$102 million for the Grid Deployment Office. An increase above the \$2.891 billion for EERE in FY'24 is justified given the extraordinary energy affordability, climate, and reliability crises the nation is facing. We also recommend funding of \$20 million (above the CESER base funding) for a new joint emergency planning and response program between DOE, DHS, state energy offices, and state emergency management agencies. **The \$90 million SEP request is consistent with the “Dear Colleague” letter, signed by 112 Members in FY'24 and the letter**

**being circulated for FY'25.** The SEP statute provides states with flexibility to advance energy security, resilience, hydrogen, renewables, efficiency, emerging energy technologies, EVs, transmission and distribution grid planning and more in ways that link with state policy to achieve greater national energy impact. States also work collaboratively using SEP formula funds to accelerate results: Hydrogen Hub (OH, PA, CA, WA); Advanced Nuclear State Collaborative (e.g., TN, OH, ID, LA, WA, IL, NY) including the advanced nuclear state collaborative workshop in Knoxville this week; [REVWest EV charging initiative](#) (e.g., ID, NV, UT, WY); Microgrid Working Group (e.g., CT, KY, ID, IL, PA, TN, WA); Southeast Petroleum Response Collaborative (e.g., FL, KY, MS, SC, TN) and [Western Petroleum Response Collaborative](#) (e.g., AK, CA, WA, NV, ID) which responds to disruptions caused by natural and other disasters; and [building-grid electric management](#) (e.g., CT, ID, FL, ID, IL, NY, TN, PA). In the past, DOE has opted to “slice off” a portion of the SEP *formula* funds provided by Congress for DOE-directed competitive awards on DOE priority topics – nearly every state in the nation objects to that practice and opposes the large amounts of SEP funds DOE takes “off the top” for technical assistance. We urge Congress to explicitly provide the requested \$90 million of SEP funds *as formula funding to states with no appropriated amount for use by DOE in providing technical assistance or for DOE-directed competitive activities.* The SEP *formula* funds allow states to leverage DOE’s research activities and work with the private sector to improve electricity affordability and resilience, accelerate clean energy development, catalyze investments in carbon capture infrastructure, advance low-carbon hydrogen markets, support manufacturing energy efficiency, lower home energy costs through energy efficiency, and accelerate energy technology innovation through state-private sector partnerships. Two Oak Ridge National Laboratory (ORNL) studies found that each \$1 of SEP *formula* funds leverages

\$10.71 of state and private funds and realizes \$7.22 in energy cost savings for citizens and businesses. With SEP funds the State Energy Offices lead energy security planning and response across electricity, natural gas, and petroleum. Finally, SEP is the key connection between billions of dollars spent by DOE on federal R&D priorities *and* the priorities of states. State energy policy guides energy markets and the DOE-state relationship must continue to be enhanced to achieve greater impact. A greater reliance by DOE on the states to ensure federal R&D meets real world conditions would maximize the impact of R&D funding and leverage deployment by states and the private sector. Below are examples of the states' use of SEP funds.

**Tennessee—Charging Infrastructure** – The Tennessee Energy Office used a portion of their SEP funds to support the TN Department of Transportation's (TDOT) development of the State's National Electric Vehicle Infrastructure (NEVI) plan, program design, and project management. The collaboration between the Tennessee Energy Office and TDOT on the states \$88 million NEVI charging infrastructure investment was highlighted by *Forbes* as a best practice.

**Ohio—Community Energy Efficiency.** Ohio's Energy Office uses SEP funds to help counties, municipalities, schools, and businesses complete energy efficiency retrofits of buildings to reduce energy costs through the Energy Efficiency Program for Ohio Communities. In 2024, \$8 million in SEP grants for 35 energy-efficient retrofits in 18 counties statewide included a \$250,000 grant to Lorain County to install digital energy controls and other energy upgrades in government buildings. The Lorain County project is expected to reduce utility bills by 25.9 %.

**California—Development of Appliance Standards.** California uses a portion of their SEP funds for efficiency standards such as portable air conditioners which saves 369 gigawatt-hours annually, and sprinklers which save 150 billion gallons of water annually. In 2022 and 2023, new standards for commercial air filters will save an estimated to 38 gigawatt-hours annually.

**Florida–Residential Efficiency.** Florida used SEP funds to support Florida Counties Low-Income Residential Energy Efficiency Program which reduces residential energy costs through the improvement of ventilation, insulation, and inefficient equipment. This program provided funding in Broward, Miami-Dade, Orange, and Sarasota Florida counties to assist low-income single-family and multifamily households with energy efficiency measures.

**Idaho–Energy Planning and Emergency Preparedness.** The Idaho State Energy Office uses SEP funding for such activities as energy emergency planning and assisting rural communities with energy efficiency through the state’s Government Leading by Example program. Idaho has also updated its emergency fuel shortage plan and participates in energy emergency exercises.

**Illinois–Leverage \$16 Million with 79% of Funds Going to EJ Communities.** The Illinois Energy Office used SEP funds to support upgrades at four publicly-owned wastewater treatment plants, leveraging \$16,018,574 in funds from municipalities and saving 2,431,955 kWh annually. Of the funds awarded, 79% was granted to facilities serving EJ communities.

**Louisiana–Carbon Capture and Energy Efficiency Revolving Loans.** The Louisiana State Energy Office plays a pivotal role in advancing large-scale carbon management and hydrogen projects, such as the HALO hydrogen project with AR and OK. The office also uses SEP funds to support an energy efficiency loan fund for public-sector entities implementing energy efficiency upgrades such as a \$1.7 million loan for Louisiana Tech University.

**Mississippi–Manufacturing Energy Efficiency.** The Mississippi Energy Office uses a portion of their SEP funds for the Mississippi Industrial Energy Efficiency Program (MIEEP), which provides grants for Mississippi companies to install energy efficient upgrades, such as lighting, ventilation, water heating, that reduce energy use and costs and support workforce development.

**Nevada–EV Charging Installation Along Nevada Highways.** The Nevada Energy Office uses SEP funds to support transportation electrification through the Nevada Electric Highway program and participation in the Regional Electric Vehicle Plan for the West—an 8 state partnership. The program leveraged \$3.7 million in VW funds, \$500,000 in state funds, and \$2.6 million from local utilities to construct over 30 EV charging sites across the state.

**New York–Efficiency and Electrification Study.** The state used SEP funds to support the Assessment of Energy Efficiency and Electrification Potential in Residential and Commercial Buildings. The NYSERDA study, conducted in consultation with other agencies and utilities, estimates energy savings over 20 years using energy efficient and electrification technologies.

**Oklahoma–Alternative Fuels.** Oklahoma used SEP funds to support the Indian Nations Council of Governments and the Association of Central Oklahoma Governments in work with the Oklahoma Department of Transportation to designate all of Oklahoma’s interstates and several highways as alternative fuel corridors—Oklahoma was the first state to achieve that status.

**Pennsylvania–Manufacturing and Agriculture Efficiency.** Pennsylvania will use existing SEP funds to provide energy efficiency assessments to manufacturers and agricultural-related businesses in order to lower energy costs and greenhouse gas emissions. The state anticipates two hundred energy assessments will be offered to identify no-cost and low-cost savings opportunities and recommendations for potential capital-intensive energy savings opportunities.

**Washington–Energy Emergency Preparedness.** The State Energy Office uses SEP funds to address critical energy security issues, such as responding to regional fuel emergencies caused by flooding and advancing the multi-state Western Petroleum Shortage Collaborative to limit the impact of petroleum supply disruptions resulting from weather, cyber, and physical threats.

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