

New Secretary of Energy and Proposed Legislation Would Further Accelerate Federal Energy Efficiency Program

June 2013

This is shaping up to be an important year in the development and implementation of energy efficiency policy. These policies warrant vigilance by the industry.

New Secretary of Energy Ernest Moniz Increases Priority of Energy Efficiency

Only three hours after he was sworn in as Secretary of Energy on May 21, Dr. Ernest Moniz gave a speech in which he stressed that energy efficiency will be a central priority during his tenure: "I just don't see solutions to our biggest energy and environmental problems without a very strong demand-side response, and that's why it's logical to move this way, way up in our priorities." This would include an effort to deal with what he termed a "logjam" of pending efficiency standards to be issued pursuant to the Energy Policy and Conservation Act (EPCA). Secretary Moniz expressed interest in convening and meeting with manufacturers; and proposed efficiency standards rules provide opportunities for comment to the Department of Energy (DOE) by industry and other interested parties.

This all is consistent with the Obama Administration's long-held policy of accelerating the federal energy efficiency program. Energy savings from the program are deemed to be low-hanging fruit in comparison with comprehensive climate change legislation.

Energy Savings and Industrial Competitiveness Act of 2013

Secretary Moniz has stressed support for a bill introduced by Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH) that would even further accelerate the efficiency program. S. 761, the Energy Savings and Industrial Competitiveness Act of 2013, builds on the passage in late 2012 of the American Energy Manufacturing Technical Corrections Act (H.R. 6582). S. 761 resembles S. 1000, which stalled in the Senate in 2012 over amendments. There is a companion bill (H.R. 1616) in the House. S. 761 has been acted on favorably by the Senate Energy and Natural Resources Committee. It contains provisions of interest to industry.

- Building on the success of the voluntary Energy Star program, the bill would establish a Supply Star program in DOE to help increase efficiency of companies' supply chains. The program would be "to

identify and promote practices, recognize companies, and, as appropriate, recognize products that use highly efficient supply chains in a manner that conserves energy, water, and other resources.” DOE may award grants or other forms of incentives.

- The bill calls for enhanced higher education-based industrial research and assessment, including assessment of sustainable manufacturing goals and the implementation of information technology advancements for supply chain analysis, logistics, systems monitoring, and industrial and manufacturing processes. DOE is to pay the federal share of associated internship programs and the Small Business Administration (SBA) is to expedite small business loans to implement recommendations of industrial research and assessment centers.
- On the request of a manufacturer, DOE is to conduct on-site technical assessments to identify opportunities for maximizing the energy efficiency of industrial processes and cross-cutting systems; preventing pollution and minimizing waste; improving efficient use of water in manufacturing processes; improving efficient use of water in manufacturing and conserving natural resources.
- DOE is to establish a program to provide rebates for expenditures made by entities for the purchase and installation of a new constant speed electric motor control that reduces motor energy use by no less than 5%. DOE is also to establish a program under which rebates are provided for expenditures made for the purchase and installation of new energy-efficient transformers.
- DOE is to encourage and support adoption of building codes that meet or exceed model building energy codes, or achieve equivalent or greater energy savings, and is to support full compliance with the codes. DOE is also to support the updating of model building energy codes, including achieving aggregate energy savings targets.
- DOE is to establish a program to provide grants to states to establish or expand programs to promote the financing of energy efficiency retrofit projects for private sector and commercial buildings.
- DOE is to provide grants to institutions of higher education to establish training and assessment centers for efficiency in buildings.
- DOE is to issue guidance for federal agencies to employ advance tools promoting energy efficiency and energy savings through the use of information and communications technologies, including computer hardware, energy efficiency software, and power management tools.