



Refueling and Rebuilding America through Investment in Energy Efficiency

"We have the opportunity now to create jobs all across this country in all 50 states to repower America, to redesign how we use energy and think about how we are increasing efficiency to make our economy stronger, make us more safe, reduce our dependence on foreign oil and make us competitive for decades to come -- even as we save the planet."

- U.S. President-elect Barack Obama, 12-9-2008

The challenge is the economy; the opportunity is clean energy. Environment America recommends that President-elect Obama and the new Congress enact a green economic recovery plan that makes critical investments in clean energy and green infrastructure to help rebuild the American economy and protect our environment.

Putting America on the path to a new clean energy economy means more secure energy in the long term, less global warming pollution, fewer asthma attacks from air pollution, more clean lakes and rivers for drinking water, swimming and fishing, and more good jobs right here at home. By funding ready-to-go projects, we can put Americans to work in good jobs and deliver the economic boost the country needs.

The centerpiece of any energy package must be energy efficiency. Energy efficiency is the cheapest, quickest and cleanest way to reduce global warming pollution. It is also one of the best ways that we can invest in American jobs. **We recommend at least \$21 billion in investment in energy efficiency. According to analysis by the Earth Policy Institute, investing \$1 billion in retrofitting buildings would create 26 times more jobs than the same investment in nuclear power and 30 times more jobs than the same investment in coal power. Just \$6 billion in residential and commercial building retrofit efficiency investments will, over the next two years, create more than 60,000 new jobs.**

There are huge environmental, security and economic benefits from using energy more efficiently. Almost half of the energy we use in America, almost 10 percent of the world's energy use, is used in America's buildings. We have the tools and know-how to make these buildings much more efficient. For example, the federal weatherization program weatherizes homes of low-income families and reduces energy consumption for space heating by an average of approximately 25 percent per home. The program delivers at least \$1.50 in economic benefits for every dollar invested. Currently the program only reaches slightly more than 100,000 homes per year – a fraction of the homes which qualify.

Increasing energy efficiency would reduce fossil fuel consumption, global warming pollution and damage to the natural environment. These proposals are just a start for increasing energy efficiency. We will be developing additional recommendations to realize even more of the environmental and economic benefits.

Specific Energy Efficiency Investment Recommendations:

Fund energy efficiency and conservation block grants to cities and states for energy efficiency and conservation projects that reduce total energy use, decrease fossil fuel emissions, and improve energy efficiency in the transportation, building, and other sectors.

- A \$6 billion investment over 2 years would reduce total energy use, decrease fossil fuel emissions, and improve energy efficiency.

Fund federal agency efficiency administered by the Federal Energy Management Program of the Department of Energy for federal agencies to make energy efficiency improvements and for the installation of clean distributed energy in federal buildings.

- A \$600 million investment over 2 years would be a step towards President-elect Barack Obama's goal of making our public buildings more efficient.

Expand the weatherization program that weatherizes the homes of low-income families and reduces energy consumption for space heating by an average of approximately 25 percent per home.

- A \$1.9 billion investment will put us on the road towards President-elect Barack Obama's goal of weatherizing 1 million homes a year and provides at least \$1.50 in economic benefits for every dollar invested

Make energy efficiency tax incentives and provisions governing accelerated depreciations fully refundable and AMT creditable for two years so that people who wish to may use these credits without concern to available credits.

Create a home efficiency retrofit program that gives a rebate to homeowners, or any party obtaining an owner's consent, to undertake an efficiency retrofit of an existing home. The rebate would be performance based, rewarding higher levels of energy efficiency improvement. The program would be administered by the states with the Environmental Protection Agency serving as the overall administrator and include support for the training of contractors and home energy auditors/raters who would help implement the program.

- A \$3 billion investment over two years would create 30,000 jobs annually.

Create a commercial and public buildings retrofit program administered by EPA that would encourage the near term launch of large scale, deep retrofitting of private and publicly owned commercial buildings.

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Fund the energy sustainability and efficiency grants and loans program to give federal assistance to institutions of higher education, public schools, and local government so they can become models for the changes in energy usage that all sectors of society need to adopt.

- A \$3 billion investment would have a major impact on our nation's energy usage and carbon emissions, and the infrastructure exists to allow distribution to begin within 60 days.

Fund window weatherization rebates to consumers to purchase energy-efficient windows that will reduce energy use.

- A \$1.5 billion investment would create thousands of U.S. manufacturing, sales, and installation jobs, while saving homeowners up to 20% or more on their heating and cooling costs and reducing greenhouse gas emissions.

Expand the State Energy Program to improve state energy management capabilities and strengthen operational capability.

- A \$125 million investment for the State Energy Program (SEP) can be rolled out quickly for projects such as efficiency improvements to state office buildings and facilities. A Oak Ridge National Laboratory analysis concluded that for every federal dollar invested, more than \$7 in direct energy savings is achieved and almost \$11 in non-federal funds are directly contributed to energy programs.

Extend and increase tax incentives for efficient buildings.

- Increase the Efficient Commercial Buildings Tax Deduction from \$1.80 per sq/ft to at least \$3 per sq/ft in accordance with the proposal from the American Institute of Architects for buildings that achieve a 50 percent energy savings.
- Expand the Efficient New Homes Tax Credit to provide a \$4,000 credit for homes that achieve 50 percent savings for the whole home and extends the tax credit for efficient new homes through 2011.
- Provide \$600 million in assistance for purchase and installation of control boilers for homes and businesses to purchase and install intelligent boiler controls that have big energy and global warming gas reductions.
- Extend the “Nonbusiness Energy Property” tax credit that applies to high efficiency heating and cooling equipment through 2011.
- Provide \$110 million for hot water heater acquisition assistance to small businesses for upgrading to more efficient hot water heaters.

Fund the Healthy High Performance Schools Program that authorizes grants to state education agencies to facilitate the design, construction, and operation of schools that are energy and resource efficient and contain the amenities necessary for a quality education.

- A \$100 million investment could be used by states to provide information and technical assistance, as well as to help schools monitor and evaluate efforts to create healthy, high performance school buildings.

Enact an energy efficiency resource standard requiring utilities to achieve energy savings of 15 percent of electricity sales and 10 percent of natural gas sales by 2020. The American Council for an Energy-Efficient Economy estimates that by 2020 this standard would reduce peak electric demand by over 93,000 megawatts, the equivalent of over 300 coal-fired power plants, and reduce carbon dioxide emissions by approximately 230 million metric tons in 2020—equivalent to taking 38 million automobiles off the road.

Fund waste heat recovery rebates that give incentives to projects that recover waste heat.

- A \$25 million investment would provide large reductions in greenhouse gas emissions, as well as a large potential for jobs in several disciplines.

Expand the EPA Energy Star program, a voluntary program that promotes energy efficiency in buildings, appliances and equipment.