Federal Register
Environmental Protection Agency
Evaluation of Existing Regulations: Proposed Rule

Docket ID: EPA-HQ-OA-2017-0190

Comments Respectfully Provided By:
Home Performance Coalition[1]

Dear Administrator Pruitt:

The Home Performance Coalition appreciates the opportunity to provide these comments to the U.S. Environmental Protection Agency (EPA) regarding the Evaluation of Existing Regulations proposed rule.

INTRODUCTION

The Home Performance Coalition (HPC) is a national non-profit 501c3 organization that works with industry leaders in the home performance and weatherization industries to advance energy- efficient, healthy and safe homes retrofit policies, programs and standards through research, education, training and outreach. HPC is committed to a robust industry that makes all of America's homes more resource efficient, healthy, durable, resilient, and affordable.

HPC appreciates the Administration's review of existing regulations across the federal government in an effort to identify outdated and inefficient regulations. In these comments we will explain why carbon regulations do not meet the top three criteria identified in Executive Order 13777,[2] which serves as the underpinning for the evaluation, and therefore should not be repealed, replaced, or modified.

COMMENTS

The top three criteria identified by the Administration in Executive Order 13777 for the Regulatory Reform Task Force to consider when identifying regulations for repeal, replacement, or modification are as follows:

(i) Eliminate jobs, or inhibit job creation
(ii) are outdated, unnecessary, or ineffective
(iii) impose costs that exceed benefits

[1] These comments are being submitted on behalf of the Home Performance Coalition. They do not reflect the views of any individual member of the organization's board, nor do they reflect the views of associations or companies at which those Board members work.

[2] Executive Order 13777, "Enforcing the Regulatory Reform Agenda" signed by President Trump on February 24, 2017.

In the following paragraphs, we will detail how federal carbon regulations do not meet these criteria due to the existing solutions presented by residential energy efficiency.

Before addressing the three criteria, however, it is important to note that residential energy efficiency is a proven, cost-effective, and widely-available emission and energy waste reduction tool that many states have been employing for decades. Even states that do not have much experience with residential energy efficiency still have the benefit of considering best practices and lessons learned from experienced states. The key point here is that states wishing to use energy efficiency for carbon regulation compliance do not need to start from scratch.

It is also important to remember that state regulators and other stakeholders, such as utilities, are often tasked with making 20-, 30-, even 40-year plans or investments, and there is a general consensus that cutting carbon emissions will be an inevitable requirement over that time period; thus, many states have been planning, and will continue to plan, for the eventuality. In addition to carbon reduction considerations, utilities also make long-term planning decisions regarding demand and grid reliability. Efficiency is an essential part of the equation, as it helps utilities manage demand, reduce peak load, and increase the overall reliability of the grid.
Residential energy efficiency opportunities continue to expand, and states can leverage this growth – as well as build upon prior success – by taking their current energy efficiency policies, programs, and measures to the next level. This will help states not only with federal carbon emissions targets, but with energy waste reduction, grid reliability, public health, and other goals.

A 2016 HPC report entitled "A Policymaker's Guide to Incorporating Existing Homes into Carbon Reduction Strategies and Clean Power Plan Compliance"[3] provides policymakers with actionable recommendations on how to employ residential energy efficiency to meet carbon reduction goals. SEE Action Policymaker's Guide to Scaling Home Energy Upgrades[4] also details important and effective residential energy efficiency policies that, if addressed, can dramatically increase the energy efficiency of America's homes.

Job Creation

Energy efficiency is more than just a way to reduce energy waste and save consumers and businesses money on their monthly utility bills - it is by far the largest sector in the U.S. clean economy. A recent report from E4TheFuture, entitled "Energy Efficiency Jobs

[3] Home Performance Coalition. November 2016. "A Policymaker's Guide to Incorporating Existing Homes into Carbon Reduction Strategies and Clean Power Plan Compliance ."
http://www.homeperformance.org/sites/default/files/A%20Policymaker%E2%80%99s%20Guide%20to%20Incorporating%20Existing%20Homes%20into%20Carbon%20Reduction%20Strategies%20and%20Clean%20Power%20Plan%20Compliance_0.pdf

[4] SEE Action. September 2015. "A Policymaker's Guide to Scaling Home Energy Upgrades."
https://www4.eere.energy.gov/seeaction/system/files/documents/Residential%20Policymakers%20Guide_093015_v2.pdf

in America,"[5] found that three out of every four clean energy jobs is an energy efficiency job, and as of 2015 the energy efficiency industry employed 1.9 million Americans. The report also found that most energy efficiency jobs are created by small businesses - of the 165,000 U.S. companies engaged in energy efficiency, 70% of them have 10 or fewer employees.

A significant portion of the energy efficiency jobs in the U.S. are in the residential sector, and forty percent of them involve the installation of energy efficiency products. These are the contractors – the "boots on the ground" - installing energy efficiency products and technologies and working to reduce energy waste in homes and buildings across the country. These jobs are, by their very nature, inherently local and cannot be exported.

Adding energy efficiency expertise and training enhance contractor jobs by increasing value and advancing their education. Contractors with additional training often earn more and can provide more guidance to homeowners in making energy efficiency decisions. These contractors, by investing time and studying, are investing in themselves and have more confidence in their career stability.

Federal carbon regulations, which incentivize the advancement of energy efficiency policies and programs, can help the energy efficiency industry fully tap into its job creation potential and provide many more well-paying, local jobs in all 50 states.

A Growing Industry

This is a critical and exciting time for the energy efficiency sector, including the home and building performance industry. Across the country, more professionals are now trained in energy-efficient building practices, more companies are developing strong and innovative value propositions to sell energy efficiency to their customers, lending institutions and the financing sector are raising significant funds specifically for energy efficiency project financing, innovative financing structures are spreading, and many other elements needed for a scaled energy efficiency industry are becoming reality.

Over the past several years there have been, and continue to be, significant advances in methods to measure and predict energy savings. For example, the residential energy efficiency industry has developed a set of energy savings prediction standards, produced by ANSI-accredited organizations. A recent test of the application of these standards by a large state regulated program sponsor to real whole house program data resulted in the program realizing predicted savings at a rate of 90%[6].

Better predictability and savings accuracy means that energy efficiency, including from the residential sector, can be treated as a true energy resource, and that states, utilities

[5] https://e4thefuture.org/wp-content/uploads/2016/12/EnergyEfficiencyJobsInAmerica_FINAL.pdf

6 NYSERDA PSD Ex-Post Application of BPI-2400 Standard to Senate Committee - http://psdconsulting.com/improving-accuracy/

and other entities will have the tools they need to invest in this resource while encouraging others to innovate and develop strong, scalable delivery models.

Carbon regulations that promote adoption of common sense and cost-effective energy efficiency policies and programs are important to the growth of the energy efficiency industry. Indeed, far from being outdated, unnecessary, or ineffective, carbon regulations – by helping to advance energy efficiency – will help this industry scale, thus supporting innovation, job growth, and efficient energy use in the residential sector .

Health Benefits

In addition to economic and jobs benefits, residential energy efficiency also plays a key role in public health. A U.S. Department of Energy report on the Weatherization Assistance Program[7] found that home improvements focused on energy efficiency can improve indoor air quality, which reduces respiratory illness and sick days, and improves mental alertness and productivity for both children and adults. A recent report from E4TheFuture, entitled "Occupant Health Benefits of Residential Energy Efficiency,"[8] which reviews existing research on the link between resident health benefits and energy efficiency upgrades, also found that residential energy efficiency upgrades can produce significant improvements in asthma symptoms and help improve overall physical and mental health.

Cost-Effectiveness

Many states and utilities have begun to realize that it is cheaper to fund energy efficiency, and thereby reduce energy use, than it is to pay for new energy generation. A number of studies have also shown that energy efficiency provides the highest return-on-investment when it comes to reducing energy demand.

For example, a recent assessment from the South-central Partnership for Energy Efficiency as a Resource (SPEER), which focused on Texas and used data from both the U.S. Energy Information Administration and the Electric Reliability Council of Texas (ERCOT), found that energy demand in 2030 could be reduced by as much as 10 percent using just a "modest" slate of energy efficiency incentive programs, appliance standards, and building codes.[9] The report found that "the cost of these programs would be far less than the combination of savings to consumers, reduced energy prices, and reduced transmission and distribution costs" and that the largest and most cost-effective potential efficiency gains are in the residential sector.[10]

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[7] https://energy.gov/eere/wipo/downloads/weatherization-assistance-program-national-evaluation
[8] https://e4thefuture.org/occupant-health-benefits-of-residential-energy-efficiency/
[9] SPEER. March 2016. "Efficiency and the Low-Carbon Future." https://eepartnership.org/wp-content/uploads/2016/03/Efficiency-and-The-Low-Carbon-Future.pdf
[10] Ibid.

CONCLUSION

There is a wide array of *existing*, proven, cost-effective, and common sense residential energy efficiency policies and programs that can be used to meet carbon reduction targets as well as energy waste reduction and public health goals. These energy efficiency policies and programs are the foundation for a robust and growing residential energy efficiency industry which supports millions of high-paying and local jobs in all 50 states, helps decrease energy use and monthly utility bills for consumers across the country, and enhances the health of the American public. Federal carbon regulations incentivize the adoption of smart energy efficiency policies and should not be repealed, replaced, or modified.

Thank you again for the opportunity to provide comment, and we look forward to working with you.

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