

# Fact Sheet

## Increase Funding for the Environmental Protection Agency's Energy Star Program

### FY09 Interior, Environment and Related Agencies Appropriations EPA and Energy Star

#### What is Energy Star?

Energy Star is a partnership program between government and industry that identifies and labels energy-efficient products, helping businesses, consumers, and state and local governments save money and protect the environment. By providing clear information on which products and practices save energy, Energy Star builds awareness about the benefits of energy efficiency, boosts market-penetration of energy-efficient products, and provides recognition and support for companies and organizations that are committed to energy efficiency.

#### Why Increase Funding?

High electricity and natural gas demand have driven up energy prices, caused global warming, and increased natural gas imports. The Energy Star program has a proven track record of saving both energy and money, thereby improving our economy, environment, and security. In 2006 alone, Energy Star helped Americans save more than 170 billion kilowatt hours of electricity (5% of total use), reduce peak demand by more than 35,000 Megawatts (70 new power plants), and prevent over 37 million metric tons of greenhouse gas emissions – all while saving about \$14 billion on their utility bills. Furthermore, the Energy Star program is extremely cost-effective. In fact, every federal dollar spent on program costs yields savings of more than \$75 in consumer energy bills and more than a \$15 investment in the private sector.

The Energy Star program could do even more with greater funding. President Bush's budget recommendations for FY 2009 include a \$4 million cut to the Energy Star program – nearly 10 percent of its budget. The Alliance recommends that the Energy Star budget be increased to add products, increase public outreach, work with more businesses, and expand state and local programs such as the Home Performance with Energy Star program.

The Alliance recommends funding of \$100 million for EPA ENERGY STAR, a \$55.8 million increase for FY 2008. This funding would allow expansion and enhancement of several activities and initiatives, including:

- Expanded existing homes program (beyond products). Homeowners can save 10 to 20 percent on their home energy bills -- which now average \$1,900 a year -- with a set of new ENERGY STAR programs that go beyond the labeling of efficient products. [**\$12.5 million**] These include

- **Home Performance with ENERGY STAR** -- a whole home retrofit program – that can be offered by a state, utility or other local program sponsor in partnership with EPA -- that provides homeowners with trained building professionals, information on the best home improvement projects for their home, and QA/QC on the work performed in their home. This program is being offered in a dozen locations around the country and is providing homeowners with 20% savings on average on their home energy bills. Additional funding would bring this program to many more cities and homeowners around the country and help improve the building envelopes (going beyond the products in the home) of millions of post-1950 homes, among others, that were built prior to building codes and other energy efficiency policies.
- **Quality Installation of Heating and Cooling Equipment.** EPA and its partners would expand its program to improve the installation and maintenance of heating and cooling equipment, in concert with utilities and other program partners. Many air conditioners are oversized and improperly installed so that consumers receive low efficiency and pay high bills even with a high efficiency unit. Energy demand for air conditioners is a high cost for consumers and drives the need for new power plants. Programs to effectively address installation and maintenance have just been developed and piloted. Additional funding would spread these program models broadly across the country.
- Expanded energy performance rating systems for the nation’s buildings. Information on energy use per square foot is powerful in motivating energy efficiency improvements for buildings. EPA has established an energy performance rating system that offers standardized, consistent measurement that applies to more than 60 percent of U.S. commercial building space, and this system has already been used to assess the energy use of about 10 percent of U.S. building space. Additional funding could expand this system to apply to the vast majority of the nation’s buildings and help EPA partner with states, local governments, builders and other organizations in its use. [**\$7.5 million**]
- Expanded focus on medium and small manufacturing and small business. EPA has developed a sector approach for working with medium-sized manufacturers and an approach for providing assistance to diverse small businesses. These efforts could be greatly expanded. ENERGY STAR could enlist many small businesses as partners in the proper delivery/installation of high efficiency services and products since small businesses constitute about half the economy and consume about half the energy. [**\$10 million**]
- Outreach to utilities, states, local governments, elementary and secondary education and other energy efficiency program sponsors in program development and implementation. EPA already partners with hundreds of utilities, states, local governments and other organizations as they run efficiency programs. There is growing interest at the state level in funding organized energy efficiency programs when energy efficiency costs less than new generation. The ENERGY STAR energy efficiency platform can assist these emerging program sponsors in developing programs quickly and based on existing best practices for overall greater effectiveness and cost-effectiveness. There should also be expanded outreach for programs at the K through 12 level of elementary and secondary education. [**\$10 million**]

- Expanded outreach to state and local governments. State and local governments can save significantly through energy efficiency. State and local governments could dramatically enhance attractive investments in energy efficiency through expanded outreach and sharing of best practice policies and programs, including improving the efficiency of water and wastewater treatment facilities, alternative financing approaches, effective school energy efficiency programs, etc. Matching funds for innovative state programs could be established. [**\$10 million**]
- Exploring new technologies and practices. Technologies are advancing quickly in many areas and offer new opportunities to improve the efficiency of new homes, buildings, and products. There are large benefits to achieve by increasing EPA's ability to look at emerging technologies and focus earlier in the technology development process on how best to bring them into the ENERGY STAR program and deploy them in the marketplace. [**\$5 million**]

*For Further Information Contact the Policy Team at [policyinfo@ase.org](mailto:policyinfo@ase.org)*

*The Alliance To Save Energy is a coalition of prominent business, government, environmental and consumer leaders who promote the efficient use of energy worldwide to benefit consumers, the environment, economy, and national security.*

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