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115th Congress, Trump Administration, & the Future of Energy Efficiency

*National Home Performance Conference
March 2017*

Kara Saul-Rinaldi

Vice President of Policy & Government Affairs, Home Performance Coalition

115th Congress

- Near term: FY18 appropriations, FY17 CR, healthcare
- The House is expected to turn to tax reform sometime after the April recess, with infrastructure coming up sometime afterwards.
- The ‘next big issue’ for E&C and ENR committees is still up in the air, but will likely be related to infrastructure:
 - ENR hearing on infrastructure held on March 14, ENC hearing on hydro infrastructure on March 15
 - Discussions ongoing between ENR Chairwoman Murkowski and ENC Chair Upton about what an energy infrastructure package might look like.
- Disagreements about definition of “infrastructure”
 - Likely that any energy infrastructure package will focus on grid, hydro, and oil/gas pipelines, but potential for EE measures to be included exists

Energy Savings and Industrial Competitiveness Act (S.385, H.R. 1443)

- Reintroduced by Sens. Portman (R-OH) and Shaheen (D-NH) on February 15, then in the House by Reps. Welch (D-VT) and McKinley (R-WV) on March 9
- The full SAVE Act is included in both bills
- Two changes made to Portman-Shaheen before it was reintroduced that Reps. McKinley and Welch chose to incorporate into the House version:
 - Removal of the Voluntary Verification Programs for Air Conditioning, Furnace, Boiler, Heat Pump and Water Heater Products provision and
 - Technical corrections made to the Federal Green Buildings and Energy Performance Requirement for Federal Buildings sections regarding the use of sustainably grown, harvested or mined materials.
- Prospects for inclusion in an infrastructure package are slim, but reintroduction is important, and continued bipartisan sponsorship is encouraging.

President Trump's Budget

- FY18 “Skinny Budget” - seeks to boost defense spending significantly while offsetting that spending with cuts from the rest of the government.
- Trump's budget proposal, if implemented, would likely lead to the largest contraction of the federal workforce since post-World War II.
- Key Areas: DOE's Office of Energy Efficiency and Renewable Energy (EERE, WAP, SEP, and ENERGY STAR).
 - EERE currently funded at \$2.1 billion a year – **FY18 Budget proposes a \$2billion savings pulled from EERE and other programs.**
 - ENERGY STAR funded around \$50 million – **FY18 Budget proposes to eliminate EPA Energy Star and other programs.**
 - WAP and SEP (FY17 CR = \$250 million and \$50 million)– **FY18 Budget proposes to eliminate WAP and SEP federal support.**
- Congressional opposition to cuts
 - Several bipartisan “Dear Colleague” appropriations letters being circulated
 - Stakeholder and business letters, hearings, and **on-going advocacy.**
 - Also key Republican appropriators - Murkowski (R-AK), Collins (R-ME), Graham (R-SC) - that have a significant amount of experience regarding energy efficiency programs and will help push back against cuts.

President Trump & the CPP

- EXECUTIVE ORDER Expected RE CPP. (Public reports to date indicate that the order will be domestic in nature and will not include an announcement on the international Paris Agreement on climate change.)
- President's FY18 Budget **ELIMINATES** funding to EPA for work on the CPP.
- The process will likely take years to complete and face legal challenges throughout.



Department of Energy

- With Secretary of Energy Perry now in place, DOE can begin to fill other open positions.
 - Brian McCormack, an executive at the Edison Electric Institute, is expected to become Secretary Perry's Chief of Staff.
 - Hires of other senior DOE staff are expected to ramp up quickly and will shed light on what direction DOE will head in

Environmental Protection Agency

- Administrator Pruitt is widely expected to halt as much of EPA's climate-related work as possible.
- When asked during a recent interview "if it has been proven that CO2 is the primary control knob for climate?" he said "No."
- Other Pruitt comments:
 - The Paris accord is a "bad deal," and not an "America-first type of approach."
 - That agreement is a treaty and should be sent to the Senate for ratification.
 - EPA under President Obama focused too much on climate change, and neglected "traditional" pollutants and important EPA functions such as Brownfield clean ups.
- It has been reported that within the Administration there are advocates for continued international engagement on climate change, namely Secretary of State Rex Tillerson, Jared Kushner and Ivanka Trump.



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Thank you!

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www.homeperformance.org

kara@anndyl.com

(202) 276-1773