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CONGRESSIONAL BRIEFING

Energy Efficiency Means Business
Briefing Series | Agencies in Action: Federal
Programs That Deliver Climate Mitigation and
Adaptation Benefits Every Day

Thursday, February 24, 2022

About EESI...



NON-PROFIT

Founded in 1984 by a bipartisan Congressional caucus as an independent (i.e., not federally-funded) non-profit organization

- NON-PARTISAN

 Source of non-partisan information on environmental, energy, and climate policies
- DIRECT ASSISTANCE
 In addition to a full portfolio of federal policy work, EESI provides direct assistance to utilities to develop "on-bill financing" programs
- **SUSTAINABLE SOCIETIES**

Focused on win-win solutions to make our energy, buildings, and transportation sectors sustainable, resilient, and more equitable

Policymaker Education



Briefings and Webcasts

Live, in-person and online public briefings, archived webcasts, and written summaries

Climate Change Solutions

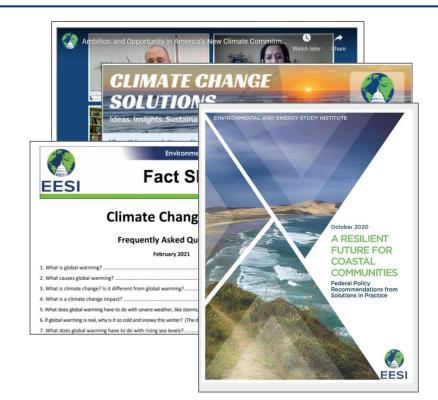
Bi-weekly newsletter with everything policymakers and concerned citizens need to know, including a legislation and hearings tracker

Fact Sheets and Issue Briefs

Timely, objective coverage of environmental, clean energy, and climate change topics

Social Media (@EESIOnline)

Active engagement on Twitter, Facebook, LinkedIn, and YouTube



Energy Efficiency Means Business

Washington's State Energy Office

Michael Furze
ASSISTANT DIRECTOR

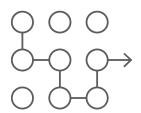
2/24/2022



We strengthen communities



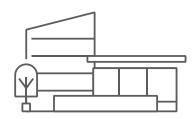
HOUSING HOMELESSNESS



PLANNING



INFRASTRUCTURE



COMMUNITY FACILITIES



BUSINESS ASSISTANCE



CRIME VICTIMS & PUBLIC SAFETY

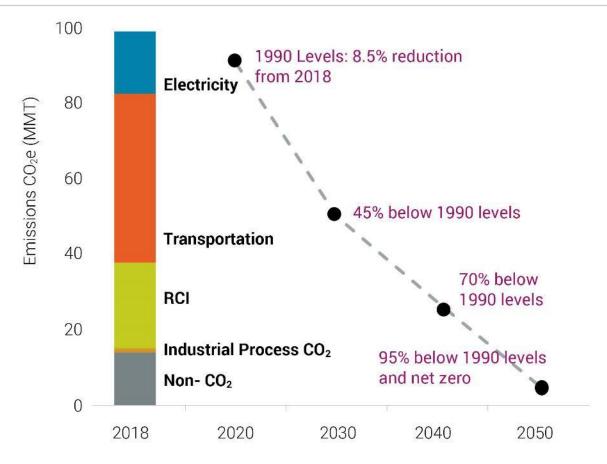


ENERGY



COMMUNITY SERVICES

Meeting State Emissions Reduction Limits



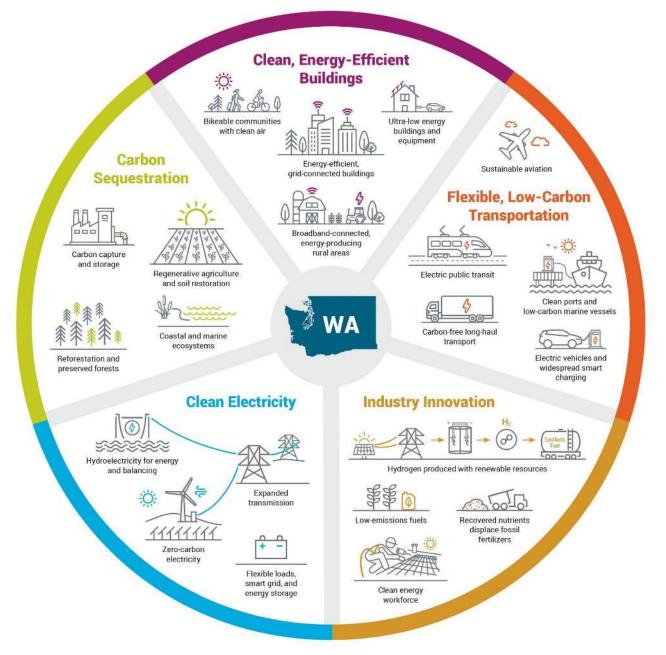
Source: Washington State Department of Ecology and Washington State.

Appendix A – Deep Decarbonization Pathways Modeling Technical Report, December 11, 2020 (p. 15).

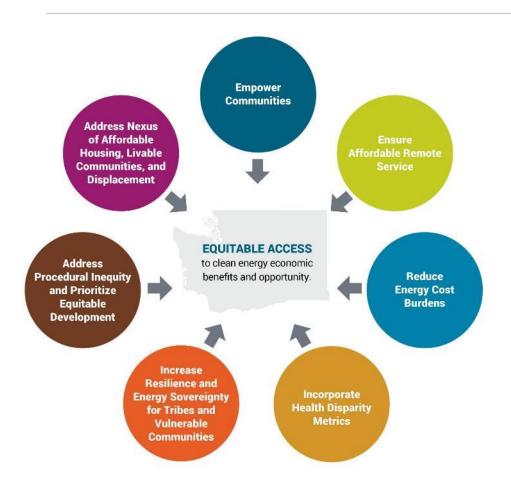
WASHINGTON STATE 2050

Net-Zero Vision

A blueprint for how we can meet our state's climate goals to nearly eliminate the use of climate-threatening fossil fuels by 2050, while growing a prosperous economy and maintaining affordable and reliable energy supplies.



Ensure Equitable Transition for Communities



- Apply explicit equity principles
- Ensure impacted communities design solutions
- Invest in equitable and inclusive transition
- Support workers in transition
- Universal broadband access as foundation for transition

Source: Washington State Department of Commerce



Weatherization Funding

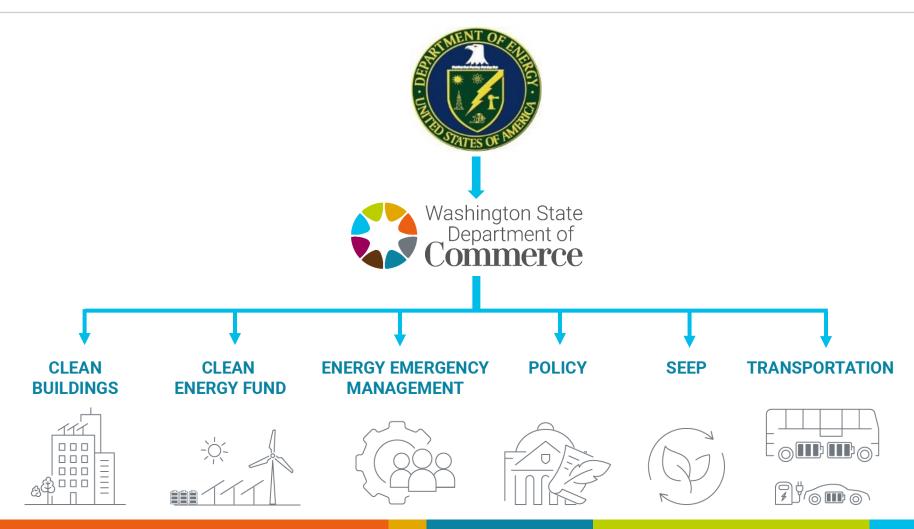


State Energy Strategy Recommendations

- The 2021 State Energy Strategy recommends Additional Engagement and Additional Funding for Weatherization programs.
 - Expanded funding for the state's successful Weatherization Plus Health program
- It also recommends:
 - Ongoing engagement with Tribal Governments
 - Address the breadth of need for deferred maintenance to make households ready for weatherization
 - Prioritizing services to underserved households within highly impacted populations

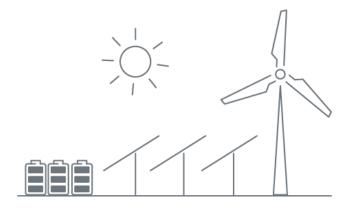


State Energy Program (SEP) Funding



Grid Modernization

- The 2021 State Energy Strategy highlights the investment in new technology and infrastructure that is required for a successful and equitable transition to clean electricity.
- Grid Modernization Program projects facilitate:
 - Integration of renewable energy sources
 - Deployment of distributed energy resources
 - Development of sustainable microgrids



Grid Modernization projects





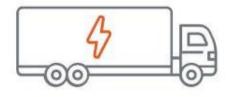


- Horn Rapids Solar and Storage
- OPALCO Battery Storage

 Miller Community Center

Electrification of Transportation

- The 2021 State Energy Strategy identifies transportation as largest source of GHG emissions.
- Energy Office focus
 - Innovation in the grid to support electrification transportation

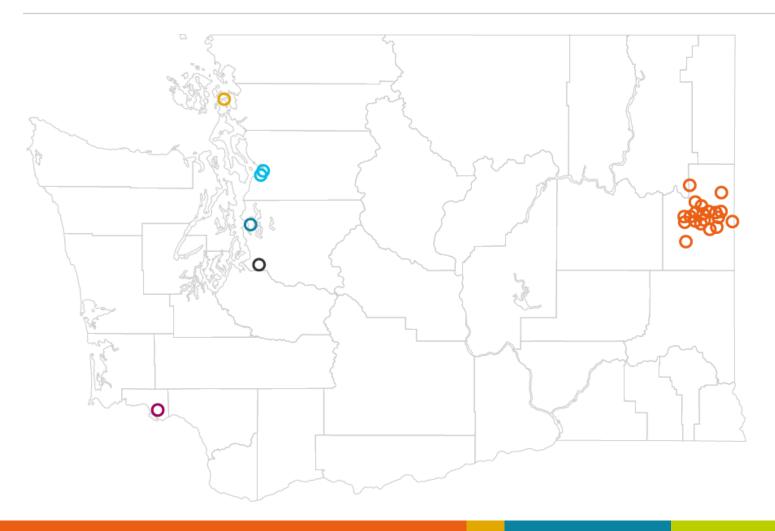






- Partner focus
 - WSDOT
 - Moving people and freight
 - VW settlement
 - Ecology
 - Air quality and emissions reduction

Electrification of Transportation Project map



Description

- O Seattle City Light
- Skagit County
- O Snohomish PUD 1 and 2
- Cathlamet
- O Spokane Regional

Thank You!

Michael Furze

ASSISTANT DIRECTOR

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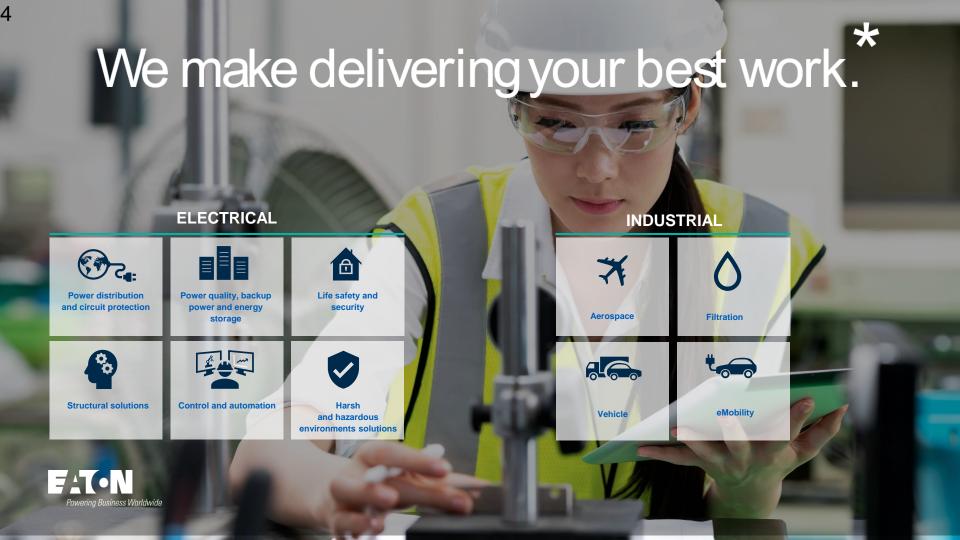




Eaton is solving industry's toughest power management challenges around the world.







Flexible energy systems will power the future.

Through our

EVERYTHING AS A GRID

approach, advancing
technologies and digital
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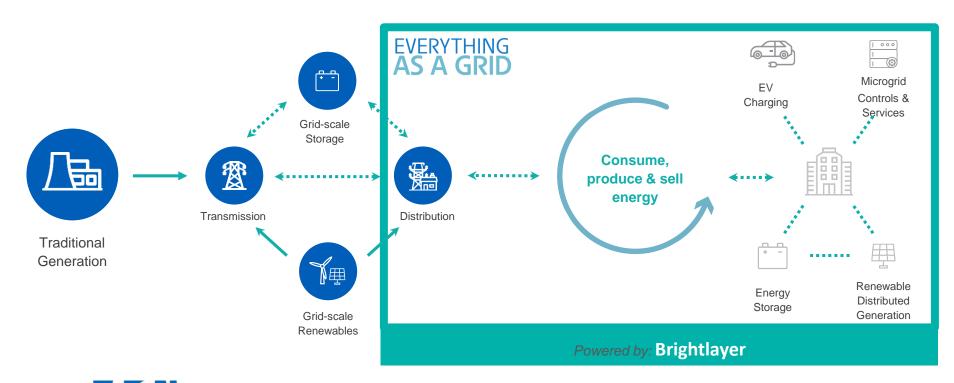
Unlocking a low-carbon future for **EVERYTHING AS A GRID** homes, businesses and communities. Beginning to monetize previously under-used backup power assets. Eaton and Microsoft's EnergyAware UPS technology pilot project Reducing downtime and energy costs by 50% via dynamically controlled distributed energy resources through a microgrid. Eaton Wadeville manufacturing plant in South Africa Achieving a zero carbon future by increasing consumption of self-generated renewable power.



Catholic University of Lille France

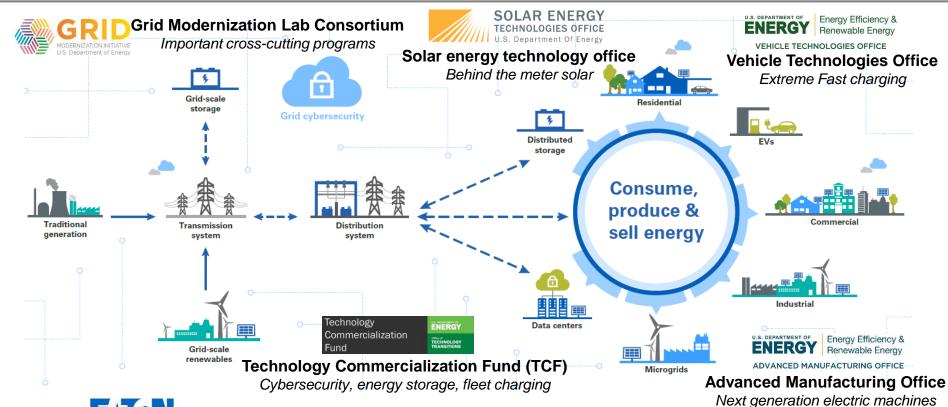
AS A GRID

Energy transition creates new business models and opportunities across the value chain





EERE is making important investments that broadly create energy efficiency and jobs

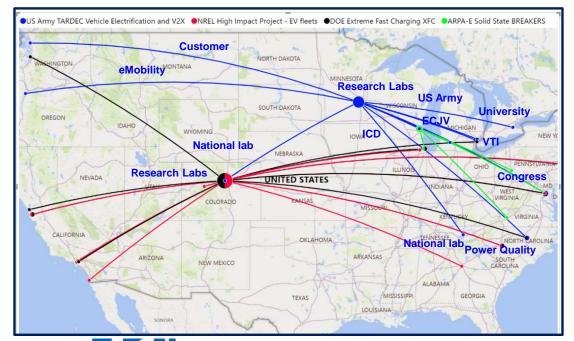


Powerina Business Worldwide

Dept of Energy EERE enables unique partnerships This collaboration only occurs on government programs

Partnership flow map for four different government programs

Partnering with Dept of Energy, customers, universities and national labs.



Partnering on DOE Solar program

Maximizing use of behind the meter solar energy











Partnering on joint DOD/ DOD program

Solving challenges in vehicle electrification for commercial and military applications



Energy Efficiency & Renewable Energy

VEHICLE TECHNOLOGIES OFFICE











Eaton in Colorado & NREL Partnership! Corporate research team first ever to be located at NREL ESIF in 2018





- Locating Eaton researchers at this User Facility provides access to world-class facilities and NREL personnel, faster value prop testing, increased customer co-development and reduced capital investment.
- NREL is the only Department of Energy national lab chartered solely around renewable energy.
- The Energy Systems Integration Facility (ESIF) is a unique \$140M+ grid integration testing facility.

Advanced Fuel Cell Air Systems

The Problem: Fuel Cells not ready for Heavy Duty freight – too much Hydrogen wasted

- High Hydrogen consumption: barrier to zero-emissions HD freight (6% of US CO2 emissions today)
- •The Air System is the highest power consumer up to 20% of Fuel Cell electrical production used to move air

Key Idea: step change improvement in Fuel Cell system efficiency

- •New technology: reduce Air System draw by 50%
- Implication: reduce Fuel Cell Hydrogen consumption by up to 10%

Solution: DoE program to bring together new technology with key players

- New Systems Architecture: efficiency and affordability
- New components, enabling the new architecture
- ·Best in World Team:

Eaton: Air Compressors leader

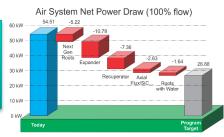
Ballard: Global leader in Fuel Cells for transportation

NREL: National Hydrogen center of excellence





Simulation: achieving 50% reduction in Air System electrical power, results in ~9% less Hydrogen used for HD truck power





Best in Class team to develop and demonstrate the new technology, building on decades of experience in Hydrogen

Low GHG Off-Road powertrains

The Problem: Heavy off-road machinery is hard to decarbonize, a bridge solution is needed

- •Battery solutions not feasible (too much energy use), Hydrogen solutions not ready (technology and infrastructure barriers)
- Contribute >1% of US GHG emissions and 50% of NOx, concentrated in economically disadvantaged areas

Key Idea: simultaneous 10% CO2 and 90% NOx reduction implemented quickly as bridge to Hydrogen

- No regulatory pull for lower GHG or NOx
- •On-road technology is not applicable: rapid innovation needed

Solution: Develop new engine and aftertreatment solutions focused on off-road duty cycles

- New technology packages
- •Testing under off-road duty cycles
- Best in Class team:

Eaton: technology leader in emissions reduction

CNH: global leader in Agriculture and Construction machinery

ORNL: nation's premier vehicle technology center







New systems use high efficiency, low NOx technologies recently developed by Eaton





HD agricultural and construction equipment are targeted for significant NOx and GHG reduction: program demo focused on Ag tractor with diverse use cases





Best in Class team to develop and demonstrate the new technology, with path to rapid deployment in the US and technology leadership globally

EERE and Eaton Vehicle Group impact

Simultaneous efficiency and low emissions for commercial vehicles





EV transmissions for MD/HD

50% EV powertrain weight reduction

70% electric motor reduction

20% increased EV range

NREL High Impact Project: School bus Charging Services





High Voltage Flexible
Power Distribution

HD 48V Mild Hybrid 8% fuel reduction 20% lower NOx

SUPERTRUCK

Exhaust Gas Recirculation pump

3% fuel reduction 10% lower NOx







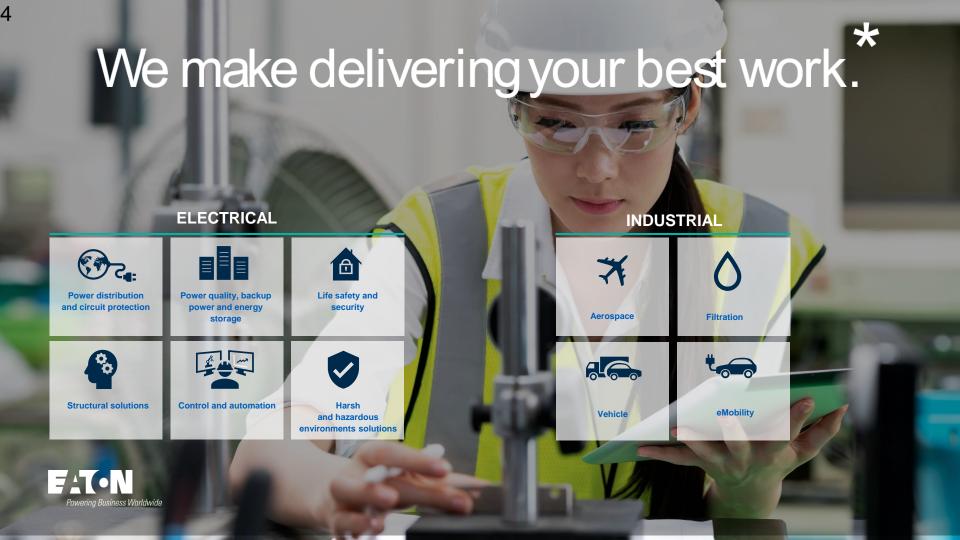




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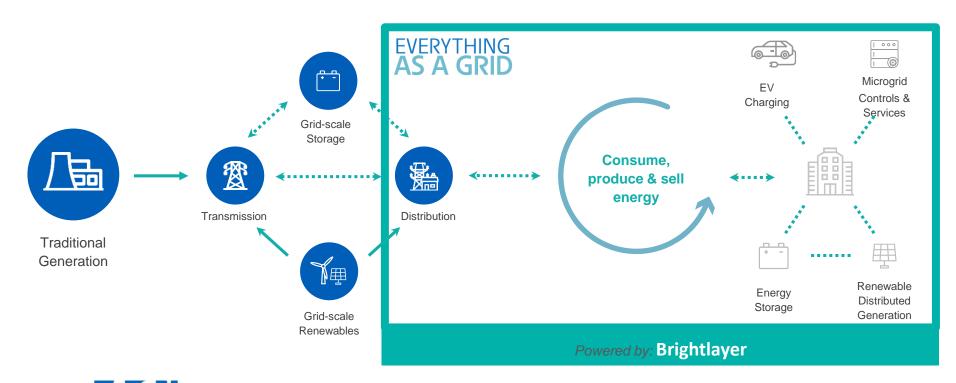
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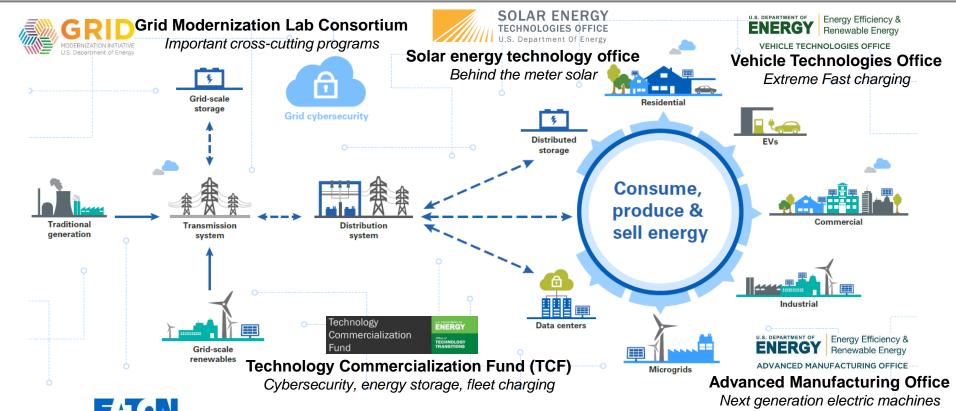
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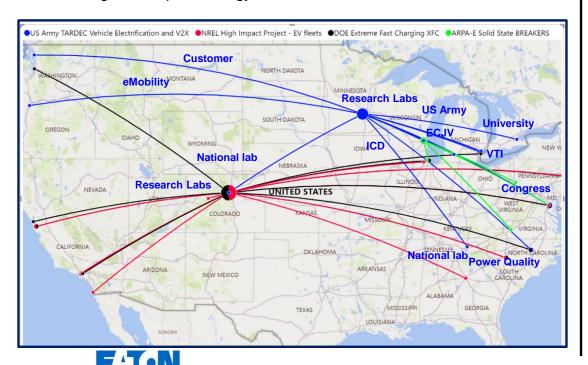
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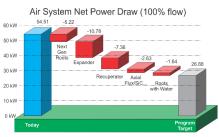
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Energy Efficiency Means Business February 24, 2022



US. Department of Energy (DOE) Energy Efficiency and Renewable Energy (EERE)

- **□**Buildings Technology Office
- ■Advanced Manufacturing Office



EERE BUILDINGS TECHNOLOGY OFFICE (BTO)

- ☐ 129 Million Buildings
- □ 35%-40% of U.S. Carbon Emissions
- ☐ 74% of Nation's Electricity Use
- ☐ 39% of Nation's Total Energy Use

- Residential and Commercial
- Emerging Technologies
- ☐ Residential and Commercial Buildings
- Appliance and Equipment Standards
- Building Energy Codes



EERE BUILDINGS TECHNOLOGY OFFICE (BTO)

- ☐ Residential Building Integration
 - □ 20% U.S. GHG Emissions
 - Advanced Building Construction
 - Building America
- ☐ Commercial Building Integration
 - ☐ 16% U.S. Carbon Emissions
 - 30% of Energy Used Wasted
 - ☐ Goal: 30% Reduction in Energy Use by 2030 (based on 2010 levels)
 - ☐ Goal: Zero Commercial Building Emissions by 2050

- Emerging Technologies
 - Building Electric Appliances, Devices, and Systems
 - Building Controls
 - Building Equipment
 - ☐ Thermal Energy Storage
 - ☐ Lighting R&D
 - □ et. al.



EERE BUILDINGS TECHNOLOGY OFFICE (BTO)

- Appliance & Equipment Standards
 - □ 13% of home energy use
 - Save consumers \$320 annually on energy bills
 - Washers: 75% less energy
 - ☐ Dishwashers: More than 53% less energy
 - ☐ Furnaces: 10% less energy

- Building Energy Codes
 - DOE advances and supports residential and commercial building codes
 - □ ASHRAE and International Code Council (ICC) develop national model codes.
 ASHRAE for commercial and ICC develops the International Energy Conservation Code covering commercial and residential
 - ☐ Generally adopted at the state level



EERE BUILDINGS TECHNOLOGY OFFICE (BTO)

Fiscal Year	Appropriation
2012	\$214.7 Million
2013	\$204.6 Million
2014	\$173.6 Million
2015	\$168.2 Million
2016	\$200.5 Million
2017	\$199.1 Million

Fiscal Year	Appropriation
2018	\$220.7 Million
2019	\$226 Million
2020	\$285 Million
2021	\$290 Million
2022 (requested)	\$382 Million; \$530 Million
2023	\$



EERE BUILDINGS TECHNOLOGY OFFICE (BTO)

Improve Energy Performance and Efficiency in U.S. Building Inventory

Infrastructure Investment Jobs Act

- \$225 Million in DOE grants to states for training codes officials and builders to improve the implementation of modern building energy codes
- \$3 Billion for the Smart Grid Investment Matching Grant Program and provides opportunity for funding of projects and development of initiatives connected to smart grid functions for buildings, facilities, equipment, and appliances.

- \$40 Million workforce training for buildings-related trades to meet innovative energy management needs at residential and commercial buildings
- □ \$10 million for higher education institutions for training and development that facilitates energy efficiency design and implementation in the built environment, including research and development.



EERE BUILDINGS TECHNOLOGY OFFICE (BTO)

Improve Energy Performance and Efficiency in U.S. Building Inventory

Budget Reconciliation

- \$300 million to state and local governments to adopt residential and commercial building codes
- ☐ Tax Policy: 25C; 45L; 179D



EERE ADVANCED MANUFACTURING OFFICE (AMO)

Industrial Energy Efficiency and Environmental Performance in the Industrial and Manufacturing Environment



EERE ADVANCED MANUFACTURING OFFICE (AMO)

Industrial Energy Efficiency and Environmental Performance in the Industrial and Manufacturing Environment

- □ R&D
 - ☐ Innovative R&D projects
- □ R&D Consortia
 - ☐ Public, private, academia
- □ Technical Partnerships
 - □ CHP adoption
 - Energy intensity reduction resources
- Industrial Decarbonization
 - Deployment of proven concepts in the industrial sector

- Energy Management
 - Assessment and measurement tools
- Better Plants
 - ☐ Pledge to reduce portfolio-wide energy intensity 25% over 10 years
 - ☐ Over 250 participants
- Industrial Assessment Centers
 - Energy assessments for small and medium-sized manufacturers
 - ☐ Typically \$130,000 in energy savings for the business, \$50,000 in first year



EERE ADVANCED MANUFACTURING OFFICE (AMO)

Industrial Energy Efficiency and Environmental Performance in the Industrial and Manufacturing Environment

Fiscal Year	Appropriations
2012	\$112.7 Million
2013	\$114.3 Million
2014	\$175.4 Million
2015	\$194.2 Million
2016	\$228.5 Million
2017	\$257.5 Million

Fiscal Year	Appropriations
2018	\$305 Million
2019	\$320 Million
2020	\$395 Million
2021	\$396 Million
2022 (requested)	\$550.5 Million; \$800 Million
2023	\$



EERE ADVANCED MANUFACTURING OFFICE (AMO)

Industrial Energy Efficiency and Environmental Performance in the Industrial and Manufacturing Environment

Infrastructure Investment Jobs Act

- □\$550 Million
 - □Industrial Assessment Centers (IAC)
 - ☐ Grants to Implement IAC Findings for Small to Medium-Sized

Manufacturers





FY2022 Appropriations February 24, 2022

Jennifer Schafer
Executive Director
jasca@cascadeassociates.net

2022 FPCC Members































Looking Ahead-Bigger and Better ESPCs



The art of the possible



Cybersecurity



Making energy efficiency a top priority



Executive order and EA 2020 Drive Appropriation Needs

- Energy Act of 2020 refocuses on attention on agency audits and their mandatory implementation
- Executive Order 14057 has high level goals including:
 - 100% Carbon reduction
 - 100% Carbon Free Electricity
 - 100% Net Zero Carbon Buildings/Facilities



What are the benefits of Performance Contracting?

- Executive Order goals
 - Reduces carbon emissions
 - Facilitates move to 100% carbon free electricity
 - Facilitates and advances electrification efforts
 - Advances environmental justice goals
- Other Critical Benefits
 - Addresses needed resiliency and crumbling infrastructure
 - Includes operation and maintenance to ensure the government gets what it pays for
 - Guarantees performance



DOE FY23 Request: Federal Energy Management Program (FEMP)

- Fund the FEMP program at a total of \$60 M or more
 - FY22 House and Senate both recommended \$60 M
 - FY21 and FY20 funding for FEMP \$40 M
- Within these funds: \$20 M for the AFFECT Grant Program (Assisting Federal Facilities with Energy Conservation Technologies)
 - FY22 House and Senate both recommended \$20 M
 - Funding in FY21 and FY20 was \$11 M



Jobs and Climate Benefits

- Building Infrastructure improvements create 9.5 jobs per million dollars of investment
 - Direct funding of \$5 B Federal investment creates 47,500 jobs
 - Funding with Performance Contracting instead creates 237,000-500,000 jobs
- Historic CO2 savings:
 - \$7,500,000,000 of private sector investment over the past 20 years (much smaller than recently)
 - Is reducing CO2 equivalent by over 7 Billion lbs. annually
 - Demand side reductions, via PC can reduce emissions by 50% (with the President's 2008 baseline) by 2032



"Agencies in Action: Federal Programs That Deliver Climate Mitigation and Adaptation Benefits Every Day" Briefing Series



4

February 08 Financing Inclusive Clean Energy Investments in Rural America

February 24 Energy Efficiency Means Business

March TBA Climate Adaptation Programs across Agencies

March TBA Building a Durable National Framework for Large Landscape Conservation



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