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Submitted to
Texas Senate Natural Resources Committee
March 19, 2009

Energy Efficiency is widely regarded as the low-hanging fruit for cutting greenhouse gas emissions, lowering fossil fuel consumption and helping consumers manage rising electricity bills. Going even further, the new U.S. Department of Energy Secretary Steven Chu noted that energy efficiency is not simply the low-hanging fruit but "fruit lying on the ground." SB 16 by Senator Averitt includes two straightforward policies that are effective tools in increasing energy efficiency: appliance standards and building codes.

Despite the current economic situation, Texas is still predicted to continue growing in the coming years, with increased pressure placed on the state's electricity resources. Although Texas has already taken steps to relieve some of this pressure, other relatively easy policies can be implemented to further ensure the state's energy needs are met while protecting consumer's pocketbooks. Appliance standards and building codes are two such policies.

Appliance Standards

Federal and state governments set appliance and equipment standards in order to establish minimum levels of energy efficiency of products. Appliance standards are one of the cheapest, easiest and quickest ways to save energy and reduce costs. They save consumers money, improve electric reliability by reducing demand, reduce the need for building new power plants, reduce carbon and other air pollutant emissions, and boost the economy by creating jobs to meet increased demand for energy-saving products.

Appliance standards have been an effective tool for reducing energy use for more than thirty years. The Federal government has established over 45 standards for different residential and commercial appliances and products, and is due to update or issue new standards for dozens more over the next few years. However, several products are not covered by national standards and thus states have adopted standards to cover those.

Federal and state standards already in place will save the equivalent of the annual energy use of 28 million U.S. households in 2020. The American Council for an Energy Efficient Economy (ACEEE) estimates that if Texas adopted standards for seven product categories not currently covered by federal standards (bottle-type water dispensers, commercial hot food holding cabinets, compact audio products, DVD players and recorders, portable electric spas, residential pool pumps, and state-regulated incandescent reflector lamps), consumers and businesses could save over $100 million on their energy bills by 2030 (see table).

Value of Savings for Texas in 2020 and 2030 from Recommended Standards

Product	Value of savings in 2020 ($Million)	Value of savings in 2030 ($Million)	NPV for purchases through 2030* ($Million)
Bottle-type water dispensers	1.7	1.7	15
Commercial hot food holding cabinets	2.5	2.9	18
Compact audio products	13.1	13.1	129
DVD players and recorders	1.9	1.9	16
Portable electric spas (hot tubs)	2.1	2.1	10
Residential pool pumps	41.7	41.7	125
State-regulated incandescent reflector lamps	37.8	37.8	365
Total	**100.8**	**101.2**	**678**

*NPV stands for net present value and is a measure of the cumulative value of the standards policy (benefit minus costs) in 2006 dollars

Source: ACEEE, *Opportunities for Appliance and Equipment Efficiency Standards in Texas, Report Number ASAP-7/ACEEE-A063*. 2006

Building Codes

The International Energy Conservation Code (IECC) is a national, consensus-based, model code. The 2009 IECC provides a level playing field for builders, a common foundation for manufacturers and suppliers, and a standard for training and qualifying building officials and inspection personnel.

Over the past three years, a growing number of cities, including Dallas, Houston and Austin have adopted more recent model codes than the current state minimum 2001 IECC. Many cities have amended these codes to increase required energy savings in response to public demand and policy needs like satisfying policy interests and public expectation. However, the result is a patchwork of unique requirements.

The 2009 IECC is expected to result in significant energy savings and related emissions reductions, estimated at 12 to 15% annual improvement for average homes. ACEEE estimates that with this new code, Texas could save 10,533 kilowatt hours of electricity annually and 2,362 megawatts annually of peak summer demand by 2023.

Also, state-wide adoption of the 2009 IECC is required to receive the weatherization funds available through the American Recovery and Reinvestment ACT of 2009, which could further enable Texas to ensure the reliability and security of electricity delivery while lowering consumers' utility bills, reducing greenhouse emissions and improving our air quality.

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