

United States Senate

WASHINGTON, DC 20510

March 9, 2007

The Honorable Kent Conrad
Chairman
Senate Budget Committee
Washington, DC 20510

The Honorable Judd Gregg
Ranking Member
Senate Budget Committee
Washington, DC 20510

Dear Chairman Conrad and Ranking Member Gregg:

We respectfully request the Fiscal Year 2008 budget resolution provide increased funding in Function 270 for energy efficiency and renewable energy programs. As you know, our nation faces significant challenges as we strive to ensure our energy security, reduce the economic risks of high energy prices, and address global climate change. Energy efficiency and renewable energy programs that improve technologies for our homes, our businesses, and our vehicles must be the "first fuel" in the race for secure, affordable, and clean energy.

Energy efficiency is the nation's greatest energy resource. We now save more energy each year from energy efficiency than we get from any single energy source, including oil, natural gas, coal, and nuclear power. A 2001 National Research Council report found that for every dollar invested in the 17 Department of Energy energy-efficiency research and development (R&D) programs returned nearly \$20 to the U.S. economy in the form of new products, new jobs, and energy cost savings to American homes and businesses. A recent article in the Washington Post highlighted the benefits of energy efficiency in California where energy efficiency policies and programs have helped keep per capita electricity use flat for three decades while electricity use rose by about 50 percent in the United States overall.

Efficiency funding has fallen alarmingly since 2002—about one-third after inflation in the budget request. The FY2007 Continuing Resolution provided \$1.473 billion for the Energy Efficiency and Renewable Energy (EERE) account at the Department of Energy. The \$300 million added in FY2007 will help to restore the cuts of recent years, but increased investment is necessary. The Energy Policy Act of 2005 (EPAct) authorized over \$3.8 billion for the EERE account. We recognize the difficult fiscal constraints facing the Budget Committee as it crafts the FY2008 resolution. Therefore, we request the Committee increase funding for these programs as close as possible to the \$3.8 billion authorized level. This level of investment will allow these programs to make a real impact on reducing our nation's energy demand.

Also, we urge you to allow room in the 2008 budget for multi-year extensions and enhancements to the energy efficiency and renewable energy tax incentives created in the Energy Policy Act of 2005. Many of these incentives will expire in 2007, but it is our hope that the Finance Committee will extend and enhance them.

We look forward to working with you to rebuild the nation's capacity to respond to our critical energy challenges.

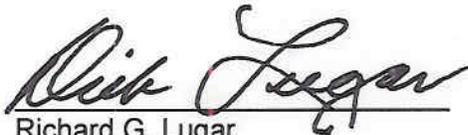
Sincerely,



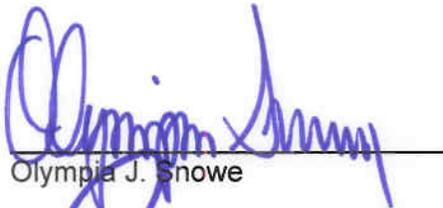
Jack Reed



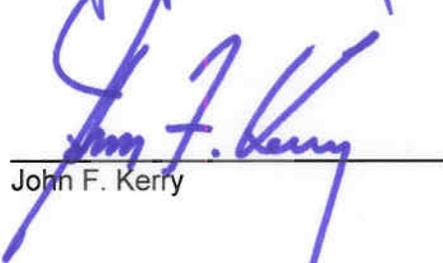
Robert Menendez



Richard G. Lugar



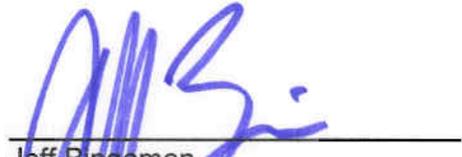
Olympia J. Snowe



John F. Kerry



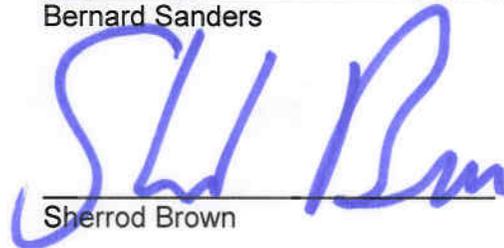
Barack Obama



Jeff Bingaman



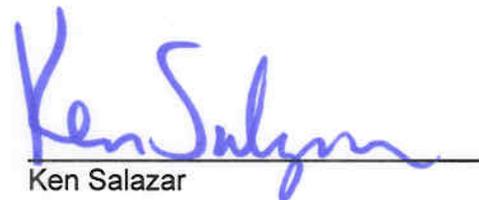
Bernard Sanders



Sherrod Brown



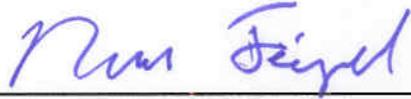
Susan M. Collins



Ken Salazar



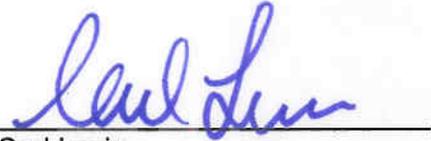
Max Baucus



Russell D. Feingold



Joseph R. Biden



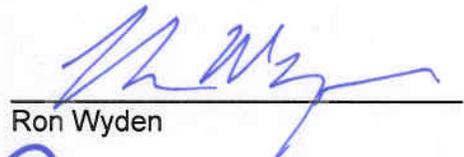
Carl Levin



Herb Kohl



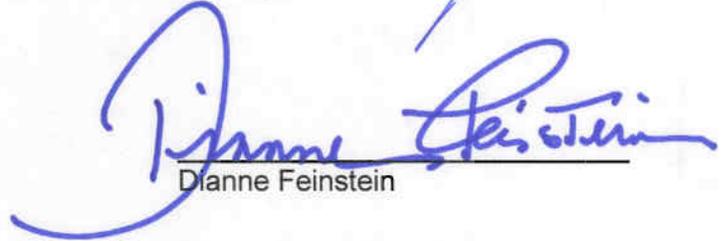
Joseph I. Lieberman



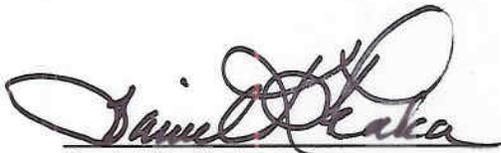
Ron Wyden



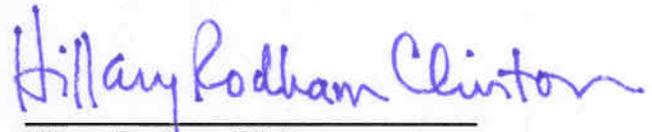
Maria Cantwell



Dianne Feinstein



Daniel K. Akaka



Hillary Rodham Clinton



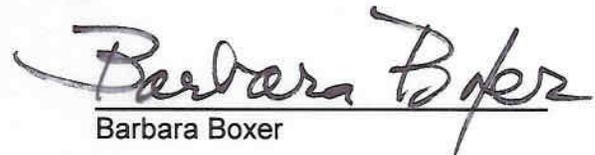
Edward M. Kennedy



Richard J. Durbin



Gordon H. Smith



Barbara Boxer

