

April 7, 2021

The Honorable Tammy Baldwin
Chairwoman
Subcommittee on Agriculture, Rural
Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable John Hoeven
Ranking Member
Subcommittee on Agriculture, Rural
Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable Sanford Bishop
Chairman
Subcommittee on Agriculture, Rural
Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Jeff Fortenberry
Ranking Member
Subcommittee on Agriculture, Rural
Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Baldwin, Ranking Member Hoeven, Chairman Bishop, and Ranking Member Fortenberry:

We write in support of the Rural Energy Savings Program (RESP) of the U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS). Based on the overwhelming demand for RESP in recent years, we respectfully recommend appropriations of \$25 million in fiscal year (FY) 2022.

RESP, which Congress first authorized in the 2014 Farm Bill, provides zero-interest loans to electric cooperatives, state financing entities, green banks, and others to establish or expand residential and small business energy efficiency improvement programs. These programs offer rural households and small businesses no- or low-cost financing for cost-effective energy efficiency, renewable energy, and electrification improvements. These improvements are made at no upfront cost and repaid over time via a utility bill line-item. On average, these improvements cost between \$5,000 to \$15,000—an investment otherwise out of reach for many Americans, particularly in rural areas where families pay on average 40 percent more of their income for energy compared to their urban counterparts.

RESP loans are leveraged, so each dollar of federal appropriations facilitates zero-interest loans worth about \$10. The demand for RESP loans is higher than ever before. RUS received letters of intent from electric cooperatives and other eligible entities in FY2021 that exceeded available funds by at least \$45 million. With USDA positioned for a key role in efforts to help rural communities recover from the coronavirus pandemic, robust funding for RESP in FY2022 is critical.

The benefits of RESP are wide-ranging. For many families and small businesses that ultimately receive the funds, they immediately realize lower energy bills from insulation, air sealing, and new heating and cooling equipment. Some RESP-funded programs also finance distributed renewable energy generation, energy storage, electric vehicle supply equipment, irrigation improvements, and more—provided that improvements can be shown to be cost-effective to the end user.

These investments all have the added benefits of resource conservation and greenhouse gas emissions reductions by lowering consumption and embracing renewable sources to generate electricity. RESP also helps finance the last stretch of broadband infrastructure from the main line, which increases the number households able to benefit from smart devices like water pumps or thermostats, and which is particularly important while many students participate in full or hybrid virtual learning. Many RESP-funded programs are designed so financing for cost-effective improvements is accessible to all end-users regardless of income or credit, which helps provide a more equitable distribution of benefits.

Moreover, when implementing RESP programs, electric cooperatives and other eligible entities support local jobs implementing these improvements. Before the coronavirus pandemic led to widespread layoffs, the energy efficiency sector by itself accounted for about 2.4 million jobs and was expected to grow by about three percent in 2020 according to the U.S. Energy and Employment Report. Increased funding for programs like RESP would aid the recovery and help it endure. Clean energy businesses contribute to local economic development and provide workers with new training opportunities, which help communities emerge stronger following the unprecedented stress of the pandemic.

Thank you for your consideration.

Sincerely,

American Council for an Energy-Efficient Economy
Environmental and Energy Study Institute
National Association of State Energy Officials
National Cooperative Business Association CLUSA
National Rural Electric Cooperative Association