Check out our latest research and upcoming events

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May Newsletter

Friends-

I'm pleased to share ACEEE's <u>2023 Annual Report</u>, published today. Check out the report to learn how ACEEE initiatives—from helping jumpstart energy upgrades in affordable housing to spurring the use of industrial heat pumps—are helping transform the global challenges of climate change and escalating living costs into opportunities for growth and environmental stability.

One of the things we've been working on in recent years led to a major policy victory last week. The U.S. Department of Housing and Urban Development and the Department of Agriculture announced <u>a significant update to energy requirements</u> for new federally supported homes across the country that will reduce housing costs, default risks to lenders, greenhouse gas emissions, and other pollution.

ACEEE put the issue on the agenda in the weeks immediately after the 2020 election, <u>rallying</u> <u>dozens of groups</u> to call for the president-elect's administration to take this action. We published <u>comprehensive research</u> on the benefits it would bring; organized a broad <u>coalition</u> of affordable housing, consumer, and climate supporters; worked with champions on Capitol Hill; and grew the issue's profile in the media. By improving energy efficiency, the new codes will save residents an estimated \$15,000 per single-family home and almost \$6,000 per multifamily unit over 30 years, the agencies estimate.

Thank you, as always, for your interest in our work.

Best,

Steven Nadel Executive Director

Efficiency Update

- The Department of Energy (DOE) recently finalized strengthened <u>water heater</u> <u>standards</u> that it estimates will save many households about \$170 each year on utility bills, save 17.6 quadrillion Btu of energy, and avert 332 million metric tons of carbon dioxide emissions over three decades of sales. The new standards, which will take effect in 2029, effectively require that electric water heaters with more than 35 gallons of storage capacity use heat pump technology and modestly improve the efficiency of gas and oil water heaters. The estimated energy savings are the largest of any DOE rule issued to date.
- DOE also finalized updated <u>distribution transformer standards</u> that will have a significant impact but leave a lot of savings on the table, as well as new <u>light bulb</u> <u>standards</u> and <u>several other standards</u>.
- Virginia recently enacted laws to strengthen and modernize its energy efficiency rules. SB 737 expands the definition of efficiency to include electrification. Notably, however, it applies only to fuel oil and propane. It contains a major loophole that excludes electrification of fossil gas end uses, which are the most common among Virginia customers. SB 565 directs the State Corporation Commission to establish efficiency savings targets for 2026–2028, sets minimum requirements for serving financially

vulnerable households, and will improve cost-effectiveness testing for efficiency programs.

 A bill recently passed by the Maryland legislature (HB 864) directs the state's public service commission to establish greenhouse gas (GHG) emissions reduction targets for utilities. Electric utilities will need to achieve at least the GHG emissions reduction equivalent of annual electricity savings of 2% in 2024, 2.24% in 2025 and 2026, and 2.5% for each year after that. Directly connecting Maryland's EmPOWER energy efficiency programs to its decarbonization goals strengthens the case for future investment in energy efficiency.

Our Latest Research



Scorecard: Cities Embrace Equity Goals in Climate Efforts, but More Action Needed

Our *City Scorecard* ranks 75 U.S. cities on energy efficiency and reducing greenhouse gas emissions. It identifies the best-performing cities, the most-improved cities, and those with substantial room for improvement, with recommendations for progress.



The U.S. Needs a Plan to Reduce Chemical Sector Emissions

This white paper evaluates whether current U.S. initiatives are sufficient to decarbonize the chemical sector.



Electrification with Clean Power Is Key for a Growing, Competitive Industrial Sector

This brief recommends actions policymakers, utilities, and utility regulators can take to spur the electrification of process heating while supporting the growth of U.S. manufacturing and strengthening the grid.



Report: Electric Heat Pumps Will Usually Minimize Costs; Fuel Backup Could Help in Coldest Climates

This report calculates the cost of installing and operating different heating systems in homes that currently use gas furnaces or boilers, considering only options that would largely decarbonize heating.



An Evaluation Framework for State Energy Offices' Energy Efficiency and Clean Energy Workforce Programs

This report, a collaboration with the National Renewable Energy Laboratory, offers a framework for measuring the progress and effectiveness of clean energy workforce programs.

See all our recent blog posts and press releases.

ACEEE in Action



ASAP and partners called on DOE to finalize strong energy efficiency standards at the agency's headquarters in Washington, DC. Photo credit: Yazan Aboushi.

What We're Reading

A few of our favorite media highlights from the past month:

- The <u>New York Times</u> and the <u>Washington Post</u> quoted Andrew deLaski, executive director of ASAP, in articles about new water heater standards.
- Our *City Scorecard* was covered by outlets including New Orleans public radio station <u>WWNO</u>, the <u>Denver Post</u>, and <u>Spectrum News 1 Ohio</u>.
- <u>HuffPost</u> quoted Lowell Ungar, our federal policy director, in a story about a new federal requirement that new homes with mortgages backed by the U.S. Department of Housing

and Urban Development and the Department of Agriculture be built to meet 2021 International Energy Conservation Code efficiency standards.

News You Can Use

- The U.S. Department of Health and Human Services' <u>Environmental Justice Community</u> <u>Innovator Challenge</u> will support community-led strategies and tools to address health disparities in communities disproportionately affected by environmental risks and hazards. Applications are due June 30.
- Emerald Cities Collaborative released an updated 2024 <u>People's Justice40 Community</u> <u>Benefits Playbook</u> providing guidance for developing community benefit plans to ensure that federal investments benefit the communities that need them the most.
- Elevate, the Building Electrification Institute, and C40 recently released <u>Guidelines for</u> <u>Creating Community-Driven Building Retrofit Programs: A Guidance Document for Local</u> <u>Governments</u>. The report showcases how U.S. cities can implement building decarbonization policies and programs equitably.

Staff Update

Rahel Demissie joins ACEEE as finance manager. Rahel previously worked as an audit supervisor in local public accounting firms, specializing in nonprofit audits. She holds a bachelor's degree from Howard University.

Sarina Sawyer joins us as state and local energy code implementation manager. Sarina previously worked for the Southeast Energy Efficiency Alliance as the workforce training and partnerships manager. She earned a master's in city and regional planning from Georgia Tech and a bachelor's degree from Wellesley College.





Upcoming Events

Newsletter: Annual Report and Recent Policy Wins

