



Press Release

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States Utilize SEP Funds to Spur Energy-Related Economic Development and to Support Energy Emergency Planning and Response – at the Governors' Direction

On February 12, 2018, the Trump Administration released its budget request to Congress zeroing out the U.S. Department of Energy's (DOE) State Energy Program (SEP) and Weatherization Assistance Program (WAP). In contrast to the Administration's position, the U.S. House of Representatives passed by unanimous consent H.R. 3050 which includes a \$90 million authorization of appropriations as well as a recognition of the importance of SEP in addressing energy emergency preparedness and response and physical and cyber security.

SEP is a model state-federal partnership and is a good example of cooperative federalism which should be expanded," noted David Terry, Executive Director of the National Association of State Energy Officials (NASEO). "Additionally, the value of WAP is obvious as over 7 million low-income homeowners have had their residences dramatically improved, saving hundreds of dollars per household each year."

SEP and WAP are bipartisan-supported programs as evidenced by recent Congressional action on appropriations. In FY'17 SEP received \$50 million and WAP received approximately \$223 million. For FY'18 both the House-passed Energy and Water Bill and the Senate Energy and Water Bill provided \$50 million for SEP while WAP received \$225 million in the House and \$215 million in the Senate.

SEP provides complete discretion and deference to the nation's governors in the use of SEP funds within a broad statutory framework set forth by Congress. States set their priorities for use of SEP funds on activities such as planning for and responding to energy emergencies resulting from natural and man-made disasters; assisting small businesses and manufacturers in reducing energy costs to improve competitiveness and create jobs; aiding farms and rural homeowners in developing homegrown energy solutions to lower energy costs; and supporting local governments in retrofitting schools, police stations, and other public facilities to reduce utility bills paid by taxpayers. SEP provides extraordinary value and flexibility, which is why governors support continued funding. In fact, the National Governors Association specifically recommended to the Trump Administration to "continue and expand existing energy grant programs that states rely upon, particularly the Weatherization Assistance Program and State Energy Program."

NASEO strongly objects to the Administration's proposed elimination of SEP and WAP. The reality is that of the approximately \$30 billion expended by DOE annually, the \$50 million in SEP funds is the only funding provided directly to the States to use on a wide range of energy priorities, such as those set by the governors and described in H.R. 3050. As a result, SEP is the only meaningful connection between billions spent on federal energy research and development and the energy priorities and market deployment strategies set by States.

The States' exceptional stewardship of SEP funding is widely known and strongly supported by both Republicans and Democrats in Congress. The reasons for their support include deference shown to the States under SEP and the results States deliver. An evaluation by Oak Ridge National Laboratory of the States' work using SEP funds found that each dollar of federal SEP funds leverages \$10.71 of State and private funds and realizes \$7.22 in energy cost savings for U.S. citizens and businesses - a tremendous economic value.