

**TESTIMONY OF DAVID TERRY, PRESIDENT, NASEO, BEFORE THE U.S. HOUSE
ENERGY AND WATER DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE IN
SUPPORT OF FY'26 U.S. DOE FUNDING – May 23, 2025**

Chairman Fleischmann, Ranking Member Kaptur, and members of the Subcommittee, I am David Terry, President of the National Association of State Energy Officials (NASEO) testifying on behalf of our 56 governor-designated state and territory members. NASEO respectfully requests funding for the following U.S. Department of Energy (DOE) programs: **\$90 million for the U.S. State Energy Program (SEP); and \$375 million for the Weatherization Assistance Program** (plus \$52 million for the Readiness Fund and \$15 million for T&TA). Level funding for FY'26 as compared to FY'24 is called for with respect to the following programs: Office of Electricity; Office of Cybersecurity, Energy Security and Emergency Response; Grid Deployment Office; Building Technologies Office, with not less than \$15 million for building energy codes, and \$50 million for grid-interactive efficient buildings within EERE; Vehicle Technologies Office; Bioenergy Technologies Office; the Solar Energy Technologies Office; Geothermal Technologies Office; the R-STEP Program within EERE, which is helping states advance solutions to streamline siting and permitting; Office of Fossil Energy Office of Fossil Energy; Office of Nuclear Energy; and FEMP. Level funding for EERE, OE, CESER, NE, GDO, and FE, in FY'26 (as compared to FY'24) is justified given the extraordinary energy affordability and electricity reliability crises facing the nation. **The \$90 million SEP request is consistent with the “Dear Colleague” letter, signed by 104 Members in FY'26.** The SEP statute provides states with flexibility to advance energy security, nuclear power, resilience, hydrogen, renewables, efficiency, storage, technology innovation, transmission and distribution grid modernization in ways that link federal policy goals with state policy actions and private-sector solution to achieve greater national energy security and economic impact. States also work

collaboratively using SEP *formula* funds to accelerate results: First Movers Nuclear Initiative, led by IN, KY, LA, MD, NY, PA, UT, VA, WV, and WY; REVWest EV charging initiative (ID, NV, UT, WY); Microgrid Working Group (e.g., CT, ID, IL, KY, PA, TN, WA); Southeast Petroleum Response Collaborative (e.g., FL, KY, MS, SC, TN); and Western Petroleum Response Collaborative (e.g., AK, CA, NV, ID, WA,) which responds to disruptions caused by natural, cyber, and other disasters; and building-grid electric load management (e.g., CT, FL, ID, IL, NY, TN, PA, VA). We urge Congress to explicitly provide the requested \$90 million of SEP funds *as formula funding to states*. The SEP *formula* funds supports states response to energy emergencies (physical and cyber) in coordination with utilities and petroleum providers and to leverage DOE's research activities and work with the private sector to improve electricity affordability and reliability, accelerate energy development, catalyze investments in nuclear power, support manufacturing energy efficiency, lower home energy costs through energy efficiency, and accelerate energy technology innovation through state-private sector partnerships. Two Oak Ridge National Laboratory (ORNL) studies found that each \$1 of SEP *formula* funds leverages \$10.71 of state and private funds and realizes \$7.22 in energy cost savings for citizens and businesses. With SEP funds the State Energy Offices lead energy security planning and response across electricity, natural gas, and petroleum. Finally, SEP is the key connection between billions of dollars spent by DOE on federal R&D priorities *and* the priorities of states which include getting more power on the grid at lower costs. State energy policy supports private energy market expansion, and the DOE-state relationship must continue to be enhanced to achieve greater impact. A greater reliance by DOE on the states to ensure federal R&D meets real world conditions would maximize the impact of R&D funding and leverage deployment by states and the private sector. Below are examples of the states' use of SEP funds.

Tennessee. The Tennessee Energy Office used SEP formula funds to support the Tennessee Nuclear Energy Advisory Council. In May 2023, Governor Bill Lee established the council through Executive Order 101 to advance the state's nuclear leadership.

Ohio. In Ohio, the State Energy Office utilized SEP formula funding to support both the Energy Efficiency Program for Manufacturers and the Energy Efficiency Program for commercial businesses, municipal government, universities and schools, and hospitals. The program assisted 67 commercial businesses, municipal government, university and school, and hospital clients for projected annual savings of \$5.4 million a year. In 2024, \$8 million in SEP grants for 35 energy-efficient retrofits in 18 counties statewide included a \$250,000 grant to Lorain County to install digital energy controls and other energy upgrades in government buildings.

California. California uses a portion of their SEP funds to support private-sector efficiency improvements such as high-efficiency portable air conditioners which save 369 gigawatt-hours annually, and sprinklers which save 150 billion gallons of water annually. The cumulative consumer cost savings total over \$18.6 billion.

Florida. Florida utilized SEP formula funds to support the Florida Wastewater Treatment Plant Energy Program, which aimed to improve energy efficiency in publicly-owned wastewater treatment facilities. Altamonte Springs and Pinellas County Utilities implemented projects with these funds to save money, increase resiliency and improve efficiency.

Idaho. The Idaho Energy Office is using SEP formula funds to reduce energy costs and improve efficiency in public buildings and businesses. Seven Idaho organizations recognized by the office saved nearly 16 million kWh resulting in over \$1.2 million in energy cost savings. Idaho has updated its emergency fuel shortage plan, participates in energy emergency exercises and is streamlining siting and permitting.

Indiana. The Indiana Office of Energy Development used SEP formula funds to reduce energy costs incurred by communities and supported a comprehensive Energy Conservation Measures project to improve efficiency reducing energy consumption and associated costs for the Brown County Public Library by 85%.

Mississippi. The Mississippi Energy Office uses SEP formula funds to increase energy capacity, supporting state-driven economic development while managing rising energy demands. SEP funds also support a statewide revolving loan fund and industrial grants for energy efficiency and partnerships with educational institutions.

Nevada. The Nevada Energy Office uses SEP formula funds to support the development of a Lithium Circular Economy through the Recharge Nevada initiative and supports a home energy retrofit opportunities program for senior citizens.

Pennsylvania. The Pennsylvania Energy Office used SEP formula funds to support the Shared Energy Manager Program, which has helped local governments in the state save over \$2.8 million on energy in 2024.

South Carolina. The South Carolina Energy Office used SEP formula funds to support a mini-grant program that awards funds to high-impact projects to support energy affordability and efficiency. In 2022, \$65,700 of SEP funds produced an estimated \$362,745 of energy cost savings over eight projects, as well as 28,155 MMBTus of energy saved — equivalent to the electricity used to power over 700 homes for over a year.

Texas. The Texas State Energy Office used SEP formula funds to support Clean Tech Incubators in partnership with the University of Texas at Austin and Texas A&M Engineering Extension Service. From 2022 through 2024, the economic impact of the Clean Energy Incubator Program was estimated to be \$36,703,319 in direct Texas GDP contribution, and \$79,848,198 in

total Texas economic output. In addition, the State Energy Program-supported LoanSTAR revolving loan program has been instrumental in enabling impactful energy efficiency projects throughout the state. Over \$580 million of energy efficiency projects have been funded, yielding more than \$865 million in utility savings and equating to over 7.04 billion kWh saved.

Utah. SEP formula funds back methane leakage detection efforts using drone technology, transportation efficiency initiatives, industrial assessment centers, and the development of modeling software to determine optimal energy resources for Utah.

Washington. The Washington State Energy Office used SEP formula funds to enhance energy security and resilience in its most rural, remote, and end-of-the-line communities. In just 19 months, it has supported over 75 communities, advancing projects valued at more than \$80 million. Microgrid projects were built for the Lyle Fire Department in Klickitat County and the Toppenish School District in Yakima County to enhance resilience and security.

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