



## Energy Dept. Agrees To Quickly Implement Energy Efficiency Tax Provisions Authored By Snowe, Feinstein

*Greater Energy Efficiency Tax Incentives for Commercial Buildings, Homes Will Help With Skyrocketing Energy Costs*

October 17, 2005

WASHINGTON, D.C. – As a means of helping Americans fight skyrocketing energy prices, U.S. Senators Olympia Snowe (R-ME) and Dianne Feinstein (D-CA) announced today that the U.S. Department of Energy has agreed to quickly develop the necessary regulations and guidelines required to implement a series of energy efficiency tax provisions for commercial buildings and homes that were included in the Energy Policy Act of 2005 and that are based on their energy efficiency legislation, the Efficient Energy through Certified Technologies and Electricity Reliability Act (EFFECTER Act).

“Right now Americans from Maine to California are paying record high prices to heat their businesses and homes, and drive their cars,” said Snowe. “Senator Feinstein and I have long fought to ensure that our nation’s energy policy takes a balanced approach to encourage greater energy efficiencies to reduce our reliance on foreign energy resources and bring down the price of natural gas and heating oil. I am pleased that Secretary Bodman understands that these energy efficiency tax incentives are an essential means of helping Americans combat skyrocketing energy prices.”

“Giving Americans incentives to decrease their demand for electricity and encouraging them to use more efficient technologies will reduce pollution and save them thousands of dollars over time,” said Feinstein. “Simply increasing our energy supplies is not the answer to our nation’s energy challenges. We need to find even more ways to use less energy.”

On September 16<sup>th</sup>, Snowe and Feinstein joined with Senator Jeff Bingaman (D-NV) in sending a letter to Energy Secretary Samuel W. Bodman and Treasury Secretary John Snowe asking them to quickly put in place energy efficiency tax incentives for commercial buildings and homes as a means of reducing the demand for energy. The provisions include targeted tax incentives and standards for greater energy efficiencies in commercial buildings, both new and retrofitted, the construction of new and retrofitted homes, including rental housing, and the use of more energy efficient appliances.

Senators Snowe and Feinstein’s staff are planning on meeting with Secretary Bodman’s staff to make sure the tax credits will begin on the appointed date of January 1, 2006.

Secretary Bodman wrote to Snowe, Feinstein and Bingaman, “We agree that the tax credit provisions for energy-efficient commercial buildings and homes and the replacement of equipment under the Act may help many businesses and consumers weather high energy prices in the near-term. Use of the tax credits may also spur widespread adoption of energy-efficient building technologies over the long-term that will help reduce energy demand and contribute to economic growth.”

The full letter from Secretary Bodman to Snowe, Feinstein and Bingaman is below:

This is in response to your September 16, 2005, letter urging the U.S. Department of Energy to develop the necessary regulations and guidelines required to implement the energy efficiency tax provisions outlined in the Energy Policy Act of 2005 (Act).

We agree that the tax credit provisions for energy-efficient commercial buildings and homes and the replacement of equipment under the Act may help many businesses and consumers weather high energy prices in the near-term. Use of the tax credits may also spur widespread adoption of energy-efficient building technologies over the long-term that will help reduce energy demand and contribute to economic growth.

The Department has been working with representatives from State energy offices, industry and other organizations to develop an understanding of the technical requirements for implementation of the tax credits. The Department is also working closely with the U.S. Department of the Treasury to ensure that the implementing regulations address all the technical issues related to the tax credits.

The Department is developing cost-effective approaches to new home construction based on research results from our Building America Program that will help builders qualify for tax credits. Our Building America research teams have also been developing and testing ways to build homes that are wind and flood resistant. Three fact sheets on this particular area of research are enclosed for your information.

We are also developing strategies, in coordination with the affected States, the U.S. Department of Housing and Urban Development and the Federal Emergency Management Agency, to communicate critical technical information to consumers, home designers, and builders, who will be repairing and rebuilding homes and commercial buildings damaged by Hurricanes Katrina and Rita.

Thank you for your interest in making America's buildings more energy-efficient. I hope the information above and enclosed provide some indication of the importance the Department places on this work.

Samuel W. Bodman

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