Testimony of David Terry, President, NASEO, on Fiscal Year 2027 Appropriations Before the U.S. Senate Energy and Water Development Appropriations Subcommittee in Support of FY'27 U.S. DOE Funding – April 23, 2026

Chairman Kennedy, Ranking Member Murray, and members of the Subcommittee, I am David Terry, President of the National Association of State Energy Officials (NASEO) testifying on behalf of the 56 governor-designated State and Territory Energy Offices. NASEO respectfully requests priority funding for these U.S. Department of Energy (DOE) programs: $90 million for the U.S. State Energy Program and $375 million for the Weatherization Assistance Program – *and we urge Congress to explicitly include in BILL TEXT, "**$90 million for the U.S. State Energy Program (SEP) specifying 95 percent of these funds for formula grants to the State Energy Offices in accordance with the formula that was in place as of January 2026; and $375 million for the Weatherization Assistance Program (plus $15 million for T&TA and $52 million for the Readiness Fund)**."* Increased funding is also called for in the following DOE programs: Electricity; Cybersecurity, Energy Security and Emergency Response; Hydrocarbons and Geothermal; Nuclear Energy; Transportation Technologies, Alternative Fuels and Feedstocks; Building Technologies; Solar Energy Technologies; and DOE's critical minerals and materials activities now being led by the Office of Critical Minerals and Energy Innovation. Increased funding for these programs is justified given the extraordinary energy affordability, reliability, and security challenges facing the nation. **The $90 million SEP request is consistent with the FY'27 "Dear Colleague" letter, signed by 128 Members of Congress and 45 U.S. Senators.** The SEP statute provides states with flexibility to advance energy security and cybersecurity, transmission and distribution planning, permitting, nuclear power, storage, technology innovation, renewables, efficiency, and critical minerals – linking federal policy goals, supportive state policy actions, and private-sector solutions. States work together using SEP *formula* funds to accelerate results: First Movers Nuclear Initiative, led by IN, **KY**, **LA**, MD, NY, PA, **TN**, UT, VA, WV, and WY; State Geothermal Power Accelerator, led by **AK**, AZ, CA, CO, HI, ID, **LA**, MT, NV, **NM**, **OR**, PA, UT, **WA**, and WV; Southeast Petroleum Emergency Response Collaborative (e.g., **AL**, FL, **GA**, **KY**, **MS**, **SC**, TN); and Western Petroleum Emergency Response Collaborative (e.g., **AK**, CA, NV, ID, **WA**) – these fuel collaboratives help states and DOE respond to energy disruptions caused by natural disasters and cyber/physical events. The SEP *formula* funds support states response to energy emergencies (weather, physical, cyber) in coordination with electric and natural gas utilities and petroleum product providers, and leverage DOE's research activities and work with the private sector to improve affordability and reliability, accelerate energy development, catalyze investments in nuclear power, support manufacturing energy efficiency, lower home energy costs, and accelerate energy technology innovation through state-private sector partnerships. Two Oak Ridge National Laboratory 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. Finally, SEP is the key connection between billions of dollars spent by DOE on R&D *and* the priorities of states such as getting more power on the grid and fuels delivered at lower costs through energy innovations across all sectors. NASEO recommends robust funding for DOE's research, development, demonstration, and deployment activities with specific encouragement to DOE and all of the National Laboratories to more fully engage with State Energy Offices for help in opening markets for the private sector to ensure the United States' continued energy leadership and competitiveness. A far greater DOE partnership with states would ensure federal

R&D meets real world needs to maximize and speed results. NASEO also supports funding of $36 million for the portion of ENERGY STAR proposed to be shifted from EPA to DOE. Below are select examples of the states' use of SEP funds:

The **Louisiana** Energy Office used SEP funding to develop its first statewide Nuclear Strategic Framework, positioning the state as a leader in advanced nuclear deployment and domestic supply chain development. The framework was developed through a six-week process that included 50 stakeholders, workshops, collaboration with National Laboratories, industry, state agencies, and federal partners. The framework has actions Louisiana can take to attract nuclear-related investment, strengthen manufacturing, support workforce development, and enable the deployment of next-generation nuclear technologies. As a result, Louisiana is better positioned to attract private sector investment, strengthen grid resilience, and create long-term, high-quality jobs. Louisiana also used SEP funds to support the "Be Energy Smart" outreach program to deliver hands-on energy education to students, helping them understand energy use, STEM concepts, and energy career paths. From 2024 to 2025, the program conducted 80 outreach visits, reached 6,629 students, served 20 parishes, and partnered with 57 community organizations for local events. One of the program's most meaningful impacts came from a student at Lafayette High School who had been disengaged and close to dropping out.

The **Washington** State Energy Office used SEP funds to enhance energy security and resilience in rural and remote communities. In 19 months, it supported 75 communities, advancing projects valued at $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. In 2025, Washington awarded $16.8 million to support 22 tribal clean energy and resilience projects across 17 tribal communities.

The **Alabama** Energy Office utilizes SEP formula funds to enhance energy affordability and increase energy efficiency across various sectors. For example, the City of Alexander City performed energy-efficient retrofits of various equipment at its wastewater treatment facility, achieving over $800 in monthly energy cost savings and reducing its energy consumption by 111.2 MWh annually. Additionally, HudsonAlpha Institute for Biotechnology's replacement of LED fixtures at their flagship building led to a reduction of 28.39 MWh in energy usage throughout the facility, as well as annual savings of $4,751 in energy costs.

The **Alaska** Energy Office used SEP to launch the Digital Library, expanding public access to more than 12,000 energy records. The platform provides a robust, searchable tool accessible from any web-enabled device and includes publications, technical reports, research, feasibility studies, and other documents—helping Alaskans, policymakers, and researchers access critical energy information. SEP funds also supported the Power Pledge Challenge, which engaged more than 2,000 elementary students statewide in energy efficiency and conservation education.

The **Delaware** Energy Office uses SEP formula funds to support Delaware's Energy Efficiency Advisory Council (EEAC), which works with utilities to fund and implement cost-effective energy efficiency programs. In 2024, Delaware's utilities, working with the Council, implemented efficiency programs that achieved energy savings equivalent to approximately 3,453 homes powered for a year through electric savings and more than 4,840 homes heated for a

year through gas savings. These savings resulted in almost 21,995 metric tons of carbon dioxide avoided each year, the equivalent of taking 4,781 cars off the road. These energy savings reduced Delaware's overall reliance on increasingly expensive energy markets, making energy more affordable for Delaware households, businesses, and non-profit organizations.

The **Georgia** Energy Office used SEP funds to reduce energy and water usage and costs by enhancing the Energy Savings Performance Contract (ESPC) program for local governments and K-12 school districts. GEFA contracted with an owner's representative to provide on-demand technical assistance to local governments and K-12 systems at any point in the process. GEFA co-hosted a training for prequalified ESCOs to improve the administrative efficiency of projects.

The **Illinois** Energy Office supported the Public Water Infrastructure Energy Efficiency Assessment Program, which improves the energy efficiency and resiliency of publicly owned water and wastewater plans across Illinois through no cost energy assessments. Over the last eight years, the program has assessed 281 facilities, and has identified 63,705,000 in annual kWh energy savings, which would result in an estimated annual financial savings of $6,019,000.

The **Kentucky** Energy Office expanded SEP investments in affordability, supporting projects like Habitat for Humanity's delivery of 52 community solar shares, HDA's construction of 21 ENERGY STAR–certified homes (16 low-income, 10 flood survivors), ENERGY STAR water heater rebates to 14 new homeowners, and Next Step's efforts to scale manufactured housing with solar for high energy-burden communities. Kentucky's CHFS KYNECT project improved assistance by integrating LIHEAP and Weatherization and launching a Utility Data Sharing Portal, reducing administrative burden, increasing visibility, and speeding SNAP benefit replacement during outages while creating a scalable model for statewide service delivery.

The **Michigan** Energy Office uses SEP funds to help communities plan for and enhance energy resiliency and reduce energy costs through the Community Energy Management (CEM) program. CEM meets local governments where they are on energy management. Accordingly, CEM can be used to fund a range of energy-related projects such as energy management, energy efficiency upgrades, financing solutions, and energy workforce development.

The **Mississippi** Energy Office leveraged SEP funds to convene state and private sector leaders at the 2026 Mississippi Natural Resources Summit, to explore use of direct lithium extraction and other rare earth elements. Mississippi is also engaging with ORNL's METALLIC initiative, as well as the Mississippi Mineral Research Institute at the University of Mississippi, to use physics-driven AI to interpret legacy data and create high-fidelity subsurface models of the Smackover Formation. Mississippi's actions are de-risking investments and ensuring that the economic benefits from geological resources accrue to local communities.

The **New Mexico** Energy Office leveraged SEP formula funds to build and strengthen its energy security program, develop a network of energy coaches, and engage with the New Mexico Public Regulation Commission on a variety of proceedings. New Mexico's energy security program helped plan and facilitate nine discussion-based exercises in fiscal years 2025-2026, bridging communication and coordination gaps between local emergency managers and energy service providers before emergencies occur. New Mexico's energy coaches offer personalized, human

support to homeowners, renters, business owners and organizations on how to find and apply for myriad state, federal and utility grants, rebates, tax credits and more; since their February launch, on average the coaches are assisting twenty households per day. And the Energy Office is contributing its expertise to utility rate cases, a demand response working group, and an interconnection rulemaking at the NM PRC.

The **North Dakota** Energy Office used SEP funds to support a new training program at Williston State College for HVAC technicians, which are needed throughout the state. SEP funds were also used to expand a highly successful lineman training initiative at Bismarck State College, supporting the next generation of skilled utility professionals.

The **Oregon** Energy Office used SEP funds to develop its Oregon Energy Strategy in 2025. SEP funds were critical to ensuring robust engagement from Tribal representatives and organizations representing local governments and community interests, and other experts that provided both technical and lived experience expertise to inform the strategy's recommendations. These activities resulted in a well-informed Energy Strategy and have enabled ODOE to quickly advance to implementation with other state agencies, legislators, and public partners.

The **South Carolina** Energy Office uses SEP funds to manage the voluntary Energy Efficient Manufactured Homes Labeling Program, which provides energy labels to manufactured homes that meet energy efficiency criteria determined by the state. As of 2025, 93,975 labels have been requested by manufacturers since 1998, resulting in $10,583,211in lifetime energy cost savings.

The **South Dakota** Energy Office uses SEP formula funds to reduce energy costs in state-owned buildings and save taxpayer dollars. In 2023, the energy office supported energy upgrades in four state-owned buildings, which resulted in approximately $28,440 in energy cost savings per year, with 387,685 kWh of energy saved per year.

The **Tennessee** Energy Office used SEP funds to support the state's response and recovery from Winter Storm Fern. The Energy Office supported local power companies with power restoration prioritization for critical infrastructure and coordinated the securing of backup generators, distributing propane fuel supplies, debris and waste management, and mutual aid for repairs. The Office also uses SEP funds to work with TVA, Y-12, and Oak Ridge to promote nuclear in TN.

The **Wisconsin** Energy Office used SEP funds to support the Wisconsin Refueling Readiness grant program, which facilitates the fueling of emergency vehicles during major power outages by expanding the network of designated disaster fueling facilities in the state. SEP funds are provided to publicly and privately-owned fueling stations and bulk petroleum shortage facilities to install wiring for a generator to restore power to the fueling/distribution areas as quickly as possible. Since the program's inception, SEP funds have made backup power available at 50 convenience stores, highway shops, and bulk petroleum storage facilities across the state.

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