



March 4, 2014

Dear Member of Congress:

The National Rural Electric Cooperative Association strongly supports HR 2126, the Energy Efficiency Improvement Act sponsored by Representatives McKinley and Welch. When the bill comes to the floor this week, NRECA urges you to vote for the bill.

Electric cooperatives are particularly interested in enactment of Title II related to energy efficiency standards for water heaters. Approximately 250 co-ops in 34 states operate voluntary demand response programs using electric resistance water heaters that allow co-ops to reduce demand for electricity during peak hours. In parts of the country, these water heaters also allow co-ops to integrate renewable energy sources like wind and effectively store that energy.

In several major energy bills, Congress has declared the promotion of demand response an important federal policy. A 2012 report by the Federal Energy Regulatory Commission (FERC) recognized co-ops' leadership in demand response. It is through the use of large capacity electric resistance water heaters that co-ops are able to meet such federal goals.

Unfortunately, as you may know, on March 22, 2010, the Department of Energy (DoE) issued a new standard for water heaters that will effectively end our very successful demand response programs next year. Electric co-ops have a straightforward mission: to provide reliable electric service to their consumer-owners at the lowest cost possible.

HR 2126 will allow us to continue to use water heaters in money- and energy-saving demand response programs by establishing a new category of efficiency standard for water heaters used in demand response programs. We have worked closely with Congressional leaders, DoE, other utilities, energy efficiency and environmental advocacy groups, and water heater manufacturers over the past several years to develop this common-sense approach to help continue the beneficial use of electric resistance water heaters.

Again, when the bill comes to the floor this week, we urge your support. If you have any questions or need more background information, please do not hesitate to have your staff contact Julie Barkemeyer at NRECA at 703-907-5809 or julie.barkemeyer@nreca.coop.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Ann Emerson", written over a light gray background.

Jo Ann Emerson