

Governor Mike Pence
State of Indiana
200 W. Washington St.
Indianapolis, IN 46204

March 7, 2014

Dear Governor Pence:

As companies that represent 10,000 manufacturing and efficiency jobs in Indiana, we write to you today to express our opposition to SB 340, a bill that passed the State House and is now under consideration in the State Senate. We respectfully request that you veto the bill should it be passed in its current form. We also hope you will encourage the sponsors of the bill to hold a dialogue with businesses in Indiana that support energy efficiency programs (known as Demand-Side Management (DSM)) before taking any further action on this bill.

Indiana's bi-partisan efficiency program, established by former Governor Daniels, represents a common-sense solution to Indiana's high energy costs. In its current form SB 340 would essentially eliminate Indiana's energy efficiency standard, ending all programs including industrial efficiency. Energy efficiency programs in Indiana create jobs. Indiana is home to businesses who manufacture energy efficient equipment such as chillers, air-conditioners, and heaters, and to companies that make industrial facilities more efficient. Further, many Indiana businesses assist state, municipal, and other public buildings in becoming more energy efficient which saves taxpayers money. Many Indiana small businesses serve as contractors on job sites and manufacture equipment tied to energy efficiency. For example, consider one of the many efficiency programs, the Core Programs, which serve residential, low income and small commercial customers— not just large industrial customers. Ending this initiative would eliminate approximately 381 direct program jobs, over 1200 indirect jobs and over \$500 million of economic investment each year that the programs are not operating.

Reductions in industrial manufacturers' energy use through energy efficiency programs should be encouraged by Indiana taxpayers. These programs cut waste and are a fiscally responsible way to address the state's energy needs.

- **Energize Indiana's benefits far outweigh its costs 2:1** An independent evaluation of 2013 showed energy savings benefits exceeded costs by nearly a 2:1 margin, fulfilling the goal of producing energy savings, cutting air pollution and reducing the need to build more power plants. Source: 2012 Energizing Indiana EM&V Final Report June 20, 2013 reports total portfolio of TRC 1.71
- **Energy Efficiency is the lowest cost kWh investment**— Energy efficiency is the lowest cost kWh investment that can be made and provides system wide benefits; thus benefitting all customers.
- **Role of Industrials is Crucial**- some of the least expensive energy efficiency projects come from industrial customers and they are vital to include in programs. When the lowest cost kWh is procured through energy efficiency programs, all customers benefit.

If there are concerns about the current program, we stand ready to work with you and your colleagues on improvements to the program standards. We urge you not to hastily eliminate efficiency from the state's energy plan, and to allow for a dialogue with Indiana businesses who believe that such a standard is a solution for wasteful energy spending and high costs.

Thank you for your leadership on this important issue for Indiana taxpayers. Should you have questions, please, have your staff reach out to the point person for this letter, Anna Pavlova with Johnson Controls at 202-368-8323.

Sincerely,

A.O. Smith
Enernoc
General Electric
Honeywell
Ingersoll Rand
Johnson Controls
Kingspan Insulated Panels
Knauf Insulation
Leidos Engineering
Siemens
United Technologies