



**June 25, 2013**

**Subcommittee on Energy  
of the Committee on Energy & Natural Resources  
United States Senate**

**Testimony of  
Nathan J. Diament,  
Executive Director for Public Policy –  
Union of Orthodox Jewish Congregations of America**

**In support of S.717  
Nonprofit Energy Efficiency Act of 2013**

Subcommittee Chairman Franken, Ranking Member Risch and Members of the Subcommittee – thank you for inviting me to participate in today’s hearing. My name is Nathan Diament and I am the Executive Director for Public Policy of the Union of Orthodox Jewish Congregations of America.

But I am not here today just representing the largest Orthodox Jewish umbrella organization in the United States and our nearly 1000 congregations, I am here representing a diverse coalition of faith based and other nonprofit sector groups – including the U.S. Conference of Catholic Bishops, the National Council of Churches, the YMCA Association of the USA, the Association of Art Museum Directors, Jewish Federations of North America and more.

Our organizations strongly support S.717 – the Nonprofit Energy Efficiency Act – sponsored by Senators Klobuchar and Hoeven. We appreciate your consideration of this legislation today.

As you know, our organizations – and so many others in the nonprofit sector – provide an array of social welfare, educational, recreational and communal services across this country to people from all walks of life. But across the diversity of services we provide and citizens we serve, we have at least one thing in common – our job training workshops, English language classes, soup kitchens, clothing co-ops, tutoring sessions, homeless shelters, health clinics and more all take

place in buildings. Some of those buildings are quite old and drafty, but they must be warmed in the winter and cooled in the summer.

According to the EPA, nonresidential buildings in the United States consume more than \$200 billion annually in energy costs. Among those many buildings, are this county's 2700 YMCAs, 2900 nonprofit hospitals, 17,000 museums and more than 370,000 houses of worship.

Looking just at the houses of worship sector -- the EPA, based on its "Green Congregations" project,<sup>1</sup> estimates that these entities could cut their energy use – and costs – by one third through energy efficiency improvements. If America's houses of worship cut their energy use by just ten percent, the EPA estimates that would save 1.8 billion kWh of electricity and 1.3 million tons of greenhouse gas emissions, equivalent to the emissions of 240,000 cars.

We are eager to achieve these results by updating and replacing outdated and inefficient heating and cooling systems, lighting and other electrical systems, windows and doors and more.

Unfortunately, the "front end" costs to make these improvements and retrofits are very high. For nonprofit charities, the hurdle of these front end costs is even higher to surmount because we cannot just raise the prices of the widgets we sell or take on greater debt to finance them. And, candidly, a new HVAC unit or boiler is not the most exciting project to pitch to even deeply dedicated donors to our institutions.

Moreover, while there have been (and still are) a variety of state and federal financial incentives for making energy efficiency retrofits, they are typically in the form of tax credits and rebates – which are, of course, unavailable to tax exempt, non-profit charities.<sup>2</sup>

This is why we are supporting the Klobuchar – Hoeven proposal which will create a pilot program in the Department of Energy to award financial grants to nonprofits for energy efficiency building improvements.

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<sup>1</sup> [http://www.energystar.gov/index.cfm?c=small\\_business.sb\\_congregations](http://www.energystar.gov/index.cfm?c=small_business.sb_congregations)

<sup>2</sup> At the federal level, the Energy Policy Act of 2005 enacted Section 179D of the Internal Revenue Code, providing a one-time accelerated depreciation for commercial, multifamily, and public agency owned facilities; there are also federal tax credits available for residential homeowners installing energy efficiency improvements [http://www.energystar.gov/index.cfm?c=tax\\_credits.tx\\_index](http://www.energystar.gov/index.cfm?c=tax_credits.tx_index)

Under S.717, nonprofits could apply for grants for up to 50% of the cost of an energy efficiency retrofit project – with a maximum grant amount of \$200,000. The legislation authorizes an appropriation of \$50 million for each of the fiscal years 2014-2017, and identifies an offset for those funds.

We are confident that making these funds available – in a cost sharing program – will enable nonprofits to raise or borrow the balance of the funding needed for an energy efficiency project, and thus leverage public funds as they should.

We also suggest that S.717's program would be a catalyst for job creation as nonprofits would finally be able to undertake deferred projects and generate the demand for new HVAC systems, windows and insulation as well as the contractors and workers to install them.

Finally, the federal investment in the nonprofit sector's energy efficiency will be leveraged through our sector's social capital to generate greater private action and investment toward energy efficiency. As was stated in 2010 by the President's Advisory Council on Faith Based Partnerships:

Houses of worship can exert a powerful influence when they practice good energy stewardship.... Similarly, actions taken by nonprofit organizations can serve as an important role model for their employees, volunteers, and beneficiaries. There is a multiplier effect as congregants and nonprofit participants adopt the energy-saving practices in their homes and businesses.<sup>3</sup>

Senators – the Orthodox Union and our coalition partners appreciate and support your efforts to enact broad and impactful energy efficiency legislation, including the various other bills before the Subcommittee today, as well as other legislation pending in the Senate.

Improving America's energy efficiency is, in our view, critical for the long term welfare of our nation's environment and economy; and we hope you recognize and support S.717 – aiding the nonprofit sector -- as a complementary effort to these other bills.

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<sup>3</sup> Report and Recommendations to the President; Environment & Climate Change -- <http://www.whitehouse.gov/sites/default/files/partnerships-environment-climate-change.pdf>

But if I may, I would like to conclude with an important note – that improving energy efficiency and reducing harmful pollution is not just a matter of the economy and the environment. From our perspective, it is also a matter of values.

God charged us with the mission to be His partner in creation – to “work” the earth;  
But God also charged us to “preserve” it. (Genesis 2:15)

As you, Senators, work to enact legislation to help us be good stewards of our energy resources and environment, you are serving this mission as well.

And for that, we thank you.