



National Association of
State Energy Officials

March 6, 2017

The Honorable Mick Mulvaney
Director, Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20460

The Honorable Rick Perry
Secretary, U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Director Mulvaney and Secretary Perry:

On behalf of the governors' 56 State and Territory Energy Offices, the National Association of State Energy Officials (NASEO) respectfully requests your consideration of expanded funding for the U.S. State Energy Program (SEP) – *the only program administered by the U.S. Department of Energy (DOE) which provides funding directly to states to invest in energy priorities set by their governors.* SEP is the only direct state linkage with DOE's energy emergency, research, and analytical functions, and it is the primary mechanism for governors to plan for and mitigate energy emergencies. SEP is one of only two DOE programs specifically called out in the National Governors' Association Trump Administration transition recommendations which asks the Administration to, "*Continue and expand existing energy grant programs the states rely upon, particularly the Weatherization Assistance Program and the State Energy Program.*" Further, over the past several years, both the U.S. House and Senate have voted to strongly support SEP and Weatherization Assistance Program on a bipartisan basis.

We are aware of the extremely challenging budget priorities which must be addressed through the passback process between the Office of Management and Budget (OMB) and DOE regarding the Fiscal Year 2018 DOE budget. Governors' energy directors from across the nation have been meeting with the landing teams at DOE over the past two months to convey the importance of SEP in addressing the shared state-federal roles in energy emergency planning and response, as well as states' energy-related economic development work on behalf of their governors. The work of the states through SEP helps businesses leverage the results of federal research and development investments in every energy sector. It is important to note that for years, the views of the states have not been given priority in many DOE and OMB budget and program decisions, and the State-DOE relationship was narrowly defined within DOE. However, we are confident that the value of state relationships with DOE and SEP will benefit greatly from your leadership and understanding of the important role of states in guiding America's energy economy and security.

We recognize and respect that you must evaluate DOE and its expenditures, and we see many opportunities for reallocation of resources to higher-priority efforts such as SEP and WAP, as well as significant budget savings and streamlining of processes that must be achieved

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quickly to meet the President's important goals. We also recognize that there are entrenched interests within the Federal Government that do not appreciate or understand the role of the states in working with private sector energy firms to deliver true "all of the above" energy solutions sought by most of the nation's governors.

In support of making such changes at DOE, NASEO recommended to the DOE Transition Team establishing a State-Federal Task Force charged with identifying priority DOE programs, areas for substantial cost savings, and streamlining of specific regulations and processes which impede energy development by the states. For too long, the vital state-DOE relationship supported, in part, by SEP has been bridled in a narrow stovepipe within DOE's structure. Energy markets and thinking have evolved, and states and the private sector take a much broader view of energy solutions. Expanded SEP funding and an elevated relationship within DOE would deliver greater value for the states, DOE, and taxpayers.

We look forward to answering any questions you may have, and we would appreciate your consideration of facilitating a meeting with a small group of the governors' energy directors and your staffs in the coming weeks.

Best regards,

A handwritten signature in blue ink, appearing to read "D. Terry", with a stylized flourish at the end.

David Terry,
Executive Director, NASEO

cc: U.S. House of Representatives and U.S. Senate Appropriations Chairs and Ranking Members; Michael Catanzaro, Special Assistance to the President for Domestic Energy and Environmental Policy; State Energy Directors