

POSITION PAPER: ENERGY and WATER CONSERVATION

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The American Supply Association (ASA) and its members are committed to finding solutions to the challenges of energy efficiency and conservation. ASA supports federal tax incentives that encourage energy efficiency and water conservation. The tax incentives would strengthen the renewable energy industry and expand the market for energy- and water- efficient products, which ultimately would reduce residential and commercial energy costs, conserve water resources, generate new domestic jobs, and boost a flagging economy, according to the coalition.

Energy Conservation

ASA urges the U.S. Congress to pass legislation this year that extends renewable energy and efficiency tax credits that have expired or will expire at the end of this year.

Homes: ASA strongly support tax incentives to encourage consumers to purchase highly efficient residential heating and cooling systems and equipment. The Home Improvements tax credit has expired. The credits were available for home improvements "placed in service" from January 1, 2006 through December 31, 2007. Tax credits were available for insulation, replacement windows, water heaters, and certain high efficiency heating and cooling equipment. The maximum amount of homeowner credit for all improvements combined is \$500 during the two year period of the tax credit.

Home Builders: We support extension of the tax credit for new homes. Home builders are eligible for a \$2,000 tax credit for a new energy efficient home that achieves 50% energy savings for heating and cooling over the 2004 International Energy Conservation Code (IECC) and supplements. These tax credits apply to new homes located in the United States whose construction is substantially completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2006 through December 31, 2008.

Commercial buildings: We support extension of the commercial buildings tax credit. A tax deduction of up to \$1.80 per square foot is available to owners or designers of new or existing commercial buildings that save at least 50% of the heating and cooling energy of a building that meets ASHRAE Standard 90.1-2001. These tax deductions are available for systems "placed in service" from January 1, 2006 through December 31, 2008.

Water Heaters: We encourage the adoption of the language found in Senate Amendment 4419 which passed the Senate and was added to the "Foreclosure Prevention Act of 2008" on April 10, 2008 in an 88-8 vote. This provision adds an energy descriptor which will increase the amount of high efficiency water heaters that will receive a tax credit: "A natural gas, propane, or oil water heater that has either an energy factor of at least .80 or a thermal efficiency of at least 90%".

Furnaces and Boiler: We support the provision in S. 822 that raises the tax credit for any qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler to \$300.

Water Conservation

ASA urges the Congress to enact incentives for the purchase of plumbing products, including toilets, faucets and shower heads that will achieve greater water use efficiency, such as products that meet the voluntary WaterSense standards.

- Water conservation is a national goal and dissemination of technologies and processes that will achieve greater water use efficiency will help meet this national goal.
- WaterSense is a voluntary public-private partnership program established by the Environmental Protection Agency to promote water efficiency by helping consumers identify water-efficient products and practices. The Environmental Protection Agency estimates that if all United States households installed water-efficient appliances, the country would save more than 3,000,000,000,000 gallons of water and more than \$17,000,000,000 per year.