

**TESTIMONY OF PAUL N. CICIO
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BEFORE THE
U.S. HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY
SUBCOMMITTEE ON ENERGY AND ENVIRONMENT**

**“REVISING THE INDUSTRIAL TECHNOLOGIES PROGRAM: ACHIEVING
INDUSTRIAL EFFICIENCY”**

SEPTEMBER 25, 2007

Good afternoon Chairman Lampson and Ranking Member Inglis. Thank you for the opportunity to testify before this important subcommittee and on this very timely topic.

The Industrial Energy Consumers of America (IECA) is a national non-profit non-partisan cross-industry trade association whose membership is exclusively from the energy intensive manufacturing sector and is dedicated to a broad array of energy and environment related issues.

The manufacturing sector competes globally. For energy intensive industries, reducing energy consumption per unit of product produced is essential. We either continually reduce our energy cost per unit of product or we will cease to be competitive.

While the industrial sector represents 32.2% of the U.S. energy consumption we have demonstrated remarkable performance in energy reduction. Since 1980 the industrial sector total energy consumption increased by only 1% while increasing total industrial value of shipments by 53%.

Improvement in energy efficiency has also played an important role in reducing ghg emissions. The industrial sector direct and indirect carbon dioxide emissions in 2006 are slightly below the 1990 level while ghg emissions from the residential sector increased 31.4%; commercial +34.6%; transportation +25% and electricity + 31.7%.

Energy is used as both fuel and feedstock and can represent as high as 70 percent of the cost of producing some products. For perspective, the industrial sector contains about 226,000 manufacturing sites. However, there are about 6800 sites that use greater than \$2 million of energy annually and consume about 53% of all energy in the industrial sector.

The Industrial Technology Program gets high marks from IECA member companies. Given the relatively modest federal money dedicated to the program, the benefits to the industrial sector and the U.S. economy are significant.

In our view, we simply need to do more of the same. IECA supports greater spending on R&D programs that provide cost sharing research, demonstration and deployment of technology and continuing to expand programs like “Save Energy Now”.

The industrial sector needs R&D in areas that provides long-term cost-effective technology solutions, particularly for high risk high value long term technology. Examples of R&D areas of interest are: energy management systems that include control and data acquisition; control system improvements and optimization in the areas of steam generation, process heaters; heat recovery technology; and alternative energy sources for fuels and feedstock.

Lastly, IECA member companies wish to be sure this Subcommittee knows how much they value the “Save Energy Now” program. “Save Energy Now” is a superb program because it helps companies accelerate finding high quality energy reduction projects thru plant assessments and uses existing technology, product and knowledge to reduce energy consumption.

Thank you.