POLICY BRIEF

Energy Efficiency Jobs in America – Federal Policies to Support the Energy Efficiency Workforce

2025 marks the first year of energy efficiency (EE) job losses since the COVID-19 pandemic, mirroring disruptions across the entire energy industry. Renewed and increased support for key federal energy efficiency programs and training will preserve American energy leadership and protect critical local jobs that cannot be outsourced.

On November 12, the Building Performance Foundation (BPF) released the 2026 *Energy Efficiency Jobs in America* report, providing data on the nearly 2.4 million workers who design, manufacture, and install high-performance building technologies across all 50 states. These jobs help deliver critical building upgrades using energy efficient technologies that lower energy bills. As Americans face rising energy costs, EE jobs are more critical than ever.

This year's *Energy Efficiency Jobs in America* report revealed important insights into the industry's performance in 2025:

- **EE employed 2.36 million workers in 2025**, more than one quarter of the total energy workforce.
- **After four years of growth, EE employment slipped 0.9% in 2025**. This loss of 21,441 jobs mirrored a 1% decline in jobs across the entire energy economy as businesses faced policy uncertainty and market volatility.
- **EE jobs pay well**. EE wages grew 2.8% in 2025, nearly double the 1.5% national average, and are 18% to 23% higher than the U.S. average.
- **EE is the largest energy subsector in 39 states** and the District of Columbia, and the industry employs nearly 1.3 million workers in the construction industry.

THE STATE OF ENERGY EFFICIENCY POLICY

As a leading voice for the energy efficiency and building performance industry, the Building Performance Association (BPA) spearheads efforts in Congress and the administration to support our industry. As the 2026 *Energy Efficiency Jobs in America* report shows, energy costs are top of mind for American households, businesses, and policymakers alike.

Electricity prices surged 40% from 2020-2025, while utility (piped) gas service rose over 50% over the same period. Programs that tackle energy waste provide an excellent opportunity to save Americans money—all while supporting local EE jobs. Specifically, addressing energy waste in buildings and homes is an excellent place to

focus, since these buildings are responsible for over a quarter of total U.S. end-use energy consumption. As data center production places increasing strain on the grid, the reduced energy demand stemming from EE programs is more crucial than ever.



Energy efficiency upgrades are broadly popular. According to the National Association of Home Builders, most prospective homebuyers rated energy-efficient features, such as efficient windows (83%) and above-code insulation (72%), as essential or desirable. Moreover, incentives for energy efficient upgrades enjoy similarly broad support: According to a 2025 Consumer Reports survey, over 80% of Americans in favor of government rebates or tax incentives to pay for improvements to the energy efficiency of their homes. Accordingly, programs supporting energy efficient upgrades have historically enjoyed broad bipartisan support in Congress. With energy costs top of mind, voluntary energy efficiency programs like the Home Energy Rebate Programs and the Weatherization Assistance Program enjoy continued bipartisan support in both Congress and at the Department of Energy (DOE).

As energy affordability rises to the forefront, lawmakers in Congress on both sides of the aisle and officials at the DOE have turned to energy efficiency as a core solution to bringing down energy costs:

- In August 2026, DOE released updated guidance for the $150M TREC program, giving states a path forward to launch programs and new flexibility to address EE workforce needs. As of November 2026, 13 states have launched TREC programs with grant funding from the DOE.
- In June 2026, the Trump Administration and the DOE released updated guidance for the Home Energy Rebate Programs to align programs with Administration priorities, providing states with a pathway to launch programs. In the months following this release, states like West Virginia and Rhode Island rolled out new rebate programs—providing a boost to local EE workforces while also giving Americans more options to heat and cool their homes. As of November 2026, 14 states have launched Home Energy Rebate programs, with many more on the way.
- In April 2026, Rep. Brian Fitzpatrick (R-PA-1) introduced legislation with Mike Lawler (R-NY-17), Max Miller (R-OH-7), and Mike Carey (R-OH-15) to restore the

45L New Energy Efficient Home credit and the 179D Energy Efficient Commercial Buildings Deduction.

- In January 2026, Congress overwhelmingly passed increased funding for the DOE Residential Buildings Integration Program and the Weatherization Assistance Program in bipartisan annual appropriations legislation (H.R. 6938).
- In 2025, a bipartisan, bicameral group of legislators introduced legislation to reauthorize the Weatherization Assistance Program through 2030. In December 2025, the House Energy & Commerce Committee advanced this reauthorization legislation out of Committee in a unanimous 50-0 vote.

As more states launch Home Energy Rebate and TREC programs, this funding will support jobs across the energy efficiency supply chain, including manufacturers, distributors, installers, and contractors. Per the 2026 *Energy Efficiency Jobs in America* report, 74% of energy efficiency employers reported difficulty finding qualified workers in 2025. By providing states with a pathway to launch TREC programs, DOE has made it easier for states to support contractors to train their employees, build skills within their existing workforce, and install critical energy efficiency upgrades.



Despite this support, other federal investments in energy efficiency have been rolled back.



The One Big Beautiful Bill Act (OBBBA, H.R. 1), which passed in July 2025, terminated several key energy efficiency incentives—all originally bipartisan and expanded as part of the Inflation Reduction Act investment—including:

- The 25C Energy Efficient Home Improvement Tax Credit (terminated in December 2025), which allowed homeowners to claim a 30% credit on home upgrades like insulation and efficient HVAC and water heating systems.
    - The 25C credit was a particularly important tool for home retrofit businesses. Contractors routinely advertised 25C to boost sales, helping small businesses grow while saving families an average of $882 per tax return across all 50 states and lowering family energy bills by an average of $130 in the first year.
- The 45L New Energy Efficient Home Credit (terminated in July 2026), which provided eligible contractors with a credit for new or substantially reconstructed homes that met efficiency requirements.
- The 179D Energy Efficient Commercial Buildings Deduction (terminated in July 2026), which provided tax deductions for installing eligible energy-efficient upgrades in commercial buildings.
- Rescission of unobligated funding for the TREC state grants, which provides funding to train and educate contractors involved in the installation of home energy efficiency and electrification improvements.

The abrupt elimination of key energy efficiency tax credits, compounded by market volatility, has removed a critical tool to address increased costs, while also creating real uncertainty for businesses and homeowners alike.

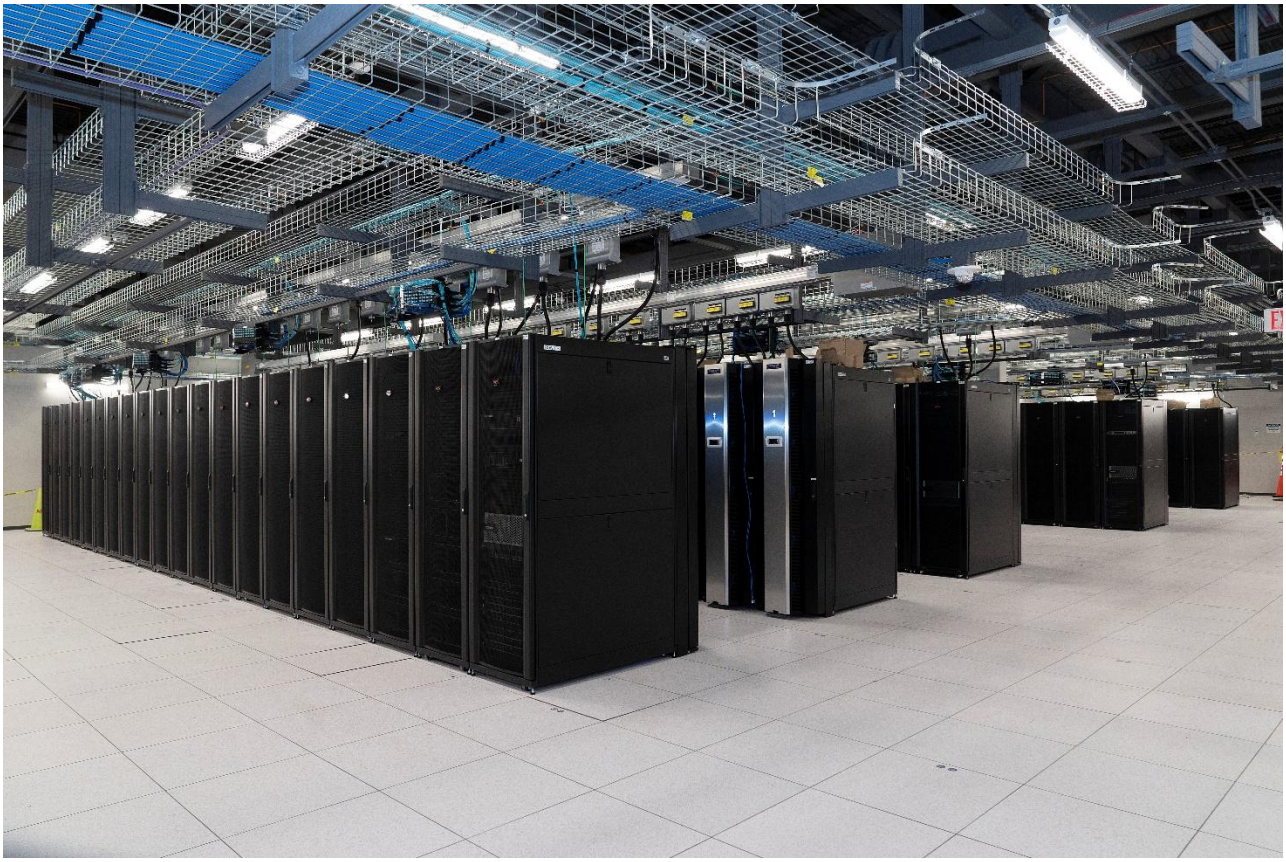
Although the termination of the 25C Energy Efficient Home Improvement tax credit took effect in January 2026 (after 2026 USEER survey data collection concluded), the energy efficiency industry still encountered destabilizing impacts from its elimination in 2025. These incentives were slated to remain in effect through 2032, and their sudden elimination reaffirms the importance of durable bipartisan energy efficiency policy to ensure optimal market conditions.

The sudden elimination of energy efficiency tax credits creates real uncertainty for businesses and homeowners alike. These rollbacks underscore the need for consistent, long-term bipartisan federal support for energy efficiency.

SMART POLICY FOR GRID DEMANDS

Nationwide deployment of data centers and increased reliance on electrification are expected to increase electricity demand by ~15-20% in the next decade. More than ever, consistent federal support for energy efficiency is needed to prevent rising energy demand from further impacting consumers. Strong federal support for home and building energy efficiency programs and policies can help offset this demand and lower energy costs while simultaneously supporting local jobs. Home efficiency upgrades, paired with devices like smart thermostats and water heaters, can unlock significant reductions in peak demand that can allow utilities to connect new data centers to the grid without raising costs for ratepayers.

In 2024, data centers accounted for 4.7% of total U.S. electricity consumption, enough to power more than 16 million homes per year. By 2030, data centers will account for almost half of electricity demand growth, and are set to consume more electricity than the production of aluminum, steel, cement, chemicals, and all other energy-intensive goods combined.



POLICY RECOMMENDATIONS

The following policy recommendations are aimed at deploying energy efficiency and driving energy affordability.



Maintain and ensure robust funding for proven bipartisan federal EE programs.

The following offices and programs within the federal government are vital to addressing the challenge of energy affordability for American families. As a result, BPA strongly supports increasing federal funding for these crucial programs to ensure the building performance industry can grow, thrive, and drive energy affordability.

Programs include:

- DOE Building Technologies Office, which collaborates with the home performance industry to develop tools and solutions to improve the EE of new and existing homes.
- DOE State Energy Program, which provides funding and technical assistance to states to enhance energy security and advance state-led energy initiatives.
- DOE Weatherization Assistance Program, which provides whole-home energy efficiency upgrades to low-income Americans, including the Weatherization Readiness Fund, which helps more households qualify for weatherization services.
- ENERGY STAR, which helps consumers make smart energy choices.
- HHS Low Income Home Energy Assistance Program (LIHEAP), which provides utility bill assistance to low-income Americans.

Ensure effective implementation of new and existing EE programs.

The following programs help reduce energy costs at home for American families. As a result, BPA strongly supports the expansion and effective implementation of key programs aimed at supporting EE.

This includes:

- Voluntary residential rebate programs administered by State Energy Offices to drive energy affordability and job creation include the Home Owner Managing Energy Savings (HOMES) Rebates program and the High-Efficiency Electric Home Rebate (HEEHR) program. HOMES and HEEHR provide Americans with more affordable options to heat and cool their homes, saving them money on utility bills and reducing energy waste.
- State TREC programs to expand the energy efficiency workforce (obligated funding only).

- Energy Auditor Training grant program for states to train individuals to conduct energy audits or conduct surveys of commercial and residential buildings.
- Energy Efficiency Revolving Loan Fund Capitalization Grant Program for states to establish revolving loan funds in support of loans and grants for energy efficiency audits, upgrades, and retrofits to increase building efficiency.
- Energy Efficiency and Conservation Block Grants for state, local, and tribal governments to create and manage a wide variety of EE projects.

Support policy initiatives that further advance EE nationwide.

Energy efficiency is broadly supported by the American public, it helps lower energy costs, and supports vital jobs that cannot be outsourced. BPA strongly supports the adoption of additional policy initiatives to support EE.

This includes:

- Programs focused on resilience, energy efficiency, and air quality in public buildings.
- Energy audits, technical assistance, and financing options for large manufacturers.
- Healthy homes programs to address barriers to comprehensive energy upgrades and ensure more habitable and comfortable living conditions, especially in low-income communities.
- Reinstating the 25C Energy Efficient Home Improvement Tax Credit to ensure Americans have access to affordable, efficient energy upgrade options to keep their homes comfortable.



Advance and prioritize workforce development in federal EE programs.

Energy efficiency jobs are vital components of the U.S. energy industry that cannot be offshored to other countries. BPA believes it is vital to support these jobs through strengthening policy that supports workforce development.

This includes:

- Strengthening workforce development and apprenticeship programs for the energy efficiency sector.
- Creating workforce grant programs to help organizations and small businesses hire and train new energy efficiency employees.
- Increasing grants and financing to deploy more efficiency projects in underserved communities that often carry greater energy burdens while developing career opportunities for local workers.

OPPORTUNITIES TO SUPPORT JOBS ON THE HOMEFRONT

State and local leaders can drive continued growth in EE jobs by:

- Supporting building energy codes and standards to ensure Americans live and work in safe, comfortable, and affordable homes.
- Adopting high efficiency and indoor air quality standards for new construction and existing buildings.
- Adopting energy benchmarking and reporting requirements for existing buildings.
- Developing workforce initiatives by partnering with trade schools to stand up apprenticeship programs, upskill existing workers, and provide support to small businesses.
- Incorporating broader use of performance contracting in public buildings.
- Advancing innovative energy efficiency financing, including bridge loans to contractors participating in residential rebate programs, green bank programs, and commercial property assessed clean energy (PACE) programs.
- Using the National Standard Practice Manual to update cost effectiveness testing and aligning utility incentives with investments in efficiency.
- Investing in advanced infrastructure to enable interval meter data and to boost grid reliability.
- Promoting utility data sharing to allow consumers to access and share their utility data with third parties, including energy efficiency contractors.
- Launching statewide outreach and community-based campaigns designed to build awareness of EE careers.
- Working to accelerate the deployment of energy efficient upgrades incentivized by rebates through the HOMES and HEEHR programs.
- Providing financial incentives for participation in demand response programs and investment in energy efficient products and services.

BUILDING PERFORMANCE ASSOCIATION

About BPA

The Building Performance Association (BPA) is a nonprofit industry association that serves as the hub for businesses, nonprofits, and government agencies working to make America's homes more energy-efficient, comfortable, healthy, and safe. Visit www.building-performance.org.