



1620 Eye Street, NW
Suite 501
Washington, DC 20006

Tel. 202-554-5828
Fax 202-785-0514

October 26, 2017

President Donald Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Trump:

We write today to strongly encourage your Administration to establish a bold new goal that challenges federal agencies to achieve \$10 billion in Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs) over the next five years. This important initiative would be budget neutral and deliver long-term cost savings, up to \$25 billion, to the American taxpayers. Most importantly, it would create up to 100,000 jobs, including 35,000 equipment manufacturing jobs and 40,000 local subcontractor and installer jobs.

ESPCs and UESCs, known collectively as *performance contracts*, enable federal agencies to procure energy savings and facility infrastructure improvements with no up-front capital costs or appropriations. Financed and implemented by the private sector, performance contracts reduce energy and operating costs, address maintenance backlogs, and repair or replace aged and failing equipment in federal buildings, while at the same time boosting jobs and our economy. Performance contracts are based on guaranteed private sector performance and the government pays for the project over time, with actual savings generated by the infrastructure upgrades. If the promised savings are not achieved, the government does not pay.

To date, performance contracting projects have reduced government waste and have cut federal utility bills by more than \$12 billion. We see tremendous potential for the Trump Administration to expand upon this success. In fact, the framework is in place for the Departments of Defense and Veterans Affairs, which represent 70% of federal energy spending, to immediately leverage billions of dollars of private sector funding to update facilities—redirecting the energy savings into the core missions of supporting our military and veterans. In September, while speaking at the Air Force Association National Convention, Defense Secretary Jim Mattis called for closer ties with industry and encouraged the business community to work with the military to develop innovative defense solutions across the board. This new initiative would do just that.

While ESPCs and UESCs are authorized by law, their use by federal agencies is primarily driven by presidential leadership and White House level management. Nothing drives agency performance better than the understanding that results are being reported to the top of the chain of command. Efforts by previous administrations, while falling short of \$10 billion, have put the institutional framework in place to effectively support a more aggressive approach by your

Administration. Quite simply, no administration has ever been better positioned to embark on such an aggressive but attainable \$10 billion performance contracting goal.

Mr. President, this is a critically important initiative, one with widespread bipartisan support and one that can be achieved. Our companies stand ready to work with you to support your leadership in setting a \$10 billion goal, and to follow through in working with your Administration to achieve it. Should you or your staff have any questions, please contact Jennifer Schafer, Executive Director of the Federal Performance Contracting Coalition (jasca@cascadeassociates.net).

Sincerely,



George P. Sakellaris
President and Chief Executive Officer
Ameresco



Steve Morriss
President, Design and Consulting Services,
Americas
AECOM



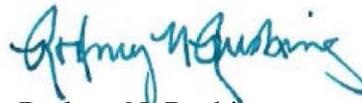
Bryon Krug
President
CEG Solutions



Mark P. Huston
President, Retail
Constellation



Gary S. Michel
President and CEO
Honeywell Home and Building Technologies



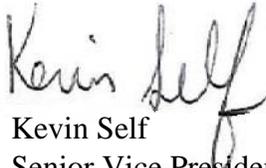
Rodney N. Rushing
President, Building Solutions, NA
Johnson Controls, Inc.



Frank Armijo
Vice President
Lockheed Martin Energy



Neil Petchers
President and Chief Executive Officer
NORESO



Kevin Self
Senior Vice President Strategy, Business
Development & Government Relations
Schneider Electric



Barbara Humpton
President & CEO
Siemens Government Technologies



Anthony Roner
Vice President
Southland Energy



Donny Simmons
President
Trane Commercial HVAC NA & EMEA



Carl L. Chapman
Chairman, President and CEO
Vectren Corporation

cc: Mike Pence, Vice President

Mick Mulvaney, Director, Office of Management and Budget

Rick Perry, Secretary, Department of Energy

James Mattis, Secretary, Department of Defense

Mike Catanzaro, Energy Advisor to the President

Mary Neumayr, Chief of Staff, Council on Environmental Quality