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January 15, 2016

The Honorable Lisa Murkowski
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

Dear Chairman Murkowski and Senator Cantwell:

The Federal Performance Contracting Coalition (FPCC) is a coalition of energy service companies that are approved to deliver energy efficiency to the Federal government through Energy Savings Performance Contracting (ESPCs). As such, we write to thank you for your hard work to ensure Committee passage of the bipartisan Energy Policy Modernization Act. We are very pleased that the bipartisan legislation includes several sections that are important to the FPCC and our members because of their positive impact on Federal energy efficiency.

The energy efficiency title of the Energy Policy Modernization Act addresses several aspects of Federal ESPCs and will facilitate more use of these contracting vehicles to save the government money and energy. As you know, accomplishing energy efficiency through EPSCs provides the government with several advantages. First, there are no upfront costs to the government with the contractor instead being paid back over time. Second, and unique to ESPCs, is the fact that the energy savings are guaranteed and therefore pose no risk to the government customer. In fact, ESPCs are paid back through energy savings alone, and according to government audit, have returned 192% of guaranteed savings.

We are particularly enthusiastic about inclusion of S.858, sponsored by Senators Gardner and Coons (now Section 1006). This section modifies the ESPC authorizing statute, which has not been updated in several years, leading to confusion at Federal agencies. The provisions will be very helpful in reducing energy use in Federal buildings while using private sector expertise and funding.

We are also very excited that the Energy Policy modernization Act includes Section 1017 to extend the energy intensity reduction goals of the Federal government for 10 years at 2.5% per year. This is an aggressive yet achievable goal and we are hopeful that much of the efficiency upgrades for compliance will use ESPCs and utility energy service contracts.

The FPCC also supports Sections 1009 and 1011 which address energy efficiency in federal information technology and data centers, both areas where ESPCs can accomplish the goals of increasing efficiency in these critical areas.



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Finally, we support Section 1015, which eliminate the Fossil Fuel Reduction Rule from EISA 2007 section 433. We have been concerned that the Section 433 language is explicit as applying to retrofit of existing buildings and therefore would impact the use of ESPCs. We recognize that the Administration has tried hard to exempt these retrofits but remain wary of the legality of such exemptions.

Again, thank you both, and thanks to your hard working staff for the energy efficiency title of the Energy Policy and Modernization Act (S.2012). We will continue to work for its passage in the Senate, a successful conference with the House and eventual signature by the President.

Sincerely,

Jennifer Schafer
Executive Director
Federal Performance Contracting Coalition

The FPCC consists of the following companies: Ameresco, Constellation Energy, Energy Systems Group, Honeywell, Johnson Controls, Lockheed Martin, Noresco, Pepco Energy Services, Schneider Electric, Siemens Government Technologies and Trane/Ingersoll Rand.

Cc: Majority Leader McConnell
Minority Leader Reid