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March 18, 2026

The Honorable John Kennedy  
Chairman  
Subcommittee on Energy and Water  
Development  
Senate Committee on Appropriations  
142 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Patty Murray  
Ranking Member  
Subcommittee on Energy and Water  
Development  
Senate Committee on Appropriations  
142 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Chuck Fleischmann  
Chairman  
Subcommittee on Energy and Water  
Development, and Related Agencies  
House Committee on Appropriations  
2362-B Rayburn House Office Building  
Washington, DC 20515

The Honorable Marcy Kaptur  
Ranking Member  
Subcommittee on Energy and Water  
Development, and Related Agencies  
House Committee on Appropriations  
1036 Longworth House Office Building  
Washington, DC 20515

Chairs Kennedy and Fleischmann and Ranking Members Murray and Kaptur:

As you begin deliberations on the essential programs to be funded in the FY27 appropriations bills, we write to you on behalf of the Federal Performance Contracting Coalition ([FPCC](#)). The FPCC is a group of energy service companies (ESCOs) advocating for increased federal use of energy savings performance contracts ([ESPCs](#)), which is an innovative financing method created by Congress that utilizes private sector resources and capabilities to complete federal energy projects.

**We respectfully request \$60,000,000 for the Department of Energy's (DOE) Federal Energy Management Program (FEMP), including not less than \$20,000,000 for the Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) program.**

DOE's FEMP supports all federal agencies in their quest to save energy and money for the American taxpayer while significantly reducing emissions, improving infrastructure, and addressing deferred maintenance. One way in which FEMP facilitates this work is through its support of performance contracting throughout the federal government.

FEMP plays a crucial role in administering ESPCs and serves as a trainer, facilitator, and subject matter expert for federal agencies wishing to address energy-related facility infrastructure. These partnerships allow federal agencies to address critical maintenance backlogs and infrastructure needs with no added expenditures by the Federal government. FEMP has facilitated over \$19.3 billion in guaranteed energy savings, driven \$8.9 billion in infrastructure investments, and created 63,000 job-years, all while helping federal agencies reduce waste, cut costs, and enhance energy resilience. Additionally, every programmatic dollar provided to FEMP for core activities leverages between \$28-\$55 in private investment for federal infrastructure, with no added cost to the government.

For the past several years, FEMP has provided appropriated dollars to leverage performance contracting through the Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) grant program. Since its inception, the AFFECT grant program has leveraged \$290 million in congressional funding to attract \$3.8 billion in private investment, saving the government more than \$137 million

annually in energy costs. Dedicated funding for the AFFECT grant program within FEMP will allow for future opportunities for federal agencies to leverage this funding with ESPCs. While ESPCs are typically completed without the outlay of additional appropriations, AFFECT grant funding can facilitate the addition of value-added project components that do not generate direct energy or water savings. These components help ensure that projects are comprehensive, forward-looking, and often serve critical energy and resilience purposes (ex., battery backups, cybersecurity infrastructure).

ESPCs would specifically address the nearly [\\$8.2 billion](#) in cost-effective energy-related backlog maintenance and energy conservation measures (ECMs) that have already identified in Congressionally mandated audits of federal facilities ([EISA 2007, Section 432](#)). Statutorily, 50% of the ECMs identified since December 27, 2020, need to be implemented via performance contracting within two years after an evaluation is completed [per Energy Act of 2020 requirements](#). Full execution of these audit-identified projects could generate \$808 million in annual utility bill savings.

The members of the Federal Performance Contracting Coalition (**Ameresco, CEG Solutions, Constellation, Energy Systems Group, NORESO, Schneider Electric, Southland Industries, and Trane**) know firsthand how impactful energy performance contracts are in saving energy costs, taxpayer money, and creating jobs in every state in the country. Investing in FEMP and the AFFECT program is a fiscally responsible, results-driven strategy that strengthens federal infrastructure, generates ROI for taxpayers, reduces costs, and enhances national energy security. Sustained and increased funding is essential to unlocking billions in savings, reducing waste, and addressing the federal maintenance backlog. Thank you for considering our request.

Sincerely,



[Jennifer Schafer](#)

Executive Director

Federal Performance Contracting Coalition (FPCC)