

September 1, 2021

The Honorable Frank Pallone, Jr.
Chairman
Committee on Energy and Commerce
2107 Rayburn House Office Building
Washington, DC, 20515-3006

Dear Chairman Pallone,

I am writing to urge you to support requests that leverage our limited public funding for mission-critical facility renewal through public-private partnerships. The undersigned believe it is critical that the Committee address the need to make federal funds available to ensure resilience improvements to mission-critical facilities and support private financing (through energy services performance contracts) of cost-effective energy efficiency, renewable energy, and other emissions reduction investments.

This approach is the foundation of H.R. 1485 and S. 531, "The Open Back Better Act of 2021", introduced by Representative Blunt- Rochester and Senator Tina Smith. The main provisions of H.R. 1485 are incorporated in the Committee's CLEAN Future Act and the LIFT America Act. They do not require new authority and rather rely on existing programs for the proposed expenditures. Leveraged funding would largely flow to state and local government facilities through the State Energy Program (42 U.S.C. 6321) with a smaller portion through the Federal Energy Management Program (8253(b)(1) for federal projects including military and other federal facilities. These programs have delivered billions of dollars of upgrades when funded with previous appropriations over the past two decades.

The need for public facility renewal is well documented. Our hospitals, schools, military campuses, airports, and municipal buildings have an estimated maintenance backlog of more than \$1 trillion and the need to get more for the Federal dollar is paramount. In addition, the COVID-19 crisis, the increasingly obvious vulnerability to cyberattacks, and the fires, floods, storms, and wildfires we are experiencing demonstrate why modernized facilities are needed to ensure public safety and the uninterrupted delivery of critical public services. We know that the federal government can't fund all the necessary upgrades, but we can address a significant amount of backlog if we leverage federal dollars with private-sector investment, while also targeting 40% of relevant funds to projects in environmental justice communities or low-income communities as envisioned in H.R. 1485.

H.R. 1485, CLEAN and LIFT propose federal appropriations of \$22 billion over five years to retrofit these facilities, which will leverage an estimated private investment of \$88 billion to deliver a total of \$110 billion in mission-critical facility renewal projects.

The concept is simple: combine limited federal appropriations for resilience measures with aggressive waste reduction to fund comprehensive renewal projects. Federal appropriations will pay for resiliency and flexibility measures in each project, such as making windows storm resistant, re-positioning roof-mounted HVAC equipment to shield them from hurricanes, and ensuring that public buildings have upgraded communications, information and power systems that enable them to bounce back quickly to serve their communities. Private investments (at historically low interest rates) will finance most of the

projects and be repaid over time by re-purposing the money currently spent on wasted energy and the maintenance of obsolete equipment.

This approach, utilizing public-private partnerships that guarantee savings -- Energy Savings Performance Contracts (ESPCs), Utility Energy Savings Contracts (UESCs), and performance-based service contracts – has been used for three decades to implement thousands of projects in federal, state, and local government facilities.

Thank you for your consideration, and please don't hesitate to contact Tim Unruh at NAESCO (Timothy.Unruh@naesco.org), David Terry at NASEO (dterry@naseo.org), Vincent Barnes at the Alliance to Save Energy (vbarnes@ase.org), or Jennifer Schafer (jasca@cascadeassociates.net) at the Federal Performance Contracting Coalition with any questions or for more information.

Sincerely,

Alliance to Save Energy
National Association of Energy Service Companies (NAESCO)
National Association of State Energy Officials (NASEO)
Federal Performance Contracting Coalition (FPCC)
U.S. Green Buildings Council
ABM
Acuity Brands Inc.
Ameresco
Association of Energy Engineers
Business Council for Sustainable Energy (BCSE)
Carrier Corporation
Covestro LLC
Institute for Market Transformation (IMT)
International Copper Association
Johnson Controls
Knauf Insulation
Metrus Energy
Natural Resources Defense Council (NRDC)
Noresco
Puget Sound Energy
Schneider Electric
Siemens
SiteLogIQ
Sacramento Municipal Utility District (SMUD)

The Honorable Frank Pallone, Jr.
September 1, 2021
Page 3

Southland Industries
Trane Technologies
U.S. Green Buildings Council

Cc: Ranking Member Cathy McMorris Rogers, House Energy and Commerce Committee
Members of the Energy and Commerce Committee
Chairwoman Marci Kaptur, House Committee on Appropriations, Energy and Water Subcommittee
Ranking Member Michael K. Simpson, House Committee on Appropriations, Energy and Water Subcommittee