

August 19, 2016

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

The Honorable Fred Upton
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

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

The Honorable Frank Pallone
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Murkowski and Upton and Ranking Members Cantwell and Pallone:

We, the undersigned businesses, advocacy organizations and trade associations write to express our strong support for the policies included in the Energy Policy Modernization Act of 2015 (S. 2012) and the North American Energy Security and Infrastructure Act (H.R. 8) that would promote energy efficiency in the nation's Federal buildings and facilities.

As is clear from both bills, there is broad bipartisan support for efforts to make the federal government more energy efficient in its own operations. We are broadly supportive of all of them and have attached a side-by-side chart of all the federal energy-related provisions for your information. More specifically, we wanted to refer to several priorities.

First, both H.R. 8 and S. 2012 include provisions that would extend the energy intensity reduction goals of the federal government, which have acted as a driver for energy efficiency in our existing federal building stock since first initiated as an Executive Order under President George W. Bush. H.R. 8 would extend these goals for two years at an aggressive 3%; however, we prefer the slightly less aggressive yet longer term (10 year) Senate language in section 1017 of S. 2012. This would drive greater overall energy efficiency.

We also support efforts to extend federal building energy codes for new buildings to alterations and additions and to extend the Federal requirement for 30% better than code to major renovations, which would be applied when a building undergoes replacement or restoration of all systems and modification of envelope elements. These provisions, which are in both Section 3117 of H.R. 8 and Section 1016 of S. 2012, would ensure that our nation's buildings continue to lead by example. Both of the above mentioned provisions were included as replacement for a requirement to eliminate fossil fuel use in federal buildings by 2030, the repeal of which was included in both bills. We support this package and note that energy efficiency remains fuel neutral; therefore any effort to become more efficient will also reduce emissions.

We also strongly support section 1006 of S. 2012, which would make updates and clarifications to the Energy Savings Performance Contracting (ESPC) statute. These provisions were also in H.R.8 but were removed because of outdated budgetary scoring rules that have since been addressed by the House Budget Committee. As you may know, ESPCs are being used to achieve efficiency and cost reduction in federal

buildings using private sector funding and expertise and being paid for from energy savings; yet the statute governing the federal government's use of these contracts has not been updated for several years. These bills would clarify an EISA 432 provision ensuring that agencies act on cost effective energy audits, will allow ESPCs for Federal data centers, clarify permissibility of operations and maintenance savings, and of plug load savings.

Other provisions we support that drive energy efficiency in federal building stock include:

- The Federal Smart Buildings Act in section 1014 of S. 2012 that would demonstrate smart building technologies in federal buildings;
- Demonstrating ESPCs in U.S. Housing and Urban Development (HUD) public housing (Section 1002 of S.2012);
- Allowing a 25 year term for utility energy service contracts (UESCs) that provide measured, verified and either guaranteed or assured energy savings (Section 1005 of S.2012);
- The Energy Efficient and Energy Savings Information Technologies Act (Section 3111 of H.R. 8 and Section 1009 of S. 2012);
- Energy Efficient Data Centers (Section 3112 of H.R. 8 and Section 1011 of S.2012); and,
- Allowing the General Services Administration (GSA) to update efficiency if a new building is substantially designed but not yet built (Section 1010 of S. 2012);

Thank you for your service as a conferee and for your continued support for ensuring the federal government become more efficient and save taxpayer dollars. We refer you to the attached side-by-side for additional information.

Sincerely,

Alliance for Industrial Efficiency
Alliance to Save Energy
Ameresco
American Council for an Energy-Efficient Economy
Danfoss
Federal Performance Contracting Coalition
CEG Solutions
Honeywell
Ingersoll Rand
Institute for Market Transformation
Johnson Controls
National Association of Energy Service Companies
National Association of Manufacturers
National Association for State Community Services Programs
National Association of State Energy Officials
Schneider Electric
The Stella Group, Ltd.
United Technologies
U.S. Chamber of Commerce

cc: Senators John Barrasso, Jim Risch, John Cornyn, Ron Wyden, and Bernie Sanders

Representatives Rob Bishop, Joe Barton, Ed Whitfield, John Shimkus, Robert Latta, Cathy McMorris Rodgers, Pete Olson, David Mickinley, Mike Pompeo, Morgan Griffith, Bill Johnson, Bill Flores, Markwayne Mullin, Don Young, Cynthia Lummis, Jeff Denham, Bruce Westerman, Lamar Smith, Randy Weber, Mike Conaway, Glenn Thompson, Raul Grijalva, Crescent Hardy, Lee Zeldin, Collin Peterson, Eddie Bernice Johnson, Peter DeFazio, Bobby Rush, Lois Capps, Doris Matsui, John Sarbanes, Peter Welch, Ben Ray Luján, Paul Tonko, Jared Huffman, and Debbie Dingell