

September 7, 2021

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

Dear Chairman Manchin,

We are 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 S. 531 and H.R. 1485, "The Open Back Better Act of 2021", introduced by Senator Tina Smith and Representative Blunt-Rochester. The provisions of S. 531 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 (42 U.S.C. 8253(b)(1)) for federal projects including military and other federal facilities. These programs have delivered billions of dollars of upgrades 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 S. 531.

S. 531, which was incorporated in infrastructure legislation in the House proposes federal appropriations of \$22 billion over five years to retrofit these facilities, which will leverage an estimated private investment of approximately \$90 billion to deliver a total of over \$100 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
Abraxas Energy Consulting, LLC
Acuity Brands Inc.
Aeroseal LLC
Ameresco
Association of Energy Engineers
Atlantic Energy Concepts Inc.
BERT
Blue Energy Group
Bostonia Partners LLC
Business Council for Sustainable Energy (BCSE)
CM3 Building Solutions, Inc.
CTI Energy Services LLC
CAM Technologies, Inc.
Carrier Corporation
CEG Solutions LLC
Constellation
Centrica Business Solutions Services
Climatec Energy Services
CMTA Energy Solutions
Con Edison, Clean Energy Businesses, Inc.
Covestro LLC
ECM Holding Group, Inc.
ECO Engineering
Eiko, Global LLC
Energy Solutions Professionals, LLC
ENGIE Services

Entegriety
Esen Technology
enVerid Systems
Envocore
Facility Solutions Group
Flushmate
Global Recruiters of DFW North
GRP - Wegman Company
Hannon Armstrong
Institute for Market Transformation (IMT)
International Copper Association
Johnson Controls
Knauf Insulation
KYOTHERM Inc
Legend Power Systems
Light Efficient Design
MaxLite
McClure Company
McKinstry Company
McWong International Inc.
Metco Engineering, Inc.
Metrus Energy
National Resource Management, Inc.
Natural Resources Defense Council (NRDC)
Navitas
Nenni and Associates
NGS
Noresco
NV5 Energy Efficiency Services
Orion Energy Systems, Inc.
Patriot LED
Perfection Group, Inc.
PowerSecure
Powersmiths Corporation
Puget Sound Energy
Sacramento Municipal Utility District (SMUD)
Schneider Electric
Siemens
Signify
SiteLogIQ
Southland Industries
Stark EScO
Steam Management, Inc.
StreamLinx, LLC
Synergy Investment, Inc.
The Efficiency Network, Inc.
TLC Engineering

Trane Technologies
Universal Lighting Technologies
U.S. Green Buildings Council
Veregy
Walters Wholesale Electric
Wendel Energy Services
Willdan Energy Services
2G Energy Inc.
2KB Energy Services
75F, Inc.

Cc: Majority Leader Chuck Schumer

Ranking Member John Barrasso, Ranking Member of the Energy and Natural Resources Committee

Members of the Energy and Natural Resources Committee

Chairwoman Diane Feinstein, Senate Committee on Appropriations, Energy and Water Subcommittee

Ranking Member Lisa Murkowski, Senate Committee on Appropriations, Energy and Water Subcommittee