Headline

**FPCC Supports Historic Announcement of $250M in AFFECT Grant Funding From Bipartisan Infrastructure Law – Potential to Leverage Billions in Performance Contracting Project Investment**

Body

**Washington D.C. – The Federal Performance Contracting Coalition (FPCC), a group of Energy Service Companies (ESCOs) advocating for increased Federal use of Energy Savings Performance Contracts (ESPCs) by the Federal government, released the following statement in response to the U.S. Department of Energy (DOE) Federal Energy Management Program's (FEMP) announcement of $250 million in Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) funding from the Bipartisan Infrastructure Law (BIL). The grants will help Federal agencies implement energy and water-saving technologies, meet Federal mandates, and save taxpayers money by leveraging these funds to initiate and support performance contracting projects.**

Jennifer Schafer, Executive Director of the FPCC, provided the following statement: "The FPCC commends FEMP for announcing the multi-phase funding opportunity for Federal agencies to receive AFFECT grants. These grants will bolster compliance with statutory requirements in the bipartisan Energy Act of 2020 and help meet the Administration's net-zero buildings portfolio goals (Executive Order 14057). We appreciate the forward-looking structure of this program, which emphasizes the need to rebuild the existing pipeline of performance contracting projects by providing dedicated funding for planning and new project opportunity development. We have experienced a lack of initiation, execution, and investment in new performance contracting projects by Federal agencies in recent years. We hope this funding will correct this negative trend, which burdens taxpayers who foot the bill for inefficient and carbon intensive Federal facilities."

"When leveraged through performance contracts in partnership with private industry, AFFECT grant funding has historically provided agencies with tools that address resiliency, backlog maintenance, critical upgrades, cybersecurity, and other infrastructure needs at Federal sites such as military bases, VA hospitals, and GSA buildings. As the single largest U.S. energy consumer with over 360,000 buildings and structures comprising 3 billion square feet, the Federal government has a significant opportunity and responsibility to lead by example by demonstrating and deploying energy and water conservation best practices and technology solutions."

"We see this funding opportunity as the most significant tool to accelerate Federal agency action towards meeting agency resiliency needs, as well as the challenges put forth by the Biden-Harris Administration in its Climate Smart Buildings Initiative (CSBI), which is expected to:

- Achieve up to 2.8 million metric tons of greenhouse gas (GHG) reductions annually by 2030.

- Generate $8 billion of private sector investment by 2030 to modernize facilities through performance contracts.
- Create and support nearly 80,000 jobs.

“We expect a substantial return on investment for U.S. taxpayers through this $250 million AFFECT grant opportunity, which, if appropriately implemented, could generate upwards of $1.5 billion of public-private investment in our Federal facilities. The total private investment these grants could catalyze is immense relative to the outlay for the program and, frankly, atypical in terms of typical government spending.”

“The Federal performance contracting industry stands ready to support our Federal agency partners in maximizing the value and impact of the BIL AFFECT grants through innovative net-zero projects at their installations and facilities. We anticipate that AFFECT grants will continue to provide “value-added” additions to these projects, allowing for greater impact in terms of energy cost savings, GHG mitigation, project replicability, and enhanced climate change adaptation and resilience. We strongly encourage agencies to pursue the awards geared towards generating new project opportunities, and the industry is well-positioned to expeditiously deliver solutions and implement projects for our Federal partners.”

ESPCs and Utility Energy Service Contracts (UESCs) are alternative financing methods created by Congress that utilize private sector resources and capabilities to complete Federal energy projects. Under an ESPC, a private company finances and implements an energy savings project for a Federal agency, measures and verifies that the installed measures are working as promised, and guarantees that energy savings will accrue. The private sector is then repaid over time through the savings on the customer’s utility bill. As such, these contracts allow Federal agencies to address critical maintenance backlogs and infrastructure needs with no added expenditures by the Federal government.

*FPCC Members include AECOM, Ameresco, CEG Solutions, Constellation Energy, Energy Systems Group, Honeywell, Johnson Controls, Noresco, Schneider Electric, Siemens Government Technologies, Southland Energy, and Trane*

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