Headline

FPCC Applauds DOE Awards Totaling $104 Million in First Phase of AFFECT Grant Funding from Bipartisan Infrastructure Law

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Washington D.C. – The U.S. Department of Energy (DOE) Federal Energy Management Program (FEMP) announced $104 Million in Phase 1 Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) funding awards from the Bipartisan Infrastructure Law (BIL). The awards will support 31 projects at Federal sites across 18 states, Washington, D.C., and Germany – helping support mission-critical operations at defense and civilian agencies by implementing energy and water-saving technologies, facility modernization, and facility resilience through on-site clean power generation and storage.

According to DOE, the projects will help Federal funding go further by leveraging more than $361 million in private investment through energy performance contracts between the Federal ESCO industry and Federal Agencies. In the first year of operation, the projects are expected to:

- Save taxpayers more than $29 million in costs from federal facility energy and water use;
- Remove the same amount of greenhouse gas emissions from the air as taking 23,042 gasoline-powered vehicles off the roads; and
- Reduce energy usage by the equivalent of 29,662 homes' annual electricity use.

In heralding the announcement, the Federal Performance Contracting Coalition (FPCC), a group of Energy Service Companies (ESCOs) advocating for addressing climate change and energy costs through the increased Federal use of Energy Savings Performance Contracts (ESPCs) by the Federal government, released the following statement:

"The FPCC is thrilled to see these awards issued to support impactful Federal building energy and water conservation and technology deployment projects across the country. We are confident these projects will deliver massive savings to taxpayers and significant climate-related wins by avoiding on-site emissions and energy usage. As the Federal ESCO community, our members are proud to partner with the awardees by bringing private sector expertise and capital to the table to unlock innovative solutions for our Federal partners and ensure that these awards deliver a verifiable return on investment for the American people."

"The forward-looking structure of this program emphasizes the need to rebuild the existing pipeline of performance contracting projects by also 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, and these funds will go a long way toward correcting this negative trend, which burdens taxpayers who foot the bill for inefficient and carbon-intensive Federal facilities."

“These awards will enable agencies to improve 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). 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 strongly adhere to the notion that the cheapest and cleanest energy is the energy we don’t use and applaud that energy efficiency is the foundation of this effort.”

“The total private investment these grants are catalyzing 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 look forward to the roll-out of additional phases in the BIL AFFECT program – in addition to the annual AFFECT program, which has consistently yielded benefits for taxpayers, the environment, and Americans who go to work each day to accomplish a mission and serve our country from Federal buildings and installations.”

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 Systems Group, Honeywell, Johnson Controls, NORESCO, Schneider Electric, Southland Industries, and Trane

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