Headline

FPCC Applauds White House Announcement of the Climate Smart Buildings Initiative

Body

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 White House announcement of a Climate Smart Buildings Initiative for federal agencies.

“The FPCC commends the Biden-Harris Administration for embracing the tool of performance contracting to quickly accomplish emissions reductions from the government’s own buildings and operations. The CBSI puts the use of performance contracting, specifically, Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contracts (UESCs) front and center as agencies aim to implement their Federal Sustainability Plans and reduce emissions from their operations.”

“The Administration clearly recognizes that the energy and water efficiency measures and resiliency efforts embedded in performance contracting are instrumental in achieving the multiple goals of Executive Order 14057. This includes not only the significant emissions reductions from achieving net zero buildings but also the reduction in overall electricity use, making carbon-free electricity achievable in the short term and without sacrificing core agency missions. Beyond the significant environmental benefits, ESPCs provide the federal government with a means of improving their energy-related infrastructure and quality of life for our soldiers, sailors, airmen, and other government employees, while ensuring energy security and resiliency are both achievable and affordable.”

“At the FPCC, we are further encouraged that the White House is working with agencies to ensure that appropriated funding for agencies, whether through the Bipartisan Infrastructure Law, regular order appropriations, or reconciliation, are used in concert with performance contracting to maximize impact. The Biden-Harris Administration has continually supported funds from the government to be used to leverage 10x funding from the private sector and comprehensively address the needs of our nation’s federal facilities. We are thrilled to see a focus on building capabilities within the Federal government for performance contracting and look forward to working with the Administration to ensure sustained Federal capability. Investing in workforce and leveraging federal funding can ensure that we achieve significant electrification and renewable resiliency on our federal facilities, along with further emissions reductions from addressing energy and water demand. Further, the Administration has valued the inclusion of operations and maintenance, as well as replacement costs in performance contracting, which ensures that energy and emissions reductions do indeed accrue to the federal government.”

ESPCs and 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 are AECOM, Ameresco, CEG Solutions, Constellation Energy, Energy Systems Group, Honeywell, Johnson Control, Noresco, Schneider Electric, Siemens, Southland Energy and Trane.

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