Headline

FPCC Welcomes DOE Announcement of FY22 AFFECT Grant Funding to Leverage Performance Contracts

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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 the Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) 2022 Federal Agency Call.

Jennifer Schafer, the Executive Director of the FPCC, provided the following statement: "The FPCC commends FEMP for issuing the FY22 funding opportunity for federal agencies to receive $13 million in AFFECT grants to support facility energy and water efficiency projects. When leveraged through performance contracts in partnership with private industry, this funding will help federal agencies advance their operations' energy efficiency and resilience while simultaneously addressing climate change and supporting the clean energy economy.

"AFFECT grant funding provides agencies with small grants to leverage through performance contracting projects 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 more than 360,000 buildings and structures comprising 3 billion square feet, the federal government has a significant opportunity and responsibility to lead by example through demonstrating and deploying energy and water conservation best practices and technology solutions."

"We see this funding opportunity as a down payment with the potential to accelerate federal agency action towards meeting 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.

AFFECT grants will be instrumental to delivering on the CSBI, which is a critical pillar in achieving the goals of the President's Federal Sustainability Plan and Executive Order 14057, which aims to reduce emissions from Federal buildings by 50% by 2032 and achieve net-zero emissions by 2045."

"The federal performance contracting industry stands ready to support our federal agency partners in maximizing the value and impact of AFFECT grants through innovative 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."

"Performance contracting and the AFFECT grant program exemplify a unique public-private partnership capable of delivering a three-fold win by being cost-effective for taxpayers,

supportive of local economies, and beneficial for the climate. The total private investment these grants catalyze is immense relative to the nominal outlays for the program and, frankly, atypical in terms of typical government spending. We expect this substantial return on investment trend for U.S. taxpayers to continue through this latest round of $13 million in AFFECT grant funding."

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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