For Democratic Affordability Agenda

Gas and Utilities Working Group

The Federal Performance Contracting Coalition (FPCC) is a coalition of energy service companies approved to do work with the Federal government to make their facilities and buildings more energy efficient and resilient while reducing utility costs, eliminating the need for upfront funding, and reducing associated environmental impacts of energy use. FPCC is very focused on "more, better, and faster" energy performance contracts with federal partners. The use of Energy Performance Contracts (EPC and UESC) has fallen off over the last several years as a result of Administration changes and politicization around energy policy

FPCC's Top Priority in an Affordability Agenda

The Federal government should lead by example in reducing energy costs by quickly addressing energy waste in their own buildings and facilities. Using performance contracting to do this will allow agencies to move quickly without needing new funding. Large federal facilities are often among the biggest customers in a region, so EPC-driven efficiency investments reduce demand growth and can defer or avoid future infrastructure spending that would otherwise be recovered from all ratepayers. By reducing the federal government's energy waste footprint, the government leaves more energy for other consumers, thereby helping ratepayers as a whole.

Wasted energy is a primary driver of rising utility costs for American consumers. As a result of the country's expansion of data centers and AI, along with other energy consuming industries, policymakers, media, and others have focused on building more supply. Building out new generation will take several years and we believe that the quickest and most strategic way to address energy shortfalls in the near-term is to reduce the amount of energy we waste. Unfortunately, the demand reduction side of our energy equation has been almost entirely ignored, despite efficiency providing half of our energy "generation" in the last 40 years. That means the U.S. would use twice as much energy today if we had not invested in energy efficiency over the past few decades.

Small and significantly, bipartisan efforts can help the Federal government quickly lead by example.

Recommendations for Congressional Action:

- Reauthorize the Department of Energy's Federal Energy Management Program (FEMP) *[see last reauthorization from 116th Congress, HR. 5650/ S.1857 (SRept. 116-119). Incorporated into the Energy Policy Act of 2020]*

- Funding for FEMP's Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) grant program at $1 billion over five years *(see IIJA Section 40554)*
- Initiate an AFFECT-like fund for the Department of Defense (DOD)
- Mandate the use of DOD's Energy Resilience and Conservation Investment Program (ERCIP) with EPCs *(potential language available by request)*
- Set mandatory energy savings targets for Federal agencies *(see EPAct of 2005, Section 101)* with adequate enforcement and dedicated funding to help complete projects and leverage private financing (including through performance contracting).