

Opening Statement- "Public Private Partnerships for Federal Energy Management
Subcommittee Hearing (December 12, 2018)

Thank you, Mr. Chairman, for holding this markup today examining Public Private Partnerships for Federal Energy Management.

Mr. Chairman, like Members on both sides of the aisle, I fully support the objectives of both the Energy Savings Performance Contracts, or ESPCs, and the Utility Energy Service Contracts, or UESCs.

However, we must also take heed to the warning by both the Government Accounting Office and the Congressional Research Service, that a lack of consistency in reporting across agencies for projects makes it challenging to document the actual savings achieved solely from ESPCs or UESCs.

Mr. Chairman, ESPCs and UESCs allow the federal government, the nation's largest energy consumer, to leverage public/private partnerships in order to improve energy efficiency and save taxpayer money, while also increasing the use of renewable energy in the nearly half a million facilities it maintains and supports.

ESPCs and UESCs consist of contracts between a federal agency and another third party, either an energy service company or a utility, to finance options that employ private sector resources and capabilities in order to facilitate investment in energy efficiency and renewable energy at federal facilities.

Through ESPCs, private contractors finance the upfront costs of efficiency updates, which may include modifications such as transformer upgrades, the installation of high-efficiency lighting, rainwater harvesting equipment, or heating, ventilation, and air conditioning improvements.

The contractor assumes the risks of the energy improvements and certifies that the upgrades will generate savings that cover the initial costs, and the agency pays a yearly amount for a fixed period of time.

Under the ESPC program, the Department of Energy (DOE) has awarded 400 projects, invested \$6 billion in energy improvements, and saved an estimated \$14 billion in cumulative energy costs since 1998.

In regards to UESCs, more than 1,800 projects have been reported with \$3.3 billion leveraged through utility partnerships, since 2000.

Mr. Chairman, EPSCs are headed by the Department of Energy's Federal Energy Management Program, or FEMP, which also provides training, guidance, and technical assistance to help federal agencies achieve their energy and water conservation objectives.

Based on FEMP data, ESPCs funded \$5.7 billion, and UESCs funded \$1.5 billion in energy efficiency improvements, between FY2005 and FY2017 alone.

Mr. Chairman, the data suggests that there has been an overall trend of declining energy and water use, and an increase in renewable energy consumption as a share of overall energy usage due to these programs.

However, I look forward to further engaging each of our witnesses on the implementation of the ESPCs and UESCs, as well as their recommendations on how best to address the lack of consistency in reporting across agencies for these types of projects in order to get a more accurate sense of the direct savings enjoyed from these programs.

Thank you, Mr. Chairman, and with that I yield back the balance of my time...