

# Funding Infrastructure and Saving Energy with ESPCs

When most people think about energy, they may first think about using it to power personal devices. After that, they may think about what is required to light, heat, and operate the buildings in which we live and work.



Senator Coons is the senior Democrat on the Senate Judiciary Subcommittee on Oversight, Agency Action, Federal Rights, and Federal Courts.



Senator Gardner is a member of the Senate Energy & Natural Resources Committee and chairs the Energy Subcommittee.

Buildings represent about 40 percent of the primary energy consumption in the United States, and who owns the most buildings and uses the most energy in the U.S.? The federal government. So, as our country continues to make strides to become more energy efficient and secure, there's no better place to start than the energy-sapping constellation of federal real estate.

As a Democrat and a Republican, we believe that the federal government should be a model of energy efficiency, not the exception to it. To make federal buildings more energy efficient, we've introduced legislation to support energy savings performance contracts (ESPCs), public-private partnerships that allow the federal government to work with the private sector to reduce energy costs, cut back on greenhouse gas emissions, and save taxpayer dollars.

This concept started in 1978 when Congress passed the National Energy Conservation Policy Act, giving federal agencies the authority to enter into shared-energy savings contracts with private-sector service companies. These early ESPCs established a means for the federal government to undertake retrofits through energy-efficiency services, reducing energy intensity and saving money over time at no added cost to the taxpayer.

In 1992, ESPCs were authorized as a pilot program. Since then, more than 300 ESPCs have led to billions of dollars in federal cost savings. They have achieved nearly \$14 billion in energy savings. Federal agencies have reduced their energy intensity by 49 percent since 1975, and the program has resulted in at least 114,000 private sector jobs.

This technical and important approach to energy efficiency has shown itself to be a common-sense way to support local jobs, help the federal government save energy, and allow us to invest in clean energy, energy efficiency, and water conservation projects that are critical to our economic future. We believe this mechanism should be a key pillar of our efforts to create a cleaner energy future, with the federal government leading by example.

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To ensure that ESPCs continue, we spent several years clarifying the budget scoring rules so that ESPCs are not constrained. With that behind us, we have introduced legislation to enhance ESPC activities throughout the federal agencies.

Our legislation can help, but we also need the White House and federal agencies to do their part. President Bush's efforts improved tracking mechanisms, and President Obama set a goal of achieving more than \$4 billion in private sector investment through ESPCs over five years. We believe that the Trump Administration is perfectly positioned to go big with ESPCs by maximizing the cost savings that can be accrued through setting new goals and encouraging new partnerships.

Now is the time for good policy to provide continued incentives to save energy, save money, and create American jobs. ☺

**Senator Chris Coons (D-DE) and  
Senator Cory Gardner (R-CO)**