

## **Energy Service Industry Group Lauds President Obama's Unprecedented Energy Efficiency Investment Commitment**

*\$4 Billion Investment in Energy Upgrades to Public and Private Buildings  
Will Create Jobs and Address Nation's Energy Challenges*

Washington D.C. – The National Association of Energy Service Companies (NAESCO), a national trade association which has been promoting the benefits of the widespread use of energy efficiency for over 25 years, commends President Obama for his recent announcement of nearly \$4 billion in combined federal and private sector investment in energy upgrades to buildings nationwide over the next 2 years. These investments will save billions in energy costs and create tens of thousands of jobs in the hard-hit construction sector.

Additionally, the Presidential Memorandum calls for fully implementing existing federal authority to maximize the utilization of Energy Savings Performance Contracts (ESPCs) in order to accelerate the use of energy efficiency at federal facilities. Under the ESPC program, a comprehensive set of new energy efficient equipment is installed at federal facilities at no up-front cost to the government. The cost of the facility improvements is paid for over time through the reduction in energy costs; the private sector energy service companies (ESCOs) guarantee the energy savings which are used initially to pay off the full cost of the equipment installed.

Terry E. Singer, Executive Director of NAESCO said, "To put the proposed \$ 2 billion investment in energy efficiency improvements at federal facilities in perspective, the successful super ESPC program currently in operation has achieved \$2.4 billion in project investment over the period 1988-2011 according to Federal Energy Management Program data." Ms. Singer noted that \$6.6 billion in cumulative energy savings have been generated by that investment.

NAESCO lauds the President's leadership and encourages Washington policy makers and facility energy program managers to aggressively support making energy efficiency investment through ESPCs a top priority across all civilian agencies and defense facilities. NAESCO joins the President in his recognition of the need for a more robust federal ESPC program to realize the full potential that widespread comprehensive, performance based implementation of energy efficiency technologies and strategies can bring to the nation and the economy.

"Through this commitment to performance contracting, the federal government will be able to save truly substantial amounts of taxpayer dollars at a significantly accelerated pace," said James Dixon, Vice President, ConEdison Energy and Chairman of NAESCO. "In the absence of this mandate, many federal energy and contracting managers would essentially be waiting for appropriations that would be unlikely to come through, given today's fiscal and economic climate. Now, these same managers have a proven tool at their disposal that will empower them to act swiftly and get their energy efficiency upgrades underway."

A study of the energy efficiency opportunities at federal facilities by the Lawrence Berkeley National Laboratory showed that delays of more than one year in obtaining congressional appropriations result in a significant reduction in net benefits to the government relative to an ESPC financed project. “The data overwhelmingly supports the accelerated use of ESPCs at federal facilities to maximize dollar and energy savings” said David Weiss, NAESCO Vice- Chairman and President & COO, Energy Services for Pepco Energy Services.

Mr. Weiss said that “Strong energy efficiency policies like this one will help put Americans back to work immediately retrofitting commercial, institutional and industrial buildings and residences and installing energy and cost savings measures that produce ongoing economic benefits.” NAESCO estimates that every \$1 million of ESPC project value creates about 6 direct jobs in engineering and construction and 4 indirect jobs in equipment manufacturing, professions that have been the hardest hit by the recession. The multiplier effect of the income created by these direct jobs provides another 10-12 induced jobs per \$1 million of project value. The White House estimates that more than 50,000 jobs will be created by this initiative.

NAESCO President Donald Gilligan said that “Creating these jobs requires no new taxes, because the projects are financed by re-directing dollars that are spent on wasted energy to energy efficient technologies that successfully address severe deferred maintenance issues and upgrade an aging federal infrastructure.”

**About NAESCO:** For more than 25 years, the National Association of Energy Service Companies has been the preeminent national trade organization representing and promoting the energy efficiency industry in the marketplace, the media, and the government both at the state and federal level. NAESCO's membership consists of ESCOs, energy efficient and renewable energy equipment manufacturers and distributors, electric utilities, distributed generation companies, engineers, consultants, financial institutions, and government entities. Visit <http://www.naesco.org/> for more information.