September 21, 2018

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction throughout the United States. On behalf of our membership I enthusiastically express support for H.R. 723, “The Energy Savings Through Public-Private Partnerships Act” sponsored by Rep. Kinzinger (R-IL) and cosponsored by Representatives Welch (D-VT), Love (R-UT and Perlmutter (D-CO). H.R. 723 has been reported from the Energy and Commerce Committee and awaits House approval. A similar bill, S. 239, introduced by Senator Gardner (R-CO) has been reported to the Senate floor from the Energy and Natural Resources Committee.

SMACNA appreciates the outstanding leadership given national energy efficiency policy over many years by Representatives Kinzinger and Welch, most recently represented by H.R. 723. Further, our decades of experience on the frontlines of energy efficient construction only reinforces our enthusiasm for performance contracts as financial leverage to boost the number and types of performance contracts. H.R. 723 would help expand both energy efficiency and jobs if Congress moves to expand the Use of Energy and Utility Saving Performance Contracts (ESPC)s/(USPC)s inside and outside of government.

Under the performance contract financing mechanism, private sector service companies finance and install new energy and water efficient equipment at minimal or no upfront cost to the Federal government. Federal agencies repay this investment over time with funds saved on utility costs. The private sector contractors measure, verify and guarantee these energy savings. Current law requires federal facility energy managers to evaluate and identify energy and water efficiency measures for federal facilities, but agencies are not required to implement the measures. The bill requires agencies to implement the measures if they are cost-effective.

Under H.R. 723, the Department of Energy must report to the President and Congress on each agency's performance contracts, including their investment value and their energy savings. The energy conservation measures that may be contained in performance contracts are expanded by including those involving energy consuming devices and required support structures. Agencies may not limit recognition of operation and maintenance savings associated with energy systems that were modernized or replaced with energy conservation measures and water conservation measures (e.g., lower energy and water bills due to energy efficiency and conservation measures). SMACNA and its allies in the efficiency retrofit sector have long supported performance contracting at the state and federal levels and urges the Congress to enact support for such contracting into law.
SMACNA’s membership includes thousands of firms specializing in energy saving performance contracting, facility energy management and residential, commercial, public and industrial energy system efficient retrofits. Based upon our extensive experience in this policy area we strongly support **H.R. 723** and urge other House members to cosponsor this legislation. Further, we ask for your co-sponsorship of **H.R. 723** and your support for its passage in the House as soon as possible.

Sincerely,

[Signature]

Stanley E. Kolbe, Jr.
Director, Legislative and Political Affairs
SMACNA