Representative Eric Swalwell
House Committee on Science, Space, and Technology
Hearing of the Oversight and Energy Subcommittees
Green Buildings – An Evaluation of Energy Savings Performance Contracts
2318 Rayburn House Office Building
Thursday, June 27th, 2013; 10:00AM

Opening Statement

Thank you Chairman Broun and Chairman Lummis for holding this hearing today, and I also want to thank the witnesses for being here.

Energy Savings Performance Contracts, or ESPCs, are truly a win-win-win tool for the federal government and the U.S. taxpayer. The federal government is the largest energy customer in the country and ESPCs save money, improve energy efficiency, and reduce carbon pollution, all with little-to-no upfront cost required. As I'm sure we'll hear more about from this panel, ESPCs, as well as Utility Energy Services Contracts, or UESCs, have a proven track record of saving the federal government billions of dollars and hundreds of trillions of BTUs so far.

I know these Contracts work because I have seen them work in my own district. In Dublin, California where I served on the City Council, we have seen a savings of approximately $100,000 annually over the life of the lease.

The city of Livermore, California will enjoy an annual savings of $74,000 a year over the life of their lease. Of course these improvements will last longer than the 15 years it will take to repay the lease and in year 16, they anticipate a savings of approximately $675,000 a year. They will also tell you that, in addition to the savings, the real advantages of this program are the ability to move forward with these energy-saving improvements with very little risk and the access it gives communities like Livermore and Dublin to expertise that they otherwise couldn't afford.

One example we should be particularly proud of is the NASA Ames Research Center Project. Thanks to the partnership between NASA and Pacific Gas & Electric, they were able to craft a plan that will exceed their energy efficiency and renewable energy goals. This UESC will result in an annual energy savings of 159,909 million BTUs, which will provide an 11 percent reduction in overall energy intensity.

PG&E also has a UESC project with the Veterans Administration in California. This project includes 5 separate medical centers throughout California and over 2 million square feet. The project will save: 15.7 million gallons of water; 1.3 million therms of natural gas; 9 gigawatt-hours of electricity; and $1.6 million annually in water and energy costs.

Federal energy efficiency programs not only benefit the government entities that realize savings from these improvements, but they enjoy broad support from private industry. To that end, I would like to submit for the record a letter from a number of groups and businesses, including the Chamber of Commerce and the Business Roundtable, applauding the Obama Administration for their focus on energy efficiency and encouraging continuation and expansion of these activities.

I look forward to discussing how this unique authority might be improved upon and used for a wider range of applications, such as the federal vehicle fleet or our nation's array of energy hungry data centers. I expect that our national laboratories, like Lawrence Livermore and Sandia, would be able to make great use out of such improvements.