



July 1, 2019

The Honorable Phil Berger
President Pro Tempore of the N.C. Senate
16 W. Jones Street, Room 2007
Raleigh, N.C. 27601

The Honorable Bill Rabon
Chairman, Committee on Rules and Operations
of the Senate
16 W. Jones Street, Room 2010
Raleigh, N.C. 27601

Dear President Pro Tempore Berger and Chairman Rabon:

Re: Business support for House Bill 330 to reduce energy consumption in state-owned buildings by 40% by 2025

As large employers, major energy consumers, and trade associations, we understand firsthand how North Carolina’s energy policies affect the cost of doing business and the state’s economic competitiveness.

Our businesses and organizations support policies like House Bill 330, “Efficient Government Buildings & Savings Act,” which encourage and advance energy efficiency because North Carolina consumers and businesses benefit when we eliminate energy waste. Energy efficiency programs and investments are the lowest-cost energy resources available.¹ By investing in energy efficiency, we can reduce total energy costs for all ratepayers, mitigate the impact of fuel and electricity price increases, and build a more affordable, reliable electricity system for the businesses and citizens of the state.

We urge you to build upon this incredible success by supporting House Bill 330, which passed the N.C. House of Representatives overwhelmingly on April 3, 2019, and is awaiting action by the N.C. Senate. Furthermore, the N.C. Energy Policy Council, which is chaired by Lt. Governor Dan Forest, recommended in its 2016 and 2018 Biennial Reports that the N.C. General Assembly increase the goal to reduce energy consumption in state-owned buildings by 40% by 2025.² House Bill 330’s increased energy savings goal would save taxpayers an additional \$1.1 billion in utility costs by 2025 – all without allocating any public funds – freeing up funds that could be reinvested in government services, lower taxes, or additional energy projects.

¹ Recent analysis by the Lawrence Berkeley National Laboratory on the cost of saved energy by state, reported a cost of ~\$0.021/kWh for energy efficiency in North Carolina: http://eta-publications.lbl.gov/sites/default/files/cost_of_saving_electricity_webinar_20180627_fin.pdf. Duke Energy Carolinas reported in their 2014 Integrated Resource Plan that the avoided cost of supply-side energy over the next 3 years ranged from \$0.039-\$0.050/kWh, (see: Duke Energy Carolinas, “Duke Energy Carolinas Integrated Resource Plan (Annual Report),” September 1, 2014.

² N.C. Energy Policy Council Biennial Report, March 2016: <https://ncdenr.s3.amazonaws.com/s3fs-public/documents/files/Energy%20Policy%20Council%20Report%20March%202016.pdf>; N.C. Energy Policy Council Biennial Report, May 2018: <https://files.nc.gov/ncdeq/Energy%20Mineral%20and%20Land%20Resources/Energy/Energy%20Policy%20Council/2018%20EPC%20Biennial%20Report%20-%20FINAL.pdf>

We recognize and applaud North Carolina's energy efficiency leadership to date, including passage of SB668 in 2007, which set a goal to reduce energy and water consumption in state-owned buildings by 30% by 2015. This goal has been achieved, and taxpayers have reaped the benefits, including \$1.4 billion in energy cost reductions since 2003.³

North Carolina has only just begun to tap into the potential of energy efficiency investment. Our companies stand ready to work with you. We would welcome the opportunity to meet with you and your staff and to provide additional information about the benefits that energy efficiency has and will continue to deliver for North Carolina.

Thank you,

Alliance for Industrial Efficiency

Ameresco, Inc.

Cree Lighting

Ingersoll Rand

National Association of Energy Service Companies (NAESCO)

National Electrical Manufacturers Association (NEMA)

NORESCO

North Carolina Building Performance Association (NCBPA)

North Carolina Clean Energy Business Alliance (NCCEBA)

North Carolina Sustainable Energy Association (NCSEA)

Polysocyanurate Insulation Manufacturers Association (PIMA)

Schneider Electric

Siemens Corporation

United Technologies

cc: All Members of the North Carolina Senate
HB330 Sponsors: Rep. John Szoka, Rep. Dean Arp, Rep. Chris Humphrey, Rep. Stephen Ross

More information about the Signatories:

The **Alliance for Industrial Efficiency** is a diverse coalition of business, contractor, labor and environmental groups committed to advancing the deployment of combined heat and power (CHP) and waste heat to power (WHP) through state and federal policies. The Alliance represents roughly three dozen North Carolina companies.

Ameresco, Inc. helps shape the future of energy use in the United States and abroad. A comprehensive and independent energy services provider, its capabilities include energy system development, energy efficiency upgrades and retrofits, data analysis, energy supply procurement and renewable energy development. Ameresco brings opportunities to its clients without product or service limitations, which frees its employees to identify solutions that best match our clients' needs and budget goals. Founded in 2000, Ameresco has a deep history in public-sector energy projects, with numerous federal and local government, public housing and military contracts. Its private-sector experience includes clients that are

³ North Carolina Department of Environmental Quality, "State buildings in N.C. have reduced energy costs by almost \$1 billion since 2003," March 17, 2015, <https://deq.nc.gov/press-release/state-buildings-nc-have-reduced-energy-costs-almost-1-billion-2003>.

household names in commercial development and manufacturing. Ameresco has offices in Charlotte, North Carolina.

Cree Lighting, a company of IDEAL Industries, Inc. : Cree Lighting is a market-leading innovator of indoor, outdoor, and consumer bulb LED lighting. We are uniquely positioned to innovate new ways in which lighting will serve as a platform for emerging technologies and capabilities that will enrich lives, improve society, save energy and safeguard our planet. We believe in better light. Founded and headquartered in Durham, NC, Cree Lighting employs more than 700 employees locally and approximately 2,000 globally.

Ingersoll-Rand plc (NYSE:IR) is a world leader in creating comfortable, sustainable and efficient environments. Its people and family of brands — including Club Car, Ingersoll Rand, Thermo King, and Trane — work together to enhance the quality and comfort of air in homes and buildings; transport and protect food and perishables; and increase industrial productivity and efficiency. Ingersoll Rand's North America Headquarters and Corporate Center are located in Davidson, North Carolina.

For more than 25 years, the **National Association of Energy Service Companies** (NAESCO) has been the preeminent national trade organization representing and promoting the energy efficiency industry. NAESCO's membership consists of key industry players, including ESCOs, energy efficient and renewable energy equipment manufacturers and distributors, distribution companies, distributed generation companies, engineers, consultants, financial institutions, and government entities. NAESCO's membership includes many companies based and investing in North Carolina.

The **North Carolina Building Performance Association (NCBPA)** is an association of North Carolina building performance professionals and companies seeking to lead high performance construction in the state through quality construction, workforce development, political advocacy, public education and more.

The **North Carolina Clean Energy Business Alliance (NCCEBA)** is a 501(c)(6) non-profit trade association for the clean energy industry located or operating in North Carolina. NCCEBA was incorporated in February 2013 by the North Carolina Sustainable Energy Association and by top industry leaders in the state.

The **North Carolina Sustainable Energy Association (NCSEA)** is a 501(c)(3) nonprofit membership organization of individuals, businesses, government, and nonprofits interested in North Carolina's sustainable energy future. Our mission is to drive policy and market development to create clean energy jobs, economic opportunities and affordable energy that benefits all of North Carolina.

The **National Electrical Manufacturers Association (NEMA)** represents nearly 350 electrical equipment and medical imaging manufacturers that make safe, reliable, and efficient products and systems. Our combined industries account for 360,000 American jobs in more than 7,000 facilities covering every state. Our industry produces \$106 billion shipments of electrical equipment and medical imaging technologies per year with \$36 billion exports.

As one of the largest energy services companies in the U.S., **NORESCO** uses design-build and a variety of performance-based contracting vehicles to deliver energy and maintenance savings and significant infrastructure upgrades to existing facilities. These upgrades can be funded through cost savings that the projects generate, without the need for up-front capital expenditures by the customer.

The **Polyisocyanurate Insulation Manufacturers Association (PIMA)** is the national trade association representing Polyiso insulation manufacturers and suppliers to the Polyiso industry. PIMA advances the use of Polyiso insulation and is one of the nation's foremost industry advocates for energy-efficient practices and policies. In addition, PIMA has been recognized by both the Environmental Protection Agency (EPA) and the Sustainable Building Industries Council for advocacy and products.

Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that Life Is On everywhere, for everyone and at every moment.

Siemens Corporation is a U.S. subsidiary of Siemens AG, a global powerhouse focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis. In infrastructure and industry solutions the company plays a pioneering role.

United Technologies (UTC) provides high-technology systems and services to the building and aerospace industries worldwide. A leader in the global building systems and aerospace industries, UTC invents new and better ways to keep people safe, comfortable, productive and on the move. UTC's commercial businesses include Otis elevators and escalators and UTC Climate, Controls & Security, a leading provider of heating, ventilation, air conditioning, fire and security systems, and building automation and controls. UTC's aerospace businesses include Pratt & Whitney aircraft engines and UTC Aerospace Systems. UTC Aerospace Systems Corporate Headquarters are located in Charlotte, North Carolina.