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The Honorable Roy Cooper Governor of North Carolina 20301 Mail Service Center Raleigh, NC 27699 The Honorable Phil Berger Senate President Pro Tempore 16 W. Jones Street, Rm 2007 Raleigh, NC 27601 The Honorable Tim Moore Speaker of the House 16 W. Jones Street, Rm 2304 Raleigh, NC 27601

Business support for House Bill 570 to reduce energy consumption in state-owned buildings by 40% by 2028

Dear Governor Cooper, President Pro Tempore Berger, and Speaker Moore:

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 570, "Efficient Government Buildings and Savings Act," which would encourage and advance energy efficiency by reducing energy consumption in state-owned buildings by 40% by 2028.

North Carolina consumers and businesses benefit when we eliminate energy waste. Energy efficiency programs and investments are the lowest-cost energy resources available. 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.

House Bill 570'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. This builds upon North Carolina's energy efficiency leadership date, including passage of SB 668 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 reaped the benefits, including \$1.4 billion in energy cost reductions since 2003.² Energy efficiency retrofits and upgrades in state buildings reduced utility costs by \$175 million in FY20 alone.³ In recognition of this past success and the potential for more savings, last year lawmakers in the North Carolina House of Representative advanced House Bill 245, a former version of the proposed "Efficient Government Buildings and Savings Act" in a near unanimous vote.

North Carolina has only just begun to tap into the potential of energy efficiency investment. Passing House Bill 570 will put the state on the road to experiencing significant cost savings and grid resilience as a result of energy efficiency. Our companies stand ready to work with you. We 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.

Sincerely,

2G Energy, Inc.
A. O. Smith
AB Energy USA
Ameresco, Inc.
Array Industries Inc.
BVA Energy LLC
Capstone Green Energy
Carrier Corporation
Chambers for Innovation and Clean Energy
Combined Heat and Power Alliance
Conservatives for Clean Energy
Cree Lighting
DT Energy Consultants

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: <a href="http://eta-

<u>publications.lbl.gov/sites/default/files/cost of saving electricity webinar 20180627 fin.pdf.</u> 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 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.

³ North Carolina Department of Environmental Quality: Climate Change Interagency Council, "Executive Order No. 80: NC's Commitment to Address Climate Change and Transition to a Clean Energy Economy," May 26, 2021, https://deq.nc.gov/media/19809/download

E-Finity Distributed Generation

Eaton

EC POWER Inc.

Envocore

Flex Energy Solutions

Gaia Herbs

INNIO Jenbacher

Integrated CHP Systems Corp.

Johnson Controls

Kanin Energy

Kinsley Energy Systems

Kraft Power Systems

Lima Company

Martin Energy

National Electrical Manufacturers Association (NEMA)

National Association of Energy Service Companies (NAESCO)

Owens Corning

Polyisocyanurate Insulation Manufacturers Association (PIMA)

RENEW Energy Partners

Sheet Metal and Air Conditioning Contractors National Association

Siemens

Sierra Nevada Brewing Co.

Trane Technologies

Turbine Inlet Cooling Association

Unison Energy LLC