



June 2, 2022

The Honorable Phil Berger
Senate President Pro Tempore
North Carolina Senate
16 W. Jones Street, Room 2007
Raleigh, NC 27601

Re: Business support for House Bill 245 to reduce energy consumption in state-owned buildings by 40% by 2028

Dear President Pro Tempore Berger:

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 245, "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.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.

House Bill 245'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 in a near unanimous vote.

North Carolina has only just begun to tap into the potential of energy efficiency investment. Passing House Bill 245 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.
Blue Delta Energy
Capstone Green Energy
Carrier Corporation

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 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>

Chambers for Innovation and Clean Energy
Combined Heat and Power Alliance
Conservatives for Clean Energy
Cree Lighting
Curtis Power Solutions
DT Energy Consultants
Eaton
Envocore
Flex Energy Solutions
INNIO Jenbacher
Johnson Controls
Kanin Energy
Kelly Generator and Equipment
Kinsley Energy Systems
Kraft Power Systems
Martin Energy
National Electrical Manufacturers Association (NEMA)
National Association of Energy Service Companies (NAESCO)
Owens Corning
Polyisocyanurate Insulation Manufacturers Association (PIMA)
Siemens
Sierra Nevada Brewing Co.
Thermax USA
Trane Technologies
Turbine Inlet Cooling Association