

FACT SHEET: White House Takes Action on Climate by Accelerating Energy Efficiency Projects Across Federal Government

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New Government-Wide Initiative Will Reduce Federal Energy Costs, Create Jobs, and Cut Emissions

Today, the Biden-Harris Administration announced the *Climate Smart Buildings Initiative*, which will leverage public-private partnerships to modernize Federal buildings to better meet agencies' missions, create good-paying jobs, and cut greenhouse gas (GHG) emissions. Through this initiative, the government will dramatically expand its partnership with the private sector to upgrade existing Federal buildings — paying for today's needed renovations with tomorrow's energy savings without requiring upfront taxpayer funding.

By setting and meeting emissions reduction targets for buildings, the *Climate Smart Buildings Initiative* is expected to catalyze over \$8 billion of private sector investment by 2030 to modernize facilities through energy savings performance contracts. The initiative is expected to create and support nearly 80,000 good-paying American jobs and achieve up to 2.8 million metric tons of GHG reductions annually by 2030, which is the equivalent of removing 600,000 gas-powered cars from the road. Further, the *Climate Smart Buildings Initiative* is expected to increase investments from performance contracts from a low of \$251 million in FY2021 to a sustained \$1.2 billion per year by 2030, a fivefold increase.

The initiative advances Administration efforts to grow our clean energy industry by developing the next generation of products and materials for a net-zero economy. These modernization efforts include actions such as increasing on-site clean electricity generation, adding the latest clean energy technology, such as heat pumps, installing efficient lighting and insulation, and installing and integrating electric vehicle supply equipment. These efforts will also help improve public health by reducing pollutants that disproportionately harm low-income households and communities of color.

The *Climate Smart Buildings Initiative* includes:

- **Establishing agency emissions reductions targets delivered through performance contracting.** The Administration will provide sustained leadership between today and 2030 to support Federal agencies to set, track, and deliver on targets for cutting building emissions.
- **Building on a foundation of agency leadership and expertise to drive progress.** The Department of Energy's (DOE) [Federal Energy Management Program](#), General Services Administration's (GSA) [National Deep Energy Retrofit Program](#), the U.S. Army Corps of Engineers' [Huntsville Center](#), and other agency experts will serve as hubs for best practice resources and solutions for performance contracting across the Federal government.
- **Leveraging \$250 million in funding from the Infrastructure Investment and Jobs Act.** The DOE Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) program will provide additional funding to promote innovative decarbonization strategies through performance contracting.
- **Continuing to raise the bar through collaboration and capacity building.** The White House Council on Environmental Quality, DOE, and GSA will coordinate a whole-of-government effort to scale these efforts and turn best practices into business-as-usual by increasing collaboration across government and with the private sector.

The *Climate Smart Buildings Initiative* is an integral part of the President's Federal Sustainability Plan, which aims to reduce emissions from Federal buildings by 50 percent by 2032 and achieve net-zero emissions by 2045. These actions build on the Administration's efforts to improve the Nation's building energy and climate performance by [updating energy codes for Federal buildings](#), [building better school infrastructure](#), [spurring ambition among major U.S. companies and health sector leaders](#) through commitments to slash buildings emissions by 50 percent by 2030, and launching of the first-ever [Building Performance Standards Coalition](#) of more than 35 states and cities.

How Agencies Are Taking the Lead to Leverage Public-Private Partnerships for Building Decarbonization

Federal agencies have continued to take a leadership role in utilizing performance contracting to achieve President Biden's Federal net-zero operations goal, consistent with the Administration's December 2021 [Executive Order 14057](#) and the historic [Federal Sustainability Plan](#). Highlights include the following projects:

- In August 2022, **GSA** announced an \$117 million utility energy service contract that improves energy efficiency and reduces emissions from 12 Federal buildings across Georgia. The contract is expected to reduce costs by \$3.3 million annually, bring over 500 good-paying new jobs to Georgia and prevent more than 18,600 metric tons of carbon pollution each year, which is equal to removing 4,000 gas-powered cars from the road.
- In 2022, the **Department of Treasury** will complete an Energy Savings Performance Contract to replace critical infrastructure at its IRS Service Center in New York. The \$14 million, 17-year contract will provide efficiency upgrades that will reduce electricity consumption by 60%, cut water consumption by 25%, reduce annual energy and water costs by \$2.2 million, and eliminate 8,300 metric tons of annual GHG emissions.
- In 2021, **GSA** awarded an Energy Savings Performance Contract to modernize six landmark Federal buildings in Washington, DC. The project, which leveraged \$91 million in investment from industry, will reduce energy consumption by 42%, reduce water consumption by 50%, create more than 100 jobs, and cut 20,000 metric tons of annual GHG emissions.
- In 2019, the **Department of Defense's** U.S. Marine Corps Recruit Depot Parris Island completed an Energy Savings Performance Contract to replace an outdated central steam plant and modernize power generation. Encompassing over 120 buildings, the project reduced energy use by 75%, reduced water use by 25%, eliminated 40,000 metric tons of annual GHG emissions, and reduced annual energy costs by \$6 million.
- In 2016, **GSA** completed an energy efficiency retrofit of the IRS New Carrollton Financial Service Center through an Energy Savings Performance Contract. Upgrades included a new all-electric HVAC system, an upgraded chilled water plant, and other measures. The energy efficiency and electrification upgrades reduced energy use by 60%, reduced water use by 56%, eliminated 20,000 metric tons of annual GHG emissions, and reduced annual energy costs by \$3 million.

For additional examples of Federal utilization of performance contracting, a searchable database of case studies is available on Federal Energy Management Program Case Studies website.