



May 30, 2018

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

The Honorable Tim Moore
 Speaker of the N.C. House of Representatives
 16 W. Jones Street, Room 2304
 Raleigh, NC 27601

Dear President Pro Tempore Berger and Speaker Moore:

Re: Business support to reduce energy and water consumption in state-owned buildings by 40% by 2025

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

Our businesses support policies that 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 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 billion in energy cost reductions.²

¹ In a recent analysis on the cost of saved energy by state, energy efficiency in North Carolina was reported to have cost ~\$0.014/kWh (see: Charles Goldman, Lawrence Berkeley National Laboratory, "Utility Customer-Funded Energy Efficiency," May 7, 2015, <http://emsc.legislature.ohio.gov/Assets/Testimony/5715-charles-goldman-powerpoint.pptx>). 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>.

We urge you to build upon this incredible success by adopting the N.C. Energy Policy Council’s recommendation to increase the goal to reduce energy and water consumption in state-owned buildings by 40% by 2025.³ This goal would save taxpayers \$2 billion dollars in utility costs, freeing up funds that could be reinvested in government services, lower taxes, or additional energy projects.

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.

Celtic Energy

Cree, Inc.

The Dow Chemical Company

Energy Systems Group

Hannon Armstrong

Ingersoll-Rand

Jaykal LED Solutions, Inc.

Johnson Controls

National Association of Energy Service Companies (NAESCO)

North Carolina Building Performance Association (NCBPA)

North Carolina Clean Energy Business Alliance (NCCEBA)

North Carolina Sustainable Energy Association (NCSEA)

National Electrical Manufacturers Association (NEMA)

Polyisocyanurate Insulation Manufacturers Association (PIMA)

Schneider Electric

Siemens Corporation

Trillium Asset Management

United Technologies

cc: All Members of the North Carolina General Assembly

More information about the Company 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.

³ N.C. Energy Policy Council, “Energy Policy Council Report,” March 2016 <https://ncdenr.s3.amazonaws.com/s3fs-public/documents/files/Energy%20Policy%20Council%20Report%20March%202016.pdf>

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

Celtic Energy is a nationally recognized energy consulting firm that specializes in energy project management and oversight. As one of the top Owner's Representative firms in the country, Celtic Energy has performed oversight on over \$2 billion in energy projects in 35 states, Washington, D.C. and abroad. Celtic Energy's talented and experienced team of advisors has served as Project Facilitators on Federal Energy Projects and as a 3rd Party Owner's Representative on a multitude of State, Municipal, School, University, Medical Facility and Commercial/Industrial projects, with special expertise in the area of Energy Savings Performance Contract (ESPC) oversight.

Cree, Inc. is an innovator of Wolfspeed™ power and radio frequency (RF) semiconductors, lighting class LEDs and lighting products. Cree's Wolfspeed product families include SiC materials, power-switching devices and RF devices targeted for applications such as electric vehicles, fast charging, inverters, power supplies, telecom and military and aerospace. Cree's LED product families include blue and green LED chips, high-brightness LEDs and lighting-class power LEDs targeted for indoor and outdoor lighting, video displays, transportation and electronic signs and signals. Cree's LED lighting systems and lamps serve indoor and outdoor applications. Cree was founded in North Carolina; and has its headquarters, primary research and development operations, and manufacturing facilities in Durham.

The **Dow Chemical Company** is an American multinational chemical corporation. Dow combines the power of science and technology to passionately innovate what is essential to human progress. The Company is driving innovations that extract value from material, polymer, chemical and biological science to help address many of the world's most challenging problems, such as the need for fresh food, safer and more sustainable transportation, clean water, energy efficiency, more durable infrastructure, and increasing agricultural productivity. Dow's integrated, market-driven portfolio delivers a broad range of technology-based products and solutions in high-growth sectors such as packaging, infrastructure, transportation, consumer care, electronics, and agriculture.

Energy Systems Group (ESG), a wholly owned subsidiary of Vectren Corporation, is a leading energy services provider that specializes in energy efficiency, sustainability, and infrastructure improvement solutions in the government, education, healthcare, commercial, and industrial sectors. ESG also offers a full range of sustainable infrastructure solutions including waste-to-energy, distributed generation, and renewable energy

Hannon Armstrong is a leading investor in sustainable infrastructure, including energy efficiency and renewable energy. It focuses on providing preferred or senior level capital to established sponsors and high credit quality obligors, such as U.S. federal, state and local governments, Global 1000 corporations and private developers, for assets that generate long-term, recurring and predictable cash flows.

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.

Jaykal LED Solutions, Inc. (JAYKAL) was founded in February 2008 to supply innovative LED lighting products to local, municipal and federal entities.

Johnson Controls is a global diversified technology and multi industrial leader serving a wide range of customers in more than 150 countries. Johnson Controls creates intelligent buildings, efficient energy solutions, integrated infrastructure and next generation transportation systems that work seamlessly together to deliver on the promise of smart cities and communities. At its core, that promise is about delivering innovation that make people's lives – and the world – better. Johnson Controls has several offices in North Carolina including in Asheville, Burlington, Carrboro, Charlotte, Durham, Greensboro, Raleigh, and Wilmington, Winston-Salem, and Winterville.

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.

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.

Trillium Asset Management is an employee-owned investment management firm focused exclusively on sustainable and responsible investing. Trillium integrates Environmental, Social, and Governance (ESG) factors into the investment process as a way to identify the companies best positioned to deliver strong long-term performance. A leader in shareholder advocacy and public policy work, Trillium leverages the power of stock ownership to promote social and environmental change while providing both impact and performance to our investors. With an office in Durham and more than \$30 million in assets managed in the state, Trillium Asset Management is committed to the success of North Carolina's clean energy future.

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.