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**SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT  
INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY**

**COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS**

**HEARING: "Blue, Gold, and Green: How Delaware State and Local Governments Are  
Cutting Their Energy Costs"**

**Opening Statement of Senator Thomas R. Carper, Chairman**

The last few years have underscored the need for our nation to rethink its energy use. Ever changing energy costs and our nation's severe economic problems have resulted in families, homeowners, and businesses, all taking a hard look at how much they are spending. Governments should be no different.

Last month I held a hearing of this subcommittee in Washington, to explore what the Federal government is doing to save energy and money for taxpayers.

Late last year, President Obama issued an Executive Order calling for the Federal Government to step up its efforts to conserve energy by challenging agencies to meet a number of energy, water and waste reduction targets. Each federal agency is required to develop plans to reach those targets and we expect initial reports on the status of these plans, later this year.

We learned that the Federal Government is the single largest energy user in the nation. In fiscal year 2008, the total energy consumption of Federal Government buildings and operations was roughly 1.5 percent of all energy consumption in the U.S. The energy bill for the Federal Government that year was \$24.5 billion or about 0.8 percent of total Federal expenditures. Of that \$24.5 billion, over \$7 billion was spent on energy to operate Federal buildings alone.

With a price tag that large, there are significant opportunities for savings of taxpayer dollars. Following our hearing, the White House announced that over \$10 billion would be saved over the next 10 years because of the Executive Order's efforts. That's real money we're talking about.

While the President's Executive Order represents an important step forward - there is more we can do. Making better use of new financial tools is just one example. Energy Savings Performance Contracts are a creative way to pay for energy efficiency projects.

These contracts work by having a company pay out of their own pocket to renovate a facility with energy efficient retrofits. The company's contract is then paid back out of the energy savings generated from the renovation.

This means that governments can reduce energy use, help clean up the environment, cut back on the money they have to spend for heating and lighting, and all on someone else's dime - it seems like a clear win to me.

I believe several of our witnesses today have experience with these types of contracts and I look forward to hearing their thoughts and suggestions on how they can be used most effectively.

You know, there's an old saying, "You can't manage, what you can't measure." It applies to energy use too. At our recent hearing I learned that using technology such as Advanced Metering is one way we can save energy and money. By connecting facilities across an organization, and monitoring buildings - and even parts of buildings - on their energy use in real-time, managers can make more effective decisions. The best part about advanced metering is that it pays for itself in less than a year.

Wal-Mart uses this technology because they understand the financial savings it brings. From their headquarters in Bentonville, Arkansas, they will know if a freezer door has been left open for too long at their store in Middletown, Delaware.

This isn't just an idea for large businesses either. Later this year, Delmarva Power will finish installing advanced metering systems for all of its approximately 300,000 customers across Delaware. This technology will provide greater transparency for energy users, allowing them to better manage their energy use, save money and help protect and preserve the environment.

As a "recovering Governor", I know that Washington doesn't have all the answers. In fact, they might not even have most of them. From my time as Chairman of the National Governors Association, I've seen the importance of sharing solutions and best practices between the federal government and our partners in state and local government. The challenges we face in Washington are often dealt with first in state capitals, cities and small towns across our nation.

And today, perhaps no problem looms as large as the impact the ongoing fiscal crisis has had on governments' budgets. In the face of significant budget shortfalls, State and local governments are looking for ways to cut their operating expenses. Delaware is no different. In fact, from Woodburn, to Wilmington, to Wyoming - Delaware governments understand that saving energy isn't just good for the environment; it's good for the bottom-line.

It's important to remember, the cleanest, most efficient – and cheapest energy - is the energy we don't use.

Governor Markell understands this. The Executive Order he introduced this week, and which he will speak about in a few minutes, creates clear, ambitious goals for making Delaware State Government leaner and more efficient. Combining fiscal responsibility, with environmental responsibility, while nurturing the State's burgeoning clean energy economy – it's a clear win for Delawareans.

Chris Coons, as the Chief Executive of the State's most populous county, also understands the link between energy efficiency and fiscal responsibility. Coming into office, he faced a budget swollen from the real estate bubble of the last decade. Recognizing the need to rein in spending, Mr. Coons led an effort to not only save energy and money, but to improve the quality of service provided to the people of New Castle County.

As well, the City of Wilmington and Seaford School District have both been nationally recognized for being energy pioneers. Seaford School District, which I've visited myself many times, is a shining example for what dividends a commitment to energy efficiency can bring small towns. The City of Wilmington too, has shown how government can successfully work together with businesses and developers to achieve these goals. It is clear that we have a number of lessons to learn from our partners in state and local government.

During these times of mindboggling budget deficits, governments need to find every way they can to better manage their operations and finances. We also need to find ways to put Delawareans back to work again.

The scope of assets held by state and local governments is wide. By leveraging buying power, and making wise and prudent use of taxpayers' dollars, governments can provide secure demand for sustainable small businesses and entrepreneurs.

With that, I'd like to thank our witnesses for joining us today, and just say how happy I am to be in Delaware with you all today.

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