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PRESIDENT & CHIEF EXECUTIVE OFFICER  
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**BEFORE**

**THE SELECT COMMITTEE ON  
ENERGY INDEPENDENCE AND GLOBAL WARMING  
EDWARD J. MARKEY, CHAIRMAN**

**MAY 8, 2008**

Mr. Chairman and distinguished Members of the committee, thank you for providing me this opportunity to testify before you this morning on the Role of Efficiency Policies in Climate Legislation. I also want to commend you Chairman Markey for your leadership role on energy efficiency and energy independence! No one in the Congress has taken a more active role on these critical issues than you Mr. Chairman.

As background, I am George Sakellaris, founder, President and Chief Executive Officer of Ameresco, headquartered in Framingham, Massachusetts.

Ameresco is presently the largest, privately held, independent energy services company (ESCO) providing energy savings performance contracting (ESPC) services in North America with over 550 employees in fifty-two offices located throughout the United States and Canada. Ameresco provides a full array of services to our clients which include energy conservation measures

and renewable energy including landfill gas, biomass and solar electric power, known as photovoltaic (PV) technology.

Ameresco has a broad range of expertise in multiple energy related issues. We have the intellectual and financial knowledge that enables us to develop custom tailored solutions that improve efficiency, productivity and financial performance for our clients.

Mr. Chairman, that is a brief overview of Ameresco and now I would like address the questions the Select Committee has put forward this morning.

The opportunity for energy efficiency savings in the United States is enormous. The United States is presently using approximately 47 million barrels of oil equivalent per day or 17 billion barrels of oil equivalent per year. Based on our experience we have found that we as a nation can save at least 20% to 30% of our usage,

because for the past 30 years we have achieved that result for each facility we have completed.

If we assume that we can conserve 20%, then the total US productivity improvement is equal to 9 million barrels of oil equivalent savings per day or 3.4 billion per year. At a cost of \$100 per barrel, the resulting savings are \$340 billion per year. Assuming a seven year simple payback, a total investment of \$2.4 trillion would be required to achieve these savings. A 15 year plan of implementation will require \$160 billion of investment each year, while creating over 3.2 million jobs.

When we achieve these energy savings, we will reduce Greenhouse gas emissions from the current baseline of 5, 890 million metric tons per year and should approach 20% or 1,178 million metric tons per year.

In 2007, the ESCO industry implemented over \$4 billion in energy saving projects. ESCO's like Ameresco help people identify savings opportunities, design efficiency measures, secure financing, and in some cases, operate and maintain the efficiency measures. In short we help bridge the gap in knowledge, financing and construction for energy efficiency measures. Ameresco provides the array of services that move forward the installation of billions of dollars of efficiency measures. Without our services, many cost-effective energy efficiency measures would never be installed.

The energy projects we develop consist of numerous energy efficiency measures that are bundled together into a single project including implementation and financing. Ameresco provides a savings guarantee to the customer to assure that savings are sufficient to amortize the investment required.

I would like to share a few illustrative examples of the type's projects Ameresco has implemented.

Ameresco developed and implemented a \$30 million comprehensive energy efficiency project for the Chicago Housing Authority. These projects typically yield 30% to 40% energy savings by implementing building envelope, lighting, heating, cooling and appliance energy saving measures.

In 2005, the Long Island Power Authority (LIPA) hired Ameresco to save 5 MW for its customers who use 145 kW more of power.

In two years, working with local contractors, Ameresco saved 5 MW of capacity from a broad mix of customers, e.g., supermarkets, retail stores, parking garages, manufacturers, office buildings, warehouses, etc. Savings were demonstrated through measurement and verification procedures using the International Performance Measurement and Verification Protocol required for federal ESPC projects and approved by LIPA.

The Congress should include energy efficiency as an integral part of any climate change legislation. The legislation should include Energy Efficiency Resource Standards (EERS) that include quantitative for end use energy savings targets, to accelerate the implementation of energy efficiency equipment, the federal government should require all retail sellers of energy (e.g., electric utilities, gas utilities, oil dealers, etc.) to make investments such that 1.6% of their current energy sold is saved every year.

Emission allowances should be held in trust for the public good.

We are opposed to the grandfathering of emissions allowances to firms based upon historical emissions. The allowances should be sold through public auction. The Congress should prescribe how the proceeds from the auction should be distributed. We recommend that at least 50% of the proceeds be dedicated to energy efficiency investments. If we make this national commitment to energy efficiency we can accelerate the realization

of energy savings by buying down projects from a ten year to seven years or less simple payback. By investing in energy efficiency the Congress can reduce overall energy costs for individual consumers, businesses and institutions. These investments will also reduce energy demand, emissions and mitigate the overall cost of a cap and trade program.

Mr. Chairman, thank you once again for allowing me to come before your distinguished committee.

I would be happy to answer any questions you may have.

Thank you.