## Coburn Amendment 1869 - To require the Secretary of Energy to certify that federal energy efficiency projects are cost efficient

In 2011, the *Cleveland Plain Dealer* reported on the completion of a sterling upgrade to the façade of a federal building in downtown Cleveland. Financed by President Obama's stimulus program, the project involved wrapping the building "in a second skin designed in large part to conserve energy."[1]

According to the regional GSA commissioner, the project was projected to account for $600,000 to $700,000 a year in savings on energy cost, a hefty sum for one building. The one problem: the project itself cost $121 million to complete. Considering the annual energy savings expected from the new façade, it will take ***more than 170 years*** to recoup the costs of this project.

A follow-up article on the Cleveland building in the *Chicago Tribune* mentioned two additional projects that received funds from the stimulus package. The Chicago Federal Center was set to receive $155 million, and Newark's Rodino Federal Building was granted $146 million for upgrades including "an angled array of solar panels that its chief architect, New York's Richard Dattner, likens to a 'tiara.'"[2] The *Tribune* identified the problem with these projects: "While the architects project significant drops in energy consumption for the double-skin buildings (17 percent in Cleveland, 32 percent in Newark), they can't say when the public's investments might be recouped."[3]

Efforts to upgrade energy efficiency in residential, commercial, and buildings are certainly admirable, but they also must be cost-conscience. When private parties approach the decision to replace equipment and fixtures that affect energy output, they have to take into account how soon they expect to save enough money to justify the upfront costs. As the examples from Cleveland, Newark, and Chicago make clear, however, the federal government operates under no such restriction.

This amendment, then, simply ensures that public funds are being prudently spent**. If the federal government believes it is a priority to finance energy efficiency upgrades to public and private buildings, it must at least be able to justify the upgrades on a cost scale.** In order to do so, the government must take into account the expected savings – in terms of cost and

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[1] Litt, Steven. "GSA designs for new Celebrezze building facades will mute the 1960s look of the tower." *Cleveland Plains Dealer* 29 Jan. 2011: http://blog.cleveland.com/architecture/2011/01/federal_government_reveals_des.html. 11 Sep. 2013.

[2] Kamin, Blair. "Stimulus dollars turn federal buildings green." *Chicago Tribune* 31 Jan. 2011: http://articles.chicagotribune.com/2011-01-31/news/ct-met-kamin-stimulus-0201-20110131_1_federal-buildings-stimulus-dollars-stimulus-money. 11 Sep. 2013.

[3] *Id.*

actual energy use – over a ten year period. This period is generous compared to what many private individuals and companies would demand, but as shown above, it is a far cry from what the government currently requires.

The amendment puts in place a two-part mechanism for determining cost-effectiveness. First, prior to funding any project or activity under this bill, the Secretary shall certify that the cost savings over the first ten years of the program will exceed the underlying cost of the program. Then, once the ten year period has expired, the Secretary shall certify that there was an actual reduction in energy use, and that the program did in fact save more than the initial cost of the program.

This straightforward amendment will protect taxpayers from federal largesse that would never occur in the private sector.