110TH CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT 110–890

TO AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE OF REPRESENTATIVES TO CARRY OUT A SERIES OF DEMONSTRATION PROJECTS TO PROMOTE THE USE OF INNOVATIVE TECHNOLOGIES IN REDUCING ENERGY CONSUMPTION AND PROMOTING ENERGY EFFICIENCY AND COST SAVINGS IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2008.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BRADY of Pennsylvania, from the Committee on House Administration, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 6474]

[Including cost estimate of the Congressional Budget Office]

The Committee on House Administration, to whom was referred the bill (H.R. 6474) to authorize the Chief Administrative Officer of the House of Representatives to carry out a series of demonstration projects to promote the use of innovative technologies in reducing energy consumption and promoting energy efficiency and cost savings in the House of Representatives, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE LEGISLATION

To authorize the Chief Administrative Officer of the House of Representatives to carry out a series of demonstration projects to promote the use of innovative technologies in reducing energy consumption and promoting energy efficiency and cost savings in the House of Representatives.

BACKGROUND AND NEED FOR H.R. 6474

H.R. 6474 promotes innovative technologies for energy generation and efficiency demonstrating the House leadership role for businesses, governments and homeowners in energy use and green-

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ing efforts. In 2007 Speaker of the House Nancy Pelosi launched a 10-year plan to reduce energy consumption in the House. This plan calls for a reduction of 5 percent a year, which is twice the efficiency required of federal buildings by 2005 Energy Policy Act. H.R. 6474 is also consistent with the goals of H.R. 6, Energy Independence and Security Act of 2007. Demonstration projects develop and commercialize technologies that expand the production of renewable fuels, which in turn reduces our dependence on oil, and confronts global climate change challenge. Such projects increase our energy security and make America stronger, safer, and cleaner for future generations.

The legislation is designed to encourage the CAO to pursue cutting edge and innovative new technologies for power generation as pilot projects. The House can provide leadership and encourage new products by piloting technologies in the beta testing phase. This should include new technologies that can generate power off of the grid. The legislation would also support projects that further the goals of the "Greening of the Capitol" initiative that can reduce energy consumption and promote energy efficiency.

The Committee believes that no aspect of a manufacturing process or office building operation should be excluded in the efforts to encourage sustainable operations. Reducing energy consumption, better management and controls on energy use, and similar green practices will result in operating cost reductions and savings to taxpayers. Increased energy efficiency improvements are available to every company or government agency through improvements in lighting, window treatments, computer rooms, and heating and cooling systems; this legislation will move the House of Representatives forward as a leader in all aspects of energy efficiency and renewable energy use.

COMMITTEE CONSIDERATION

On Wednesday, July 30th, 2008, the Committee met to markup H.R. 6474, and by a record vote of 4 ayes to 3 noes, ordered the bill reported favorably to the House without amendment.

ANALYSIS OF THE BILL (AS REPORTED)

Section 1. Demonstration projects to promote innovations to reducing energy consumption of the House of Representatives

(a) Authority to Carry Out Demonstration Projects—

(1) The Bill provides that—The Chief Administrative Officer of the House of Representatives may carry out a series of demonstration projects to promote the use of innovative technologies in reducing energy consumption and promoting energy efficiency and cost savings.

(2) Contracts—In carrying out such projects, the Chief Administrative Officer may enter into contracts with entities which have developed new methods of using energy more efficiently, generating electric power in a more sustainable manner, or improving the efficiency and lowering the costs of existing renewable power systems, consistent with the regulations promulgated by the Committee on House Administration for contracts entered into by the Chief Administrative Officer.

(b) The Chief Administrative Officer shall submit a report to the Committees on House Administration and Appropriations of the House of Representatives including analysis of the extent to which the project reduced energy consumption and promoted energy efficiency and cost savings in the House of Representatives.

Section 2. Authorizing appropriations

The bill authorizes $5,000,000 for each of the fiscal years 2009 and 2010 to carry out demonstration projects under this Act. Amounts appropriated pursuant to the authorization under this section shall remain available without fiscal year limitation until expended.

MATTERS REQUIRED UNDER THE RULES OF THE HOUSE

Constitutional authority

Clause 3(d)(1) of House Rule XIII requires each committee report on a public bill or joint resolution to include a statement citing the specific constitutional power(s) granted to the Congress on which the Committee relies for enactment of the measure under consideration. The Committee cites the legislative power granted to Congress in Article I, Section 8, Clause 18.

Committee record votes

Clause 3(b) of House Rule XIII requires the results of each record vote on an amendment or motion to report, together with the names of those voting for and against, to be printed in the committee report.

The first recorded vote on H.R. 6474 was on an amendment in the nature of a substitute offered by Mr. Ehlers. The amendment would change the text of the legislation so that the assignment of the work to be done would be given to the Architect of the Capitol rather than the Chief Administrative Officer. Additionally, the funding for fiscal years 2009–2010 to carry out demonstration projects under this Act would be increased from 5 million to 10 million. Furthermore, the title of the legislation would be amended to read: "A bill to authorize the Architect of the Capitol to carry out a series of demonstration projects to assist the House of Representatives in meeting applicable energy conservation and renewable energy usage requirements under law."

The Committee then voted on the amendment in the nature of a substitute. The amendment was not agreed to, 3 ayes to 5 noes.

	Ayes	Noes	Present
Ms. Lofgren		X	
Mr. Capuano		X	
Mr. Gonzalez			
Mrs. Davis (CA)		X	
Mr. Davis (AL)		X	
Mr. Ehlers	X		
Mr. Lungren	X		
Mr. McCarthy	X		
Chairman Brady		X	
Total	3	5	

The Committee then considered Mr. Ehlers' Amendment #2, which would require that if any demonstration project includes a

modification of any building or ground under the jurisdiction of the Office of the Architect of the Capitol, that the Chief Administrative Officer consults with and obtains the approval of the Architect before the modification is made. The amendment was not agreed to, 3 ayes to 5 noes.

	Ayes	Noes	Present
Ms. Lofgren		X	
Mr. Capuano		X	
Mr. Gonzalez			
Mrs. Davis (CA)		X	
Mr. Davis (AL)		X	
Mr. Ehlers	X		
Mr. Lungren	X		
Mr. McCarthy	X		
Chairman Brady		X	
Total	3	5	

The Committee then considered Mr. Ehlers' Amendment #3, which would require that in carrying out such demonstration projects, the Chief Administrative Officer first receive the approval of the Committee on House Administration prior to entering into contracts with entities which have developed new methods of using energy more efficiently. The amendment was not agreed to, 3 ayes to 4 noes.

	Ayes	Noes	Present
Ms. Lofgren		X	
Mr. Capuano		X	
Mr. Gonzalez			
Mrs. Davis (CA)		X	
Mr. Davis (AL)			
Mr. Ehlers	X		
Mr. Lungren	X		
Mr. McCarthy	X		
Chairman Brady		X	
Total	3	4	

The Committee then voted to favorably report H.R. 6474. The motion to report favorably was agreed to by a vote 4 ayes to 3 noes.

	Ayes	Noes	Present
Ms. Lofgren	X		
Mr. Capuano	X		
Mr. Gonzalez			
Mrs. Davis (CA)	X		
Mr. Davis (AL)			
Mr. Ehlers		X	
Mr. Lungren		X	
Mr. McCarthy		X	
Chairman Brady	X		
Total	4	3	

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, the following estimate and comparison prepared by the Di-

rector of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 22, 2008.

Hon. ROBERT A. BRADY,
Chairman, Committee on House Administration,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 6474, a bill to authorize the Chief Administrative Officer of the House of Representatives to carry out a series of demonstration projects to promote the use of innovative technologies in reducing energy consumption and promoting energy efficiency and cost savings in the House of Representatives.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Tyler Kruzich.

Sincerely,

PETER A. FONTAINE
(For Peter R. Orszag, Director).

Enclosure.

H.R. 6474—A bill to authorize the Chief Administrative Officer of the House of Representatives to carry out a series of demonstration projects to promote the use of innovative technologies in reducing energy consumption and promoting energy efficiency and cost savings in the House of Representatives

H.R. 6474 would authorize the Chief Administrative Officer (CAO) of the House of Representatives to conduct demonstration projects to reduce energy consumption in the House of Representatives. The CAO would be required to submit reports to the Committees on House Administration and Appropriations upon completion of each project detailing how the project affects energy use in the House of Representatives.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 6474 would cost the federal government $10 million over the 2009–2013 period, subject to the availability of appropriated funds. Enacting the legislation would not affect direct spending or revenues.

H.R. 6474 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Tyler Kruzich. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

Federal mandates

Section 423 of the CBA requires a committee report on any public bill or joint resolution that includes a federal mandate to include specific information about such mandates. The Committee states that H.R. 6474 includes no federal mandates.

Preemption clarification

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution to include a committee statement on the extent to which the bill or joint resolution is intended to preempt state or local law. The Committee states that H.R. 6474 is not intended to preempt any state or local law.

Committee oversight findings

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee states that the findings and recommendations of the Committee, based on the oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

Statement of general performance goals and objectives

The Committee states, with respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, that the goal and objective of H.R. 6474 is to increase energy efficiency in the House of Representatives and thereby result in cost savings to the House.

Congressional "earmarks"

Clause 9 of House Rule XXI requires committee reports on public bills and resolutions to contain an identification of congressional "earmarks," limited tax benefits, limited tariff benefits, and the names of requesting Members. The bill contains no such items.

Congressional accountability

Section 102(b)(3) of the Congressional Accountability Act of 1995 (P.L. 104–1) requires each report on a public bill or joint resolution relating to terms and conditions of employment or access to public services or accommodations to describe the manner in which the legislation applies to the Legislative Branch. The Committee finds that H.R. 6474 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the Act.

Changes in existing law made by the bill, as reported

H.R. 6467 makes no changes in existing law.

MINORITY VIEWS OF THE HONORABLE VERNON J. EHLERS, THE HONORABLE DANIEL P. LUNGREN, AND THE HONORABLE KEVIN McCARTHY

I. Introduction

On Wednesday, July 30, 2008, the Committee ordered H.R. 6474 reported favorably to the House by a recorded 4–3 vote. H.R. 6474 authorizes the Chief Administrative Officer (CAO) of the House of Representatives to carry out a series of demonstration projects to promote the use of innovative technologies in reducing energy consumption and promoting energy efficiency and cost savings in the House of Representatives. Further, H.R. 6474 authorizes a total of $10 million over Fiscal Years 2009 and 2010 in order to carry out these projects. While many activities have been initiated under the auspices of the "Green the Capitol Initiative", this is the first instance in which the Committee has publicly considered any proposed action. We applaud the Committee for deciding to engage on these important matters within the Committee's jurisdiction. We look forward to reconvening for the public and comprehensive review of Capitol complex energy matters as agreed to by the Chairman, to include how the Congress integrates with other operations of the Federal government in the National Capital Region. We remain deeply troubled by H.R. 6474, which through its structure and purpose illustrates the deeply flawed approach of the Majority to matters of energy efficiency and sustainability.

II. Key Issues

STRUCTURE AND AUTHORITY

The Architect of the Capitol (AOC) is responsible for meeting the mandatory energy efficiency requirements for Federal Buildings included in the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007. These mandates include the reduction of energy consumption from an FY 2003 baseline totaling 30 percent by FY 2015. Additionally, as the entity responsible for the Capitol complex energy infrastructure, the AOC is also subject to specific statutory mandates for use of renewable energy, with a requirement that 7.5 percent of electricity be from renewable sources by 2015. The AOC has incorporated energy savings goals into its regular project planning process, and has achieved its annual energy reduction goals through a number of initiatives that have become the foundation of a successful, long term energy reduction program. These combined efforts reduced Capitol complex energy consumption by 6.5 percent in FY 2006 and 6.7 percent in FY 2007, substantially exceeding the minimum reduction goals set by the Energy Policy Act of 2005. During FY 2007, the AOC invested significant effort in developing Energy Saving Performance Contracts

(ESPC), as well as a prioritized list of potential energy saving projects. Through these combined initiatives, the AOC identified projects capable of reducing energy consumption 30 percent by 2015. The AOC estimates that it will cost $300 million to meet this 30 percent mandate.

The authority granted to the Chief Administrative Officer in H.R. 6474 conflicts with the Architect of the Capitol's clear responsibility for energy infrastructure in the Capitol complex, including matters of energy efficiency and the provision of renewable electricity. To address this conflict, the Ranking Member introduced an amendment in the nature of a substitute that maintained all of the authorities as introduced in H.R. 6474 but granted them to the Architect of the Capitol rather than the Chief Administrative Officer, in order to assist the AOC in achieving its statutory mandates. Further, as the AOC estimated that achieving its energy reduction mandate would cost $300 million, the Ranking Member's substitute doubled the authorized monies available to carry out the demonstration projects. The amendment was defeated.

The Chief Administrative Officer has neither the statutory responsibility nor the organizational capacity to manage the Capitol complex energy infrastructure. Given the nature of business in the House of Representatives, it is essential that energy services are reliable and operate without unscheduled disruptions. To this end, the Ranking Member introduced an amendment requiring that the Chief Administrative Officer consult with and obtain the approval of the AOC prior to engaging in any project that would modify Capitol buildings and grounds. This amendment was designed to ensure communication across the two organizations and to prevent any adverse impact on energy services by activities carried out by the CAO organization. The amendment was defeated.

DEMONSTRATED SHORTFALLS

While the Architect of the Capitol has demonstrated a capacity to properly identify, document, and measure energy-saving projects based on clear processes that assign value based on costs relative to results, the Chief Administrative Officer has demonstrated no such capacity. In the CAO's lone foray into executing a project to increase energy efficiency, the House spent nearly $700K to study the re-lighting of the Capitol dome. An analysis of current energy usage and costs related to the Capitol dome lights reveals that, with a top-end savings of $12K annually, the CAO's study will not achieve economic payback for over 50 years. Factoring in the cost of construction and installation, the project has a payback period well over a century. It is difficult to identify any processes within the CAO that identified this as a priority project, to take precedence over other energy-saving projects also in need of funding. As such, our confidence in the CAO's ability to deliver value to the taxpayer is justifiably weak.

Further, the CAO's recent violations of Committee procurement regulations and inability to provide the transparency and reporting accuracy expected of his position calls into concern the manner in which the CAO will utilize the authority provided in H.R. 6474. The degree to which the CAO reports on contracting activities, and the degree to which sole source contract awards are used to meet

the objectives of the legislation remain open questions and present obvious concerns. To address these concerns, the Ranking Member introduced an amendment to require Committee approval for all contracts entered into under the authority provided by H.R. 6474, not just those contracts exceeding $250K in value or one year in length. The amendment additionally strengthened the requirement that the CAO operate in strict adherence to the Committee's procurement regulations in order to ensure best value for the House of Representatives. The amendment was defeated.

III. CONCLUSION

We believe that H.R. 6474 is deeply flawed in its structure, and that its enactment would result in organizational confusion and implementation risks that would undermine the collective goal of reducing energy consumption in the House. It is essential that the Committee act in a manner that sets a proper example for how organizations and individuals can achieve cost-effective energy savings. This requires processes of the type incorporated into the AOC's project planning that ensure that the best value is achieved for each project investment. The CAO's demonstrated record of engaging in high-profile but poor-value projects undermines the credibility of the Congress, and should not continue to be encouraged. The Ranking Member presented three very simple amendments designed to maintain the spirit of the legislation while correcting its flaws, but each was defeated by the Majority.

VERNON J. EHLERS.
DANIEL E. LUNGREN.
KEVIN MCCARTHY.

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