

By Darren Goode

Reps. Cory Gardner and Peter Welch are angling to make efficiency an area of compromise in a deeply divided Congress that has struggled to produce new energy laws.

The freshman Colorado Republican — who has often been the face of the House GOP on energy strategy this Congress — and the liberal Vermont Democrat Wednesday officially announced the creation of a Bipartisan Energy Savings Performance Caucus, targeting an issue that is low-hanging fruit but that could turn into a model for bigger things.

"I think what's really, really critical is you know we've got a Republican majority here, so having Cory play a leading role is crucial," said Welch, in a joint interview with Gardner in the Colorado Republican's office Wednesday. "You've got a lot of Democrats who would like to work on energy efficiency. We are both hearing from our constituents the same thing: Right, you guys get together and get something done."

One of the challenges aside from the stark partisanship that has brought Capitol Hill nearly to a standstill is the budget-focused agenda that is preventing appropriation of new funding.

"That's the benefit of what we're doing because we're not talking about something that's going to require major appropriation," Gardner said. "You know, we're not talking about financing a tax credit. ... This is savings to the taxpayer with no cost to them."

Gardner and Welch said they will push again next Congress to enact language they attached on four House spending bills this Congress telling federal agencies they need to abide by an existing law that requires them to audit federal buildings to identify ways to increase energy efficiency. The two lawmakers say agencies are not doing this fast enough.

Doing so, they said, allows agencies to better use Energy Savings Performance Contracts, wherein an energy service company arranges private sector financing to make energy-efficient

improvements to buildings. The company is required to guarantee that project improvements produce energy savings sufficient to pay for the project and only receives payment if those guarantees are met.

President Barack Obama directed federal agencies in December 2011 to spend \$2 billion for energy efficiency contracts through 2013, which "is the tip of the iceberg" for what's needed, Gardner said. Energy and industry officials have said the total opportunities for these contracts could amount to around \$20 billion.

"So it's a slow startup and we really wanna push, push, push on that," Welch said.

The last time Congress passed a major energy bill was 2007. Since then, there have been only piecemeal victories.

"And Cory and I can try to be voices of reason to get people to talk," Welch said. "But what we can do that would be really helpful is to focus on the efficiency space where there is some common agreement and measurable results and benefits. But we've got a long way in this Congress to go to trust-building so we can work better together on some of these tougher issues."

Gardner and Welch have also picked an issue that doesn't need to forge a path to bipartisanship.

The House overwhelmingly approved an energy efficiency bill Tuesday by a 398-2 vote that includes several provisions from earlier House and Senate measures, such as language from a plan authored by Sens. Rob Portman (R-Ohio) and Jeanne Shaheen (D-N.H.). Energy efficiency advocates applauded the new bill, even though it lacked major financing and other provisions from Shaheen-Portman.

Gardner and Welch also support extending a wind production tax credit that expires this year, which the Colorado Republican believes will survive the larger fiscal cliff talks that have drowned out discussions over tax extenders.

He and Rep. Ed Perlmutter (D-Colo.) unsuccessfully tried to help work out a deal in a surface transportation bill this year to tie the Keystone XL pipeline to a four-year extension of a wind production tax credit. While that didn't succeed, both he and Welch said they favored creative ideas that link together two ideas that would be controversial on their own.

"That notion of pairing things makes a lot of sense to me," Welch said. "I think all of us when we step back understand that there's some truth on both sides."

And he and Gardner are looking at other ideas as well to boost efficiency.

"We'll be exploring other ways where we might be able to provide some incentive for the commercial building owner, for the home owner" to be more energy efficient, Welch said. "Oftentimes, there's a startup cost, you know, there's a return of investment you've got to get and that's where appropriate policies could facilitate that."

Welch has introduced the Home Owner Managing Energy Savings, or HOMES Act, with Rep. David McKinley (R-W.Va.), which gives rebates to homeowners who invest in energy-saving improvements.

Another idea Gardner said could be explored is a "carrot-and-stick" measure that cuts funding from an agency by an amount equal to its proposed energy savings if the agency fails to complete a project under a set timeline.

"Now, who knows if that's a good policy. That's a discussion we need to have," he said.

"I think one of the things we hope to do is identify something where we can say categorically, 'you know what? If we spend x, we'll get back 2x,'" Welch said.

For now, the two are basking in the success of a new caucus that so far has brought on board nine other House lawmakers, five Democrats and four Republicans.

The other members of the caucus so far are Republicans Lee Terry (Neb.), Paul Gosar (Ariz.), Joe Wilson (S.C.) and Charles Dent (Pa.), and Democrats Earl Blumenauer (Ore.), Charles Rangel (N.Y.), Madeleine Bordallo (Guam), Ron Kind (Wis.) and Michael Michaud (Maine).