



November 1, 2023

The Honorable Speaker Emerita Nancy Pelosi
1236 Longworth H.O.B.
Washington, D.C. 20515

Re: Small Business Energy Loan Enhancement Act—SUPPORT

Dear Speaker Emerita Pelosi,

I write to you on behalf of the Building Owners and Managers Association (BOMA) San Francisco, a local affiliate of BOMA International, in support of H.R. (6921), the Small Business Energy Loan Enhancement Act. This bipartisan legislation would increase the SBA's 504/CDC qualifying loan cap from \$5.5 million to \$10 million. The loans provided would be eligible to be used to finance renovations, retrofits, and the purchase of major fixed assets such as land, buildings, equipment, and machinery.

Locally, the City and County of San Francisco, the Bay Area Air Quality Management District (BAAQMD), and the California Air Resources Board (CARB) have all set aggressive decarbonization targets that will impact our commercial building operations. San Francisco's Climate Action Plan sets a firm target of 2035 for zero on-site fossil fuel consumption in large commercial buildings. BAAQMD and CARB have established policies that will prohibit the purchase of new natural gas equipment in 2030 and 2031 respectively.

Our members remain committed to meeting these decarbonization goals. We firmly believe that California has the opportunity to lead a market transformation that will promote policies that meet climate goals while maintaining technical and economic viability. However, these goals come with real costs at a time where our industry faces unprecedented challenges and limited access to new capital. According to an analysis of client projects from one of our leading member experts in this space, Gridium, the cost for electrification for a typical, large commercial building in San Francisco averages to roughly \$10 per square foot in capital improvements plus an additional \$0.75 per square foot in operating expenses. Given these factors, it is critical that our members have the ability to leverage state and federal funding to undertake these projects.

Energy efficiency improvements are some of the most effective measures that can be currently taken in immediately lowering emissions and preparing our buildings for eventual

electrification. We would greatly appreciate the ability to leverage more federal funding to assist our members in undertaking these projects. Thank you for your consideration of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Bryant". The signature is stylized and cursive, with the first name "John" being the most prominent part.

John R. Bryant
CEO, BOMA San Francisco