

## Introduction



U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

DOE-FEMP Comprehensive ESPC Workshop

Welcome!

**FEMP**  
Federal Energy Management Program

1 | Energy Efficiency and Renewable Energy [eere.energy.gov](http://eere.energy.gov)

Welcome!

Our objective for this workshop is to give you a comprehensive understanding of ESPCs in general, and show you where to go next to get your questions answered about your individual facility.

### Objective of the Workshop

- To provide agency participants with an comprehensive review of the ESPC authority and process and a springboard to pursuing the information and tools needed to develop high-value energy projects.



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This workshop discusses the process of developing, awarding, implementing, and administering an ESPC task order. Although the workshop will not provide all the information that a contracting officer or facility energy manager will need to carry out an ESPC project, nor make ESPC novices into masters, this training does provide a roadmap, along with signposts to resources and assistance, lessons learned, and best practices, to help agencies ensure that their ESPC projects are technically excellent and financially smart.

Formal learning objectives for the workshop appear in the front section of the handbook.

### FEMP Mission



#### DOE Federal Energy Management Program's (FEMP's) Mission

FEMP works with Federal leaders to accomplish energy change within organizations by bringing expertise from all levels of project and policy implementation to enable Federal agencies to meet energy-related goals and to provide energy leadership to the country.

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Why is FEMP so involved in ESPCs?

FEMP's mission is to help agencies manage their energy use and meet energy goals.

Congress authorized agencies to use ESPCs to address the fact that many agencies have insufficient appropriations to make energy improvements, and tasked FEMP with establishing the ESPC program to help agencies use ESPCs.

### New Federal Goals — EO 13693, March 2015

- Reduce building energy intensity measured by 2.5% annually through 2025, relative to 2015 baseline.
- By June 2016, plan for 15% of buildings bigger than 5,000 sq ft to comply with Guiding Principles by 2025.
- Build into all new construction and major alterations:
  - fleet charging infrastructure
  - climate-resilient design and management
  - cost-effective strategies to optimize sustainable space usage and adaptation to community transportation systems



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See *Laws and Regulations*:

[energy.gov/eere/femp/federal-energy-management-laws-and-requirements](http://energy.gov/eere/femp/federal-energy-management-laws-and-requirements)

Previous Generations of Federal Goals — EISA, EO 13423, EO 13514

- Reduce facility energy use by 30% (relative to 2003) by end of 2015
- Increase use of renewable energy to 7.5% by 2013
- Reduce water use by 16% by end of 2015 (relative to 2008) and 26% by 2020
- Reduce direct greenhouse gas emissions (from fuels and building energy use) by 28% by 2020
- Reduce indirect emissions (employee travel, commuting) by 13% by 2020

### FEMP's All-New ESPC Web Site

<http://energy.gov/eere/femp/energy-savings-performance-contracts-federal-agencies>



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To find all of FEMP's ESPC resources and contract document templates: From the FEMP home page click on *Project Financing* on that page click on *Energy Savings Performance Contracts*, and on the ESPC page click on *Resources*.

FEMP ESPC home page:

<http://energy.gov/eere/femp/energy-savings-performance-contracts-federal-agencies>

FEMP ESPC Resources page:

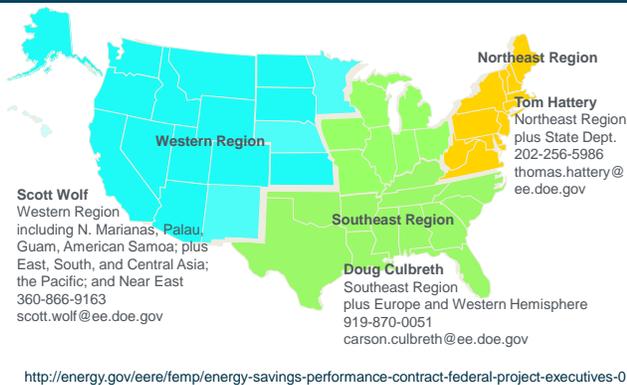
<http://energy.gov/eere/femp/resources-implementing-federal-energy-savings-performance-contracts>

### FEMP's ESPC Team – Dedicated to helping agencies succeed with ESPC

- The FEMP Federal Project Executive (FPE)
  - Your first point of contact
  - Coordinator of all FEMP ESPC assistance for agencies
- FEMP Project Facilitators (PFs)
- National Lab experts
- DOE Golden Office – [FEMP@go.doe.gov](mailto:FEMP@go.doe.gov)
  - DOE-FEMP ESPC IDIQ contract administration

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## FEMP Federal Project Executives (FPEs)



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FEMP's Federal Project Executives (FPEs) are your primary resource for help with ESPCs. The FPEs can help you with any questions you have about financing federal energy projects, they can set up ESPC training for your acquisition team, and can help you get started with your ESPC project.

## Free FEMP ESPC Training

- Comprehensive ESPC workshops (3 days)
  - Next: March 29-31, 2016, Nashville TN
- On-site workshops at agency sites
- Courses and more information on FEMP's website
  - FEMP ESPC courses: <http://energy.gov/eere/femp/federal-energy-savings-performance-contract-training>



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## Workshop Schedule

- Day 1
  - ESPC Basics
  - Phase 1 – Acquisition Planning
  - Phase 2 – ESCO Selection and Preliminary Assessment
- Day 2 – Phase 3 – Project Development
  - Measurement & Verification
  - Risk, Responsibility, and Performance Matrix
  - Process – IGA, proposal review, Task Order Award
- Day 3
  - Review of Pricing Proposal
  - Phase 4 – Construction through Project Acceptance
  - Phase 5 – Post-Acceptance Performance

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## Workshop Materials

### Handbook

- Agenda, contents, objectives, abbreviations
- FEMP ESPC Contacts and Web Resources
- Presentations
- Key ESPC Documents and Templates
  - FEMP ESPC Best Practices
  - Notice of Opportunity Template
  - Risk, Responsibility, and Performance Matrix
  - DOE IDIQ ESPC Master Contract, sections A – H



### Project Case Study Book

- "Fort Raup" project documents

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## CEUs for FEMP Training

### Students must complete on-line test and course evaluation to receive certificate

- Follow this link to WBDG: [www.wbdg.org/education/femplt10202015.php](http://www.wbdg.org/education/femplt10202015.php)
  - Link is available only to attendees, only for two weeks
- Enroll/Register
  - Enroll only once – the site will thereafter keep records of all the student's training
- Take the test
  - Min. 80% correct answers required to pass
- Complete the evaluation **to receive your certificate**
  - For access to records/download certificates, click "My Account" on WBDG home page tab

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### The Parking Lot



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To help us get the most out of our time here, we'll be using the "parking lot." We hope you will ask questions, but when we get a question that (1) will be covered in the material that's coming up, or (2) we don't have an answer for, we'll put it in the parking lot and then make sure it does get answered.

### Participant Introductions and Expectations

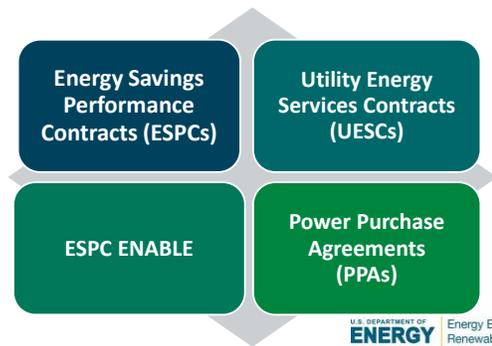


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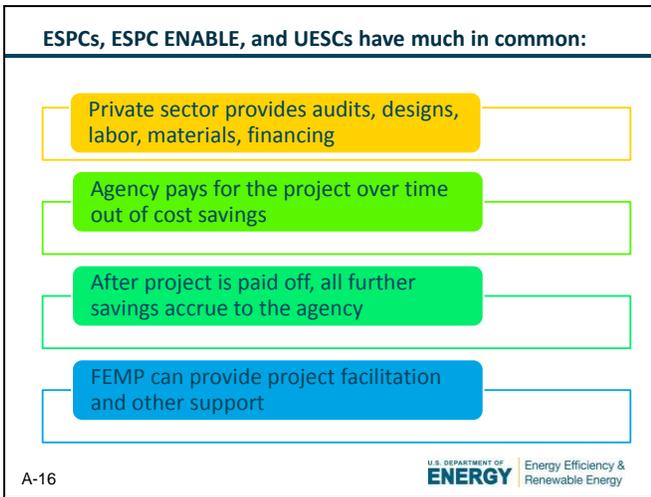
### Other Alternative Financing Options for Energy Projects — at a Glance



A few vehicles can finance energy improvements, without up-front capital costs or special appropriations:



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One thing to notice is that UESCs are only available where the serving utility offers them (and where the public utility authority allows them). UESCs are generally suitable for projects that are too small to be attractive to an ESCO.

The deciding factor for many agencies who have used UESCs has been that they had a good longstanding working relationship with their utility company and felt most comfortable doing their project with a known partner

ESPC ENABLE accommodates agencies with multiple small sites. ESPC ENABLE is a standardized process for several most cost-effective ECMs. This standardized approach is anticipated to speed up the process

significantly, allowing agencies to award task orders in 12-15 weeks. The program encourages the bundling of an agency’s multiple sites/buildings/facilities in a single project or procurement.

For more information on ESPC ENABLE, contact:

**Chip Goyette**  
 ESPC Process Improvement  
 202-586-9209  
[chip.goyette@ee.doe.gov](mailto:chip.goyette@ee.doe.gov)

<b>Comparison of DOE ESPCs, ESPC ENABLE, UESCs</b>			
	<b>DOE ESPCs</b>	<b>ESPC ENABLE</b>	<b>UESCs</b>
Contract type	TOs under DOE IDIQ	GSA Schedule 84 (SIN246-53)	GSA Area-wide contracts; Basic ordering agreements
Private-sector partner	ESCO	ESCOs on GSA Schedule 84 (SIN246-53)	Serving utility company
Eligible facilities	Federally owned worldwide	Federally owned facilities	Where government pays utility bill; where offered/authorized
Project size	\$1 – 2 million or larger	< \$1M; bldgs <200K sqft and site bundling are anticipated	Any
ECMs	Unlimited	Lighting, water, simple HVAC controls & system replacement, and solar PV	Unlimited
Savings guarantees / M&V	Required	Required; simplified M&V	Negotiable; erformance assurance required for annual scoring
O & M	ESCO responsible; tasking is negotiable	Government is responsible; ESCO provides training	Negotiable

### More Information on Financing Options

- Ask a FEMP Federal Project Executive
- FEMP Web:
  - Go to FEMP → Project Financing
- On-Demand FEMP Webinar: *Introduction to Alternative Financing for Energy Efficiency and Renewable Technologies*
  - Under FEMP Training Search topic “Contracting and Financing”

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**Next: B – ESPC Basics** ►

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