

Energy Savings Performance Contracts: FEMP Assistance

An ESPC is a working relationship between a Federal agency and an energy service company (ESCO). The ESCO conducts a comprehensive energy audit for the Federal facility and identifies improvements to save energy. In consultation with the Federal agency, the ESCO designs and constructs a project that meets the agency's needs and arranges the necessary funding. The ESCO guarantees the improvements will generate energy cost savings sufficient to pay for the project over the term of the contract. After the contract ends, all additional cost savings accrue to the agency. Contract terms of up to 25 years are allowed.

ESPC Benefits

ESPCs can help agencies meet Federal energy management goals through:

- Energy efficiency improvements and new equipment without up-front capital costs
- Facility improvements without relying on special appropriations
- Guaranteed energy and related operational & maintenance cost savings
- Lower operational costs



East Campus Complex, Oak Ridge, Tennessee. *Photo from Oak Ridge National Laboratory*

- Enhanced ability to plan and budget energy operations & maintenance accounts, and
- Reduced vulnerability to volatile energy prices, weather conditions, and equipment failure.

FEMP ESPC Project Assistance for Agencies

The Federal Energy Management Program (FEMP) provides agencies with assistance at each stage of the ESPC process. FEMP staff coordinates with technical experts to provide ESPC assistance, project facilitation and development, and life of contract support.

ESPC Training and Outreach

FEMP assistance begins with its training and outreach programs. FEMP requests that Federal agency staff take its free Comprehensive ESPC Workshop, which teaches participants how to navigate the ESPC process with confidence and develop a high-value project. FEMP also promotes the benefits of ESPCs through numerous media channels to raise awareness across the Federal sector. Additional training and outreach services include:

- Customized onsite workshops for agencies interested in pursuing an ESPC project
- Free on-demand webinars on the FEMP ESPC training website www.femp.energy.gov/financing/espcs_training.html
- Case Studies, Program Overview, FAQs, and other informative documents published to the FEMP ESPC Website www.femp.energy.gov/financing/espcs.html
- Presentations and representation at top industry conferences and events
- Progress alerts, FEMP Focus articles, and other media outreach

You can also view the FEMP Calendar of Events for more information on training opportunities at www.femp.energy.gov/financing/espcs_resources.html for dates and locations.

ESPC Project Facilitation and Development

FEMP assists interested agencies in every step of the ESPC procurement process. Project facilitation and development assistance includes: published contract documents, templates, and milestone timelines; Federal Financing Specialist services free of charge; and Project facilitator (PF) services. For more information on ESPC procurement resources, visit the FEMP ESPC Resources website.

www.femp.energy.gov/financing/espcs_financingspecialists.html

FEMP's Federal Financing Specialists (FFSs) can answer agencies' questions about financed Federal energy projects and can help agencies access FEMP resources. An FFS will:

- Identify potential ESPC sites
- Explain performance contracting and FEMPs third-party financing vehicles to site staff and management
- Determine whether an ESPC project is feasible considering all available procurement vehicles
- Identify agency project decision makers
- Assist agencies in forming an acquisition team



Aerial View of San Francisco VA Medical Center. Photo from National Renewable Energy Laboratory (NREL) who participated in this ESPC project. NREL/PIX 07791

Also see www.femp.energy.gov/financing/espcs_resources.html

FEMP project facilitators are experienced, unbiased advisors who guide agencies through ESPC project development and implementation and the first annual measurement & verification report. Project facilitators' assistance includes tasks such as:

- Providing consultation and assistance with:
 - Contractual and financial issues
 - Technology and engineering issues
 - Measurement and verification
- Reviewing cost and technical proposals

FEMP provides project facilitators at no cost for the early development of ESPC projects — through agency review of the

ESCO's preliminary assessment. After that point, services are provided on a reimbursable basis through an interagency agreement with the DOE Golden Field Office. Contact a FFS to get started.

Please also see www.femp.energy.gov/financing/espcs_projectfacilitators.html

Advanced Technologies for ESPCs

In accordance with new legislation and a growing national focus on energy security and independence, the new DOE ESPCs emphasize renewable energy and advanced energy efficiency technologies. FEMP helps Federal agencies identify and plan for opportunities to deploy these technologies using the Emerging Technologies Matrix

Contact a FEMP Federal Financing Specialist to get started today.

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