



U.S. Department of Energy  
Energy Efficiency and Renewable Energy

*federal energy management program*

# Welcome to the Beach

Remember this is a “Working Group”  
Your participation is needed  
You will have home work  
Don’t forget to have a least a little fun



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## **Be Present to Participate**

Put your cell phone on silent

Store your blackberry

If you really need to take a call or use your  
blackberry please step outside



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# **WASHINGTON UPDATE**

## **Federal Utility Partnership Working Group Meeting**

**David McAndrew**

~~Cape Canaveral~~ **Cocoa Beach**, Florida

**April 30, 2007**



# ***Presentation Overview***

- **FEMP Happenings**
- **Executive Order 13423**
- **National Defense Authorization Act of 2007**
  - ***Impact on UESCs***
- ***GSA Guidance on the use of the Areawide***



# Changes at FEMP

- David Rodgers Acting FEMP Program Manager
- He is also Acting Deputy Assistant Secretary
  - Shelly Fidler
  - Skye Schell
- FEMP is beginning the process determining of how we can better serve our customers and stakeholders
- Your input is appreciated  
(that's why we're here)



- DOE's Leadership will begin at home
- Renewables
  - How can we get more on-site projects
  - How can we work with utilities to purchase RE directly
- Private Sector financing is still front and center
  - 50% boost in 07 funding
  - UESC are now viewed as key component to meeting goals
    - The importance of having a plan
    - With the spotlight comes the need to perform

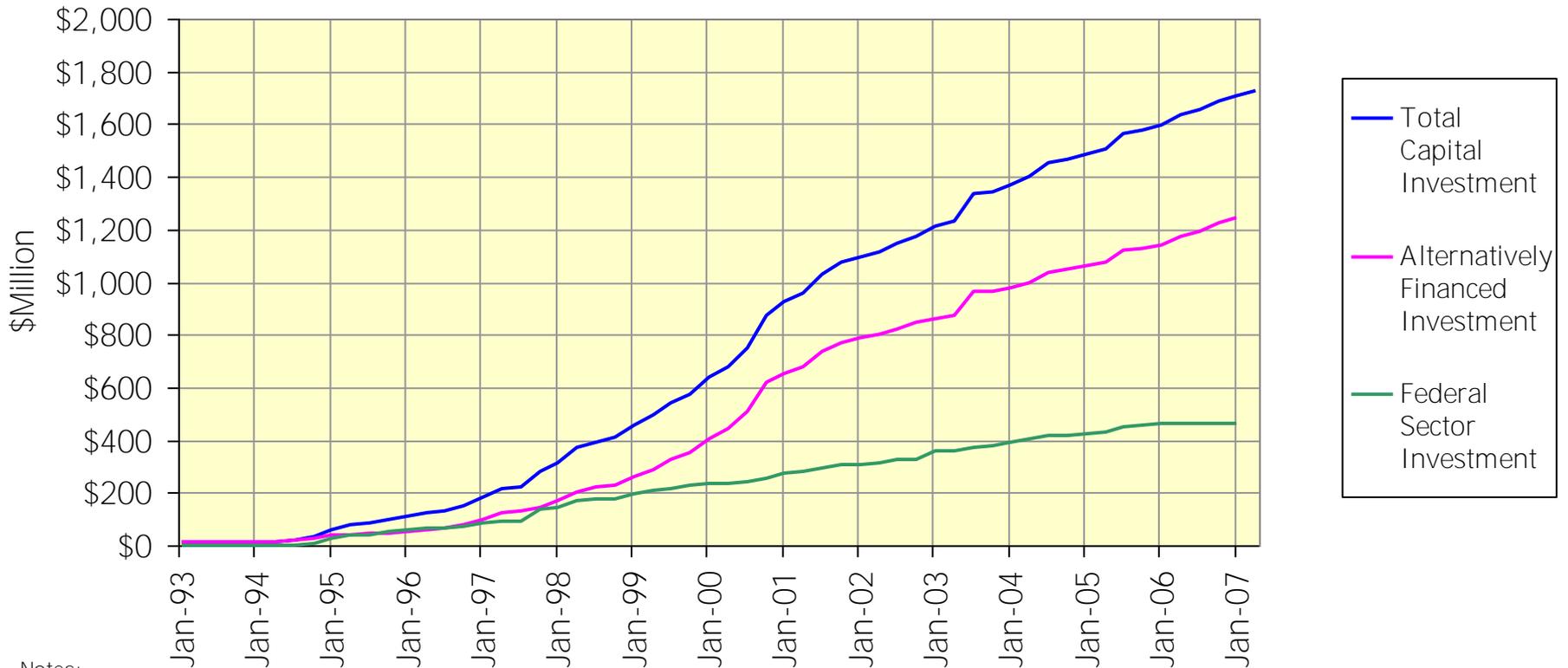


# Recognizing Success

- FUPWG News
  - Legislative changes
  - Utility Services
  - Guidance Updates
  - Project Successes
- UESC Video Case Study
  - Short Segments
  - Posted to web
- Hosting a meeting
- Utility Survey
- Data Collection



# UEESC Rate of Investment



Notes:

Investment is based on projects' capital cost.

Data was last edited on April 2006 and is subject to change... Award Date



# January 2007





## Strengthening Federal Environmental, Energy, & Transportation Management

***It is the policy of the United States that Federal agencies conduct environmental, transportation, and energy-related activities -***

- **Under the law**
- **In support of their respective missions**
- **In an environmentally and fiscally sound, integrated, continuously improving, efficient, and sustainable manner**



## **Revokes Executive Orders:**

13101 – Greening the Government through Waste Prevention Recycling and Federal Acquisition

13123 - Greening the Government through Efficient Energy Management

13134 – Developing and Promoting Biobased and Bioenergy products

13148 - Greening the Government Through Leadership in Environmental Management

13149 - Greening the Government Through Federal Fleet and Transportation Efficiency



# **Executive Order 13423**

## **Energy + Water Efficiency**

- **Improve energy efficiency and reduce greenhouse gases by 3% annually or 30% by 2015 (2003 baseline)**
- **Beginning in FY 2008 reduce water usage by 2% per year through 2015 (2007 baseline)**

### **Instructions:**

- **Reporting begins in 2007 must reduce energy usage by 6% to meet 30% Goal**
- **Exemptions flow from EPCACT 2005**
- **New contracts for the operation of government owned facilities must require that contractor comply with the facility and vehicle provisions of the order (tenants or concessionaires)**



# **Executive Order 13423**

## **Energy + Water Efficiency**

### **Instructions: Funding Sources**

**ESPCs**

**EUL**

**UESCs**

**Rate Payer Incentives**

**Direct Appropriations**

**Retention of Funds**

- **Appropriated** funds may be combined with **ESPCs** and **UESCs**
- Long and short term ECMs may also be combined
- Unused appropriated funds from energy and water cost saving can be used for reinvestment in energy and water conservation
- Renewable measures **shall** be considered in each **ESPC/UESC**



# Executive Order 13423

## Energy + Water Efficiency

### Instructions continued: **Tools**

**Distributed Generation:** Where life-cycle cost effective each agency shall implement DG projects in new construction and retrofits; Focus renewable, fuel cell and Co-gen.

**Metering:** Agencies should install meters for potable water, electricity, and thermal energy (steam/Nat Gas), all **UESCs** and ESPCS should consider metering

**Audits:** Agencies should audit 10% of buildings each year, **UESC** and ESPC audits count toward goal.

**Energy Purchasing:** To The extent possible agencies should purchase electric and thermal energy from low carbon and high efficiency sources.

**WaterSense:** Agencies should purchase WaterSense labeled products and hire WaterSense certified irrigation contractors



# Executive Order 13423

## Other Requirements

- **Requires use of sustainable environmental practices in acquisitions, gives preference to:**
  - **Biobased products,**
  - **Energy efficient (Energy Star, FEMP Designated)**
  - **Water efficient products (WaterSense)**
  - **Recycled Products (30% post consumer fiber)**
  - **EPEAT electronics products**
  - **Non Ozone depleting substance (Significant New Alternatives Program EPA)**
- **Office of Federal Procurement Policy will issue guidance**



## High Performance Buildings

- **New construction & major renovations must meet or exceed the *Guiding Principles for Federal leadership in High Performance & Sustainable Buildings***
- ***By 2015 agencies shall have 15% of their building inventory in compliance with the Guiding Principles***
  - ***New leases and “build to suit leases” should incorporate Guiding Principles***
  - ***Agencies must submit a plan to explain how they will meet the goal***
  - ***OMB will issue guidance on plan***



# Executive Order 13423

## Other Requirements

### **Federal Fleets: Applies to agencies with at least 20 subject vehicles:**

- **Agency must reduce total consumption of petroleum products by 2% per year**
- **Agency must increase non petroleum based fuel by 10% per year**
- **Agency must use plug-in hybrid vehicles when commercially available at a reasonably comparable cost**
- **New contracts for contractor operated fleets must incorporate requirements**



# Executive Order 13423

## Pending Guidance

### **Interagency Energy Task Force 90 days from March 29th:**

- **Long term planning and strategies for achieving EE goals**
- **Renewable Energy Goal and REC use**
- **Use of ESPCs and UESCs**
- **Investments in Renewable Generation**
- **Retention of funds from EE projects**

**Guidance on water baseline development and meeting conservation goals must be issued by DOE (workig with EPA) by September 30, 2007.**



# ***National Defense Authorization Act of 2007 – Key Elements***

- **It is a long act, I can't cover all of it.**
- **It repeals 10 USC 2865, old enabling UESC legislation**
- **It reaffirms congressional and presidential support for UESCs**
- **It appears to both clarify and expand authority of DOD facilities to work with utilities**



# ***National Defense Authorization Act of 2007 – Key Elements***

**Sec. 2911. DOD energy performance goals & plan**

**Sec. 2912. Availability & use of energy cost savings**

**Sec. 2913. Energy savings contracts & activities**

**Sec. 2914. Energy conservation**



# ***National Defense Authorization Act of 2007 – Key Elements***

**Sec. 2915.** New construction use of RE and EE products

**Sec. 2916.** Sale of electricity derived from alternate energy & cogeneration production

**Sec. 2917.** Development of geothermal on military lands

**Sec. 2918.** Fuel sources used for heating systems



## **Sec. 2911**

- Energy Performance Goals
  - Submitted to Congress annually cover current FY and next 5, 10, and 20 years.
  - Changes from year to year must be called out
  
- Energy Performance Plan
  - Annually submitted plan for achieving energy performance goals
  - ECM should be readily available and demonstrate economic return on investment
  
- Establishes DOD goal of producing or procuring at least 25% of total electric usage from renewable resources



## **Sec. 2912: Availability and Use of Energy Cost Savings**

- Funds equal to the amount of savings realized by DOD including financial benefits for shared energy saving contracts (ESPCs + UESCs) shall remain available until expended
- One half of savings shall be used for each of the following:
  - Implementation of additional ECMS
  - Retained by the installation for
    - improvements to housing
    - Minor construction to improve quality of life
    - Any morale, welfare or recreational facility or service



## **Sec. 1913 Energy Savings Contracts**

- Departments may directly negotiate with shared energy savings contractors competitively selected by any gas or electric utility serving the Dept.
- Departments are encouraged to participate in programs conducted by any gas or electric utility for the management of energy demand or energy conservation
- Any military installation may accept any financial incentive, good or service generally available from a gas or electric utility



## **Sec. 1913 Energy Savings Contracts**

- Sec Def may authorize departments to enter into agreements with gas or electric utilities to design and implement cost effective demand and conservation incentive programs (including energy management services, facilities alterations, and the installation and maintenance of energy saving devices)
- Title of equipment must vest with Gov. but it may vest during or at the end of the agreement as is in the best interest of GOV
- Financing for the services may be recovered under terms no less favorable than most favored customers



# GSA Guidance

- We have put a copy of the GSA's guidance in your packet
- Please remember 2 things when using the areawide:
  - Please notify GSA when you issue a delivery Order
  - Make sure all delivery orders meet GSA definition of an ECM



## **Energy Conservation Measure must;**

1. Produce measurable reduction in energy, water, or energy demand or
2. Be directly related to use of energy or water or directly control use of energy or water
  - Preponderance of work must be for 1 or 2 above and it,
  - Be and improvement to real property



# Thank you for coming

David McAndrew

[david.mcandew@ee.doe.gov](mailto:david.mcandew@ee.doe.gov)

202-586-7722