Federal Energy and Water Management AWARDS

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In January 2012, the GSA Energy Division ran the first forward auction for demand response services by a Federal agency, resulting in awarded contracts expected to generate revenues of $1.5 million for the GSA and the Department of Veterans Affairs (VA). To date, the majority of Federal Government agencies participating in energy curtailment programs utilized a process through which they requested quotes from demand response providers, then negotiated revenue shares and performance metrics on the provider's terms. GSA's competitive forward auction included approximately 24 megawatts (MW) of requirements, or about 8 MW annually over a three year term, for GSA and VA facilities that had previously enrolled in demand response programs under commercial terms dictated by providers.

GSA received 70 bids from 10 approved demand response providers as a result of the auction. Of equal importance, GSA was able to shift all cost and performance risk from the Government to the providers. While dictating performance terms and shifting risk, GSA was able to increase the Government's share of revenues from 75 percent under the previous commercial agreements to 91.8 percent under GSA's terms, which can in turn be re-invested into energy reduction projects.