



Welcome to Biloxi, Ms  
Beau Rivage Resort, Hotel and Casino

Thank You Mississippi Power

Thank You Joe Bosco

Don't forget the suntan lotion



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

Bringing you a prosperous future where energy  
is clean, abundant, reliable, and affordable

Federal Energy Management Program

Washington Update  
Federal Utility Partnership Working  
Group  
Biloxi, Mississippi



David McAndrew

Federal Energy Management Program

May 5, 2009



## Be Present and Participate

Please turn off cell phones and blackberries

We will have lots of breaks for you

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

Also remember the FUPWG code of Conduct

Oh Yea, try and have a little fun!



- Changes to FEMP Organization, Structure, & Services
- FEMP EISA Section 432 Guidance
- ARRA Update
- Update on Utility Sector EERE Spending



*Facilitate the Federal Government's implementation of sound, cost-effective energy management & investment practices to enhance the nation's energy security & environmental stewardship*



## FEMP'S Program Services



Each Staff member has

- Functional role in one of the program areas
- Customer service role as lead for an agency



Provides assistance to federal agencies through all stages project implementation;

Financing Support	Services
<ul style="list-style-type: none"><li>• ESPCs</li><li>• UESCs</li><li>• Appropriations</li><li>• PPA</li><li>• Rebates and Incentives</li></ul>	<ul style="list-style-type: none"><li>• Planning</li><li>• Development</li><li>• Implementation</li><li>• Commissioning</li><li>• M&amp;V</li></ul>



Provides technical support services to in the areas of:

- Mobility (fleet)
- Sustainable design
- Renewable energy
- Water conservation
- Laboratory and data center design
- O&M best practices
- Product Procurement
- Emerging technologies



Improves the quality of Department of Energy (DOE) and inter-agency planning, reporting, and communications through:

- Inter-agency Coordination
- Rulemakings, Regulations and Guidance
- Energy Awareness Publications and Outreach
- Awards and Recognition
- Annual Reporting
- FEMP Strategic Planning
- FEMP budget planning, analysis, and reporting



Visit the  
FEMP Website for:

- **Our website is constantly being updated**
- Program Activity Information
- News Updates, Announcements & Policy Initiatives
- Upcoming Workshops & Training Events

<http://www1.eere.energy.gov/femp/>



# EISA Section 432 Guidance



- Issued on November 25<sup>th</sup>, 2008
- Can be found at:  
[http://www1.eere.energy.gov/femp/pdfs/eisa\\_s432\\_guidelines.pdf](http://www1.eere.energy.gov/femp/pdfs/eisa_s432_guidelines.pdf)
- Provides guidelines and criteria for
  - Facility Energy Managers
  - Covered facilities
  - Energy and Water Evaluations
- Initial guidance additional guidance will follow
  - Web-based tracking system
  - Building benchmarking system



- May be
  - Full-time or Part-time employee
  - Contractor
  - Resource Energy Manager
  - Responsible for multiple facilities,
- Must be “trained”
  - Recommends completion of at least 32 course hours
  - Agencies may establish their own requirements
- Should be assigned facilities based on
  - Ability to procure or complete evaluations and
  - Ability to oversee implementation of identified measures
- Success should be incentivized and rewarded



- Owned, operated, or leased properties, with utilities paid by government
- Represent *at least 75%* of the total facility energy use
  - Rank based on energy use; include top 75%
  - Exclude buildings where data can't be disclosed for security reasons
  - Building included in the 3% EE goal won't necessarily align with "covered buildings"
- "Facility" can be group of structures where data can be aggregated
- Groupings should be structured to facilitate completion of evaluations over four year period



- Complete energy and water evaluations for 25% of covered facilities each year
- 25% can be based on number, energy use, or square ft
  - DOE recommends energy use
- Every covered facility must be evaluated at least once every four years
- Lists for FY 2008 were due Jan 5, 2009
  - May count Facilities evaluated in past two years
  - Report on first evaluations due June 16, 2009
  - This information is supposed to be public



- Should be at least Preliminary Assessment level and include:
  - Findings of walk-through survey
  - Evaluation of energy cost savings
  - Energy unit savings potential
  - Building condition
  - Energy consuming equipment
  - Occupancy info
- Purpose – to enable development of preliminary technical and price proposals



- Recommends two-step process
  - Initial assessment (walk-through)
  - Detailed evaluation in buildings identified as economically viable candidates
- May exclude buildings <50,000 sq ft, unless energy-intensive
- May exclude all buildings <25,000 sq ft
- Guidelines identify many resources



# American Reinvestment and Recovery Act Update



- Total Funding Package: *\$787Billion*
- Federal Construction & O&M: up to \$17.3 Billion
  - Construction, Renovation & O&M backlogs
  - At least \$4.7 Billion targeted at increasing EERE
- Federal Fleet Vehicles: \$300 Million

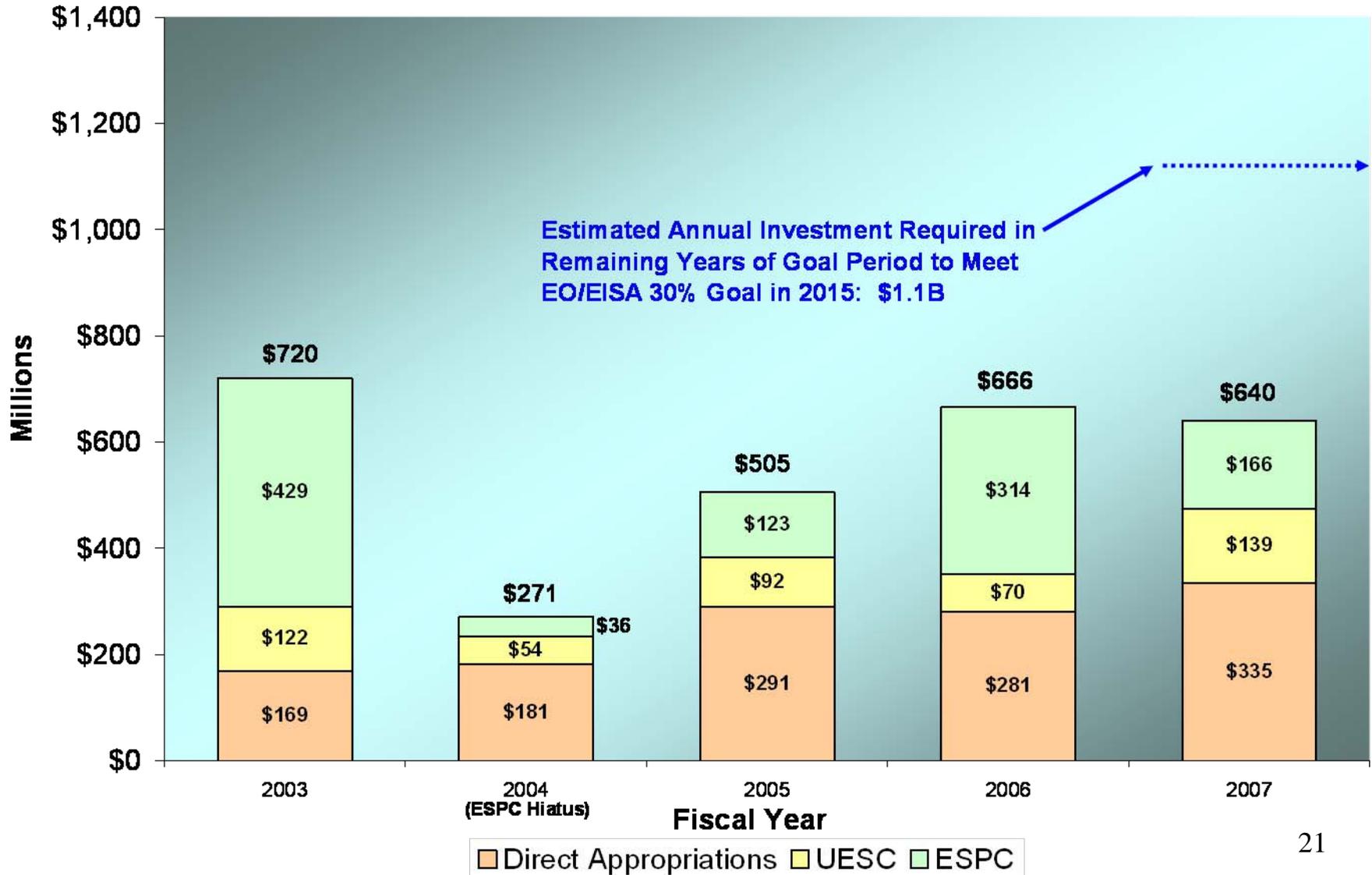


## Breakdown by Federal Agency

Agency	Construction & O&M	Energy Efficiency	Alternative Fuel Vehicle Fleet
DOD	\$6,297 M	\$220 M + (included in \$6,296.9 M)	-
GSA	\$5,550 M	\$4,500 M (included in \$5,550 M)	\$300 M
DOI	\$1,195 M	Unspecified amount	-
VA	\$1,050 M	Unspecified amount	-
HHS	\$915 M	-	-
DOC	\$780 M	-	-
USDA	\$350 M	\$50 M For Biomass	-
DHS	\$298 M	-	-
DOL	\$250 M	-	-
DOT	\$200 M	-	-
DOT	\$90M	-	-



# Investment in Facility Energy Efficiency 2003 - 2007





- ARRA funding is a game changer for agencies
  - Agencies have been struggling to meet EERE goals
  - Agencies have a backlog of projects on the shelf
  - Must shift gears from how to fund projects, to how to implement projects quickly
- ARRA funding may be an opportunity for utilities
  - Large customer segment
  - Aggressive conservation goals
  - Substantial increase in funding
  - Utility Energy Service Contracts (UESC) allow federal agencies to contract directly with utilities



- Available at: <http://www.recovery.gov/?q=node/317>
- Requires description of how agency will meet energy efficiency and green building requirements
- Includes EPACK 2005 and EO 13423 requirements:
  - Energy Efficient Buildings
  - Sustainable Design and Construction
- Highlights resources available for help:
  - FEMP
  - GSA Office of High Performance Green Buildings
- Encourages use of
  - Energy Savings Performance Contracts
  - *Utility Energy Savings Contracts*



# OMB Guidance Contracts

## Guiding Principals

- Mitigate schedule, cost, and performance risk;
- Deliver measurable outcomes consistent with agency plans and Recovery Act goals
- Expeditiously award contracts using available streamlining flexibilities
- Obtain maximum practicable competition
- Apply sufficient and adequately trained workforce to responsibly plan, evaluate, award and monitor contracts
- Ensure government personnel are available to perform inherently governmental functions during contract
- Provide appropriate oversight at critical decision points
- Maximize opportunities for small businesses
- Utilize nonprofit agencies employing blind or severely disabled



- Preference for Fixed Priced
  - Adhere to FAR Part 16
  - Fixed price contracts minimize Government price risk
  - Fixed price contracts provide maximum incentive for the contractor to control costs and perform effectively
  - Fixed priced contracts impose least burden upon contracting parties
- When other than fixed-price contract types are proposed, agencies should
  - Provide appropriate oversight to ensure that all alternatives have been considered
  - Ensure qualified staff is available for monitoring performance to mitigate risks



- Agencies should follow the same laws, principles, procedures, and practices in awarding non-competitive contracts with Recovery Act funds as they do with other funds.
- Federal Executive agencies shall not engage in noncompetitive contracts except
  - In those circumstances where their use can be fully justified and
  - Where appropriate safeguards are in place to protect the taxpayer.
- Agencies may use existing contracts including IDIQ contracts must report as *“Recovery” actions per FAR Section 4.605c and Subpart 5.7.*



- OMB Guidance specifically identifies UESC and existing IDIQ contracts options
- OMB **Draft Q&A**
  - Nothing in AARA or related OMB guidance would prohibit use of UESC
  - UESCs should be considered as an option
  - Agency should require utility to use competitive contracting procedures in subcontracts
  - OMB guidance regarding government oversight and fiscal accountability should be followed
- NavFac HQ letter agrees with OMB



- **Has been suspended until funding issues are clarified**
- **We anticipated reinstatement soon**
- **Goal: *Assist with rapidly identifying and moving projects to completion***
- **Recipients: *All Federal agencies***
- **Scope :**
  - Federal facilities
  - Federal vehicle fleets
  - AARA or non AARA projects
  - Includes support to UESC projects



# Call for Technical Assistance

## FEMP Services Available

**Designs and  
Proposals  
Review**

**Strategic  
Energy  
Planning**

**Technology  
Assessments**

**Energy  
Assessment  
Training**

**Resource  
Energy  
Managers**

**Project  
Prioritization**

**High  
Performance  
Green  
Building  
Design**

**Energy &  
water  
Assessments**

**Retro-  
Commission**

**Federal  
Vehicle Fleet  
Technical  
Support**



## Selection Process

- **Technical Review Team will evaluate proposals**
- **Applicants will be notified shortly after reviews**
- **FEMP will Track funded projects**
- **Document Project Completion**
- **Disseminate successful project information**

## Selection Criteria

- ☑ **Financial & technical merit**
- ☑ **Agency support & project implementation plan**
- ☑ **Replicability potential**
- ☑ **Project description**
- ☑ **Agency Commitment to project completion**



- Applications **will be accepted via e-mail submittal**
- We will send an e-mail to FUPWG attendees once website is back up
- Once available funds will be allocated until expended

Apply Online

<http://fempcentral.com/tacalls/logon.ta>

Apply by Email

[FEMP\\_ARRA\\_Support@ee.doe.gov](mailto:FEMP_ARRA_Support@ee.doe.gov)

Receive application confirmation within 48 hours

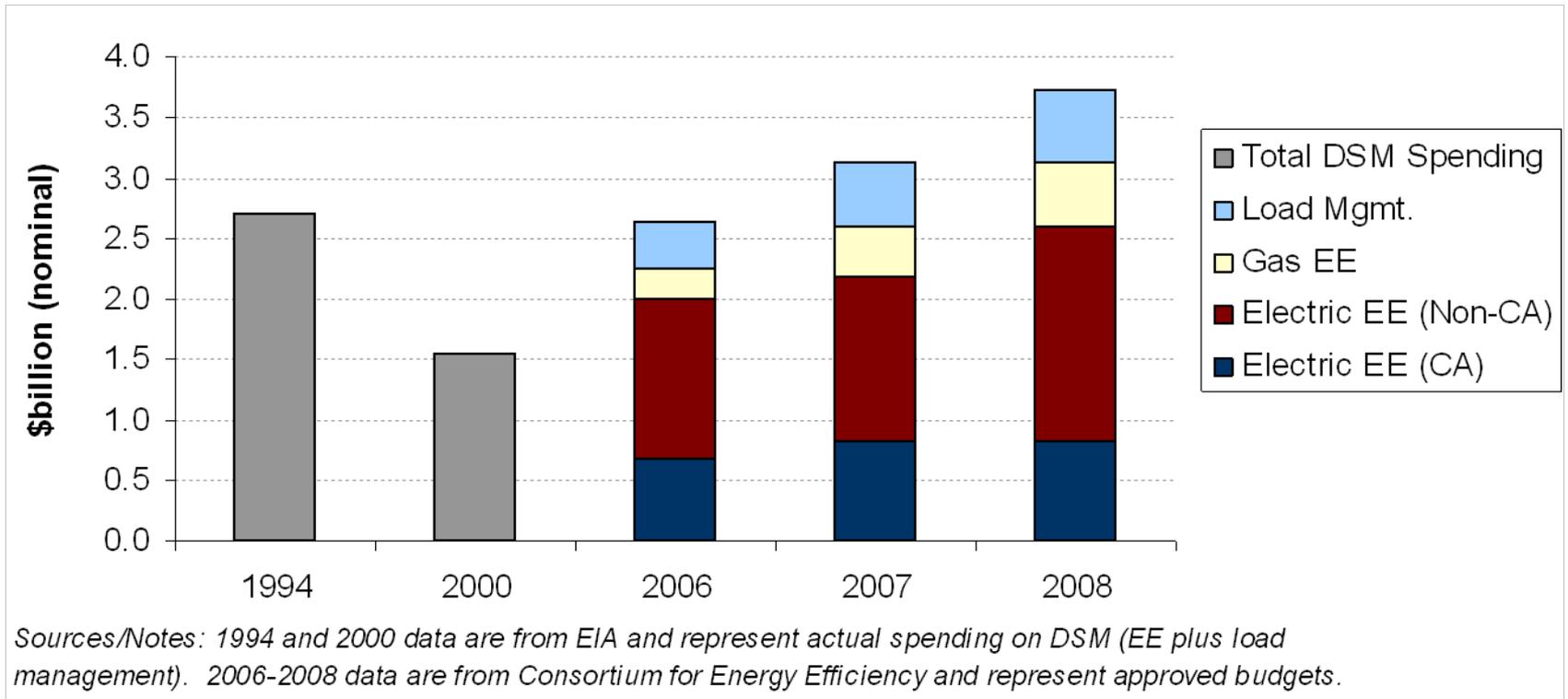
**Finally, FEMP has funding to support UESCs and PPAs that is not part of the call for projects**



# Update on Utility Sector EERE Spending (the other stimulus package)



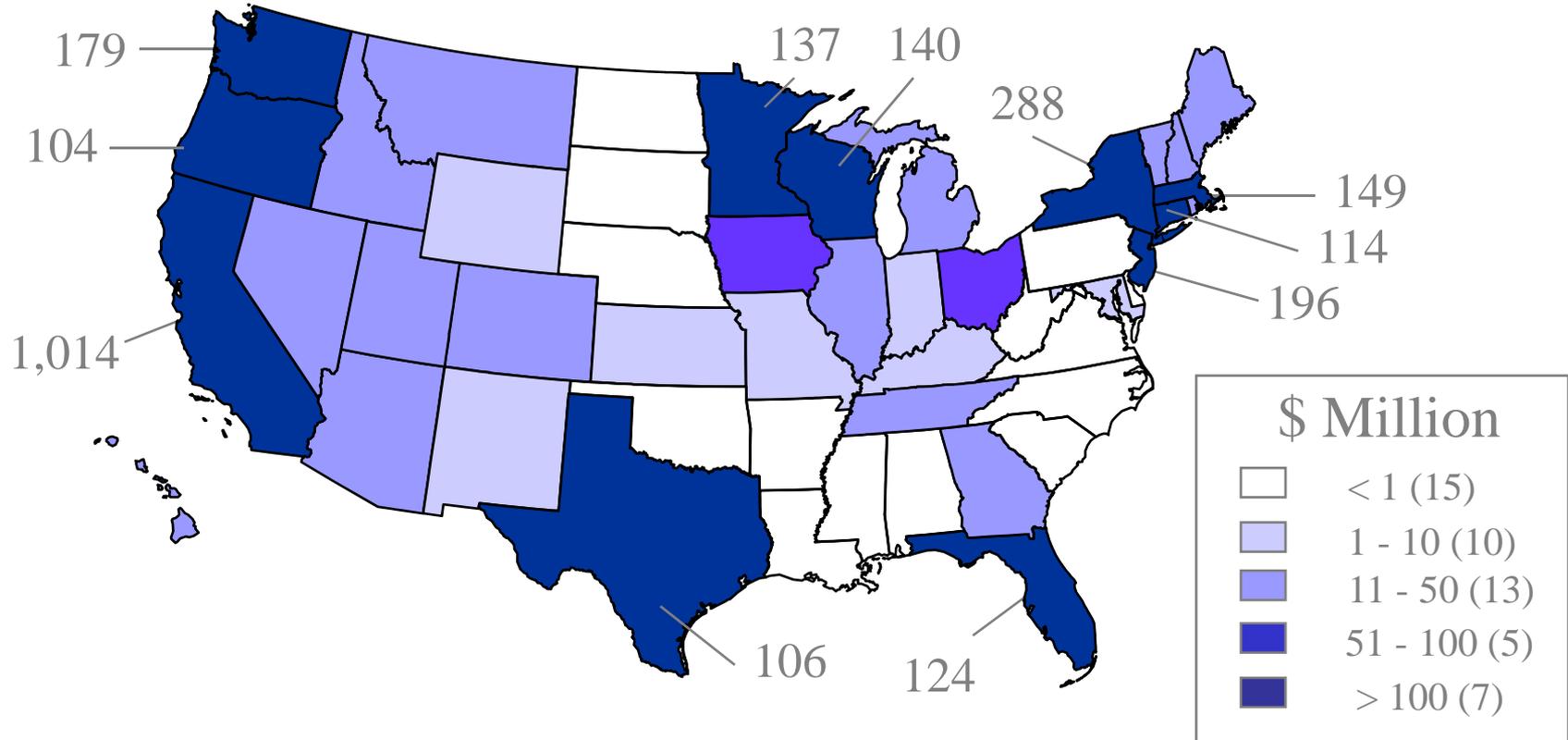
# EE Budgets Are Rising



- Spending on Electric and Gas EE has been rising 15-20% per year for the past 3 years
- 2008 EE budgets were \$3.1B (electric + gas) plus another \$0.5B for load mgmt.
- CA utilities account for ~32% of total U.S. EE spending



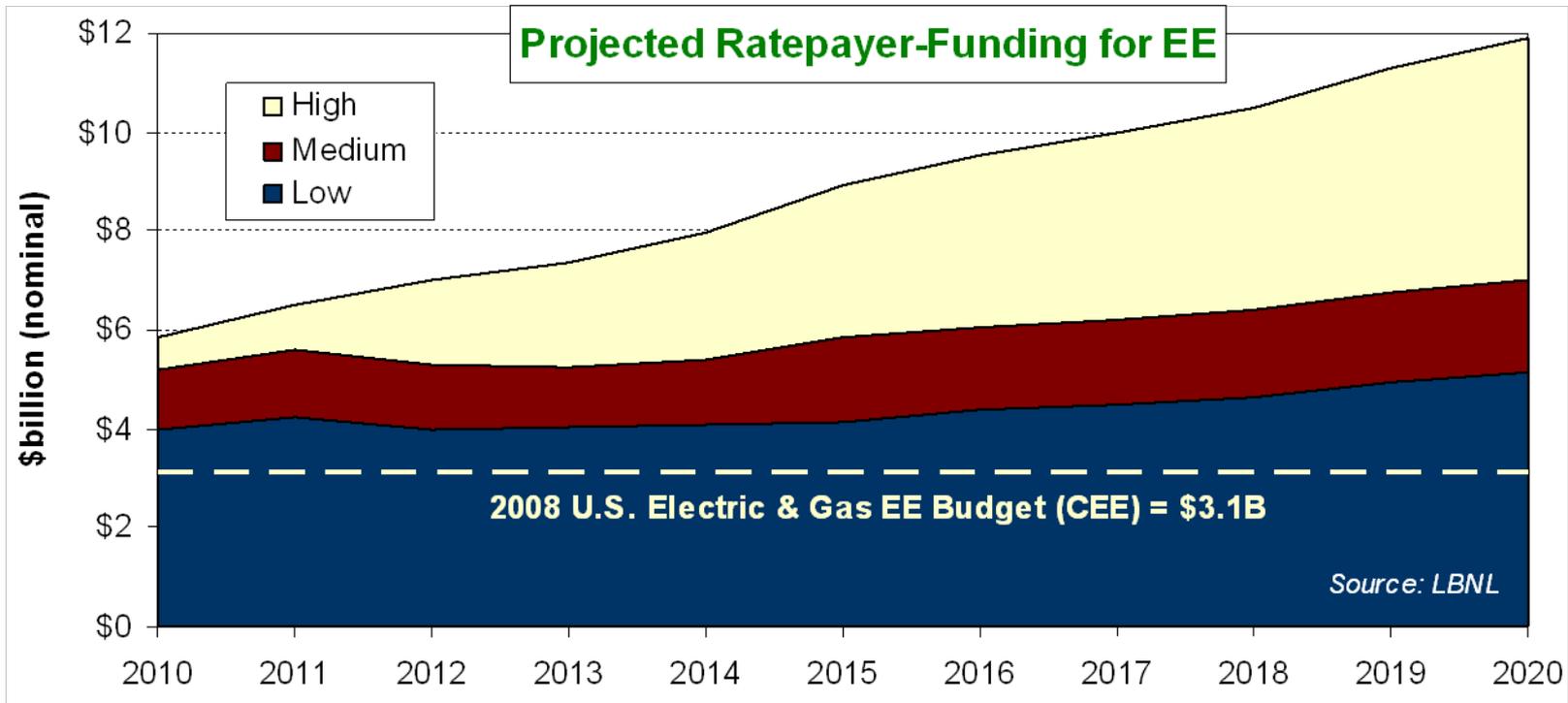
# Energy Efficiency Spending by Utilities



- 35-40 state PUCs have directed utilities and/or public benefit administrators to invest in energy efficiency
- U.S. Electric and Gas utility spending on energy efficiency was ~\$3.1B in 2008



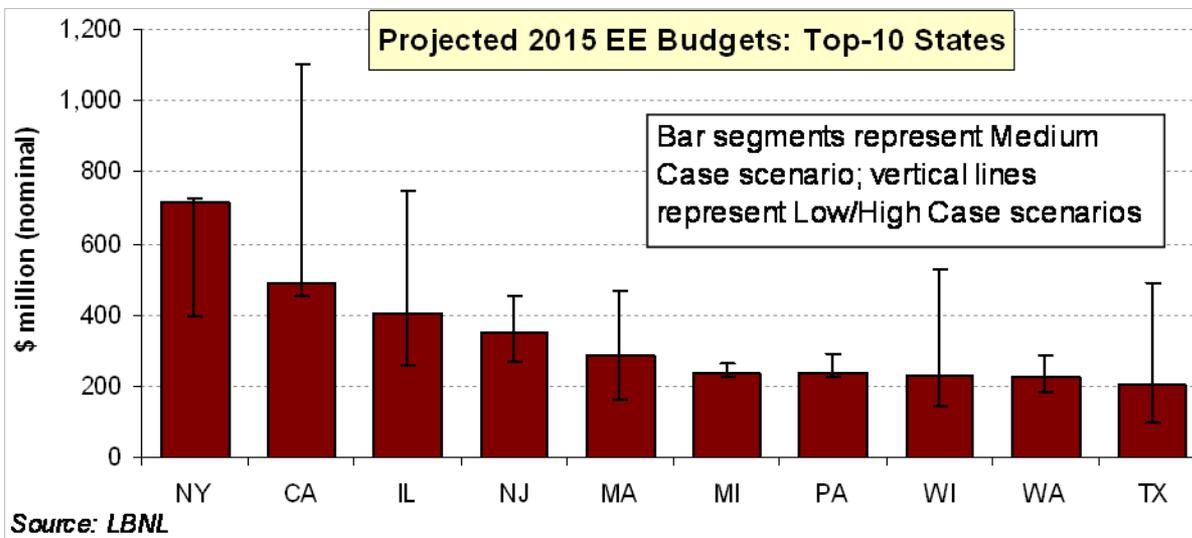
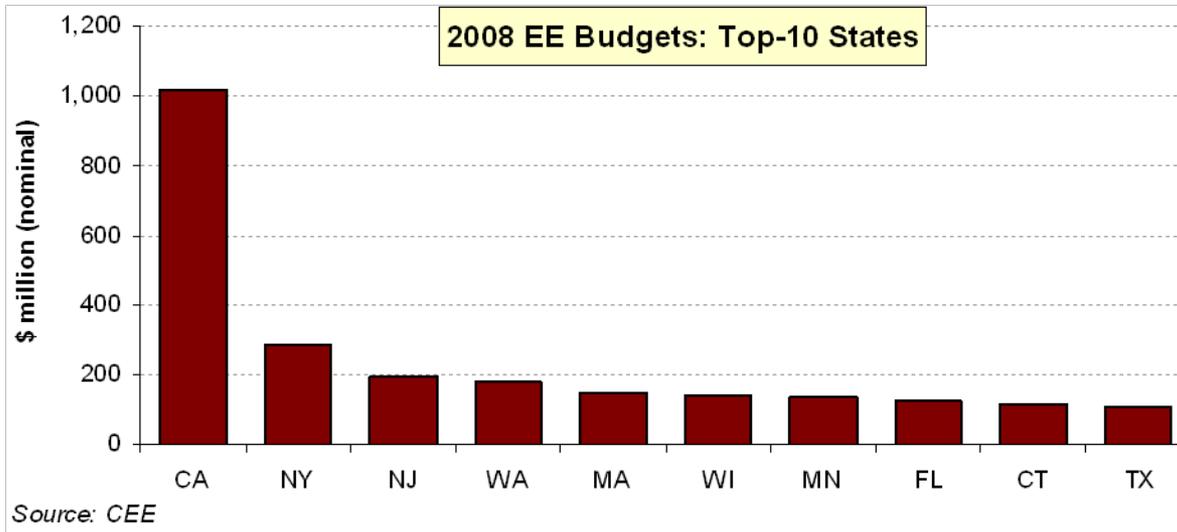
- Energy Efficiency Savings Targets based on:
  - Electric Efficiency Resource Standards (CA, CT, CO, IL, MD, MI, MN, NM, NY, OH, PA, TX)
  - EE eligibility within state RPS (HI, NC, NV)
  - Requires utility acquire “all cost-effective” EE (CT, MA, CA)
  - Integrated resource planning
  - Systems benefit funding levels
- Historical EE Funding Mechanisms:
  - Utility tariff rider or rate cases (14 states)
  - Statewide system benefit funds (16 states)
- New Sources of Funding
  - Organized wholesale markets: ISO-NE Forward Capacity Market
  - Revenue from carbon allowances/markets (e.g. RGGI)
  - Stimulus Bill funds



- LBNL developed projections of future ratepayer-funding for EE, based on state policies currently in place and under consideration
- Spending projected to almost double over 2008-2015 under the Medium Case scenario, rising to \$5.9 billion (potentially reaching \$8.9 billion in 2015 under the High Case)



# Projected Re-Alignment of Efficiency Funding



- Key new markets: Illinois, Michigan, Pennsylvania
- CA funding levels projected to drop due reduced CPUC savings goals
- NY funding expected to ramp up dramatically to meet state EERS
- 19 states with EE budgets > \$100M by 2015 (11 in 2008)

**Mark Your  
Calendars!**



**GovEnergy**  
[www.govenergy.gov](http://www.govenergy.gov)

**August 9-12  
2009**

**Providence, Rhode Island  
Rhode Island Convention Center**



**For Details and Information:  
[www.govenergy.gov](http://www.govenergy.gov)**





## Enjoy the your time in Biloxi



Mississippi Power Foundation

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