

Project Funding Catalog of Services

The U.S. Department of Energy Federal Energy
Management Program

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Contents

Contents	i
Executive Summary	i
Planning Phase	1
Services.....	1
Informational Resources	1
1 Assistance with Determining the Right Financing Option	2
1.1 When.....	2
1.2 Description.....	2
1.3 How to Order	2
1.4 Next Step.....	2
1.5 Information Resources	3
Implementation Phase	1
Services.....	1
1 Energy Savings Performance Contracting (ESPC)	2
1.1 When.....	2
1.2 Description.....	2
1.3 How to Order	3
1.4 Next Step.....	3
1.5 Information Resources	3
2 Utility Energy Services Contracts (UESC)	4
2.1 When.....	4
2.2 Description.....	4
2.3 How to Order	4
2.4 Information Resources	5
3 ESPC ENABLE	6
3.1 When.....	6
3.2 Description.....	6
3.3 How to Order	7
3.4 Next Step.....	7
3.5 Information Resources	7
4 Power Purchase Agreements	8
4.1 When.....	8
4.2 Description.....	8
4.3 How to Order	8
4.4 Information Resources	9

Executive Summary

Congress has continuously encouraged alternatively-financed projects as a means for agencies to overcome budget resource constraints in order to make energy improvements to facilities.

Alternatively financed energy and energy-related projects allow Federal agencies to make site or facility improvements with limited to no up-front capital costs, reducing the need for Congressional appropriations. In 2014, the President's Performance Contracting Challenge was issued to significantly increase the level of agency ESPC, UESC, PPA and ENABLE activity.

The Federal Energy Management Program (FEMP) Project Funding services are designed with two objectives: 1) to fulfill legislative and executive requirements as they relate to achieving energy goals through alternative financing, and 2) to educate agencies on the requirements and quality assurance aspects of implementing an alternatively-financed project.

When a Federal agency begins planning a project which requires alternative funding methods, FEMP's Federal Project Executives (FPE) are there to help determine the best financing option for the site. The FPE will start by explaining each contracting tool and whether or not it is right for the facility, depending on goals, project scope, and investment value. FEMP provides assistance with four types of financing options: Energy Savings Performance Contracts (ESPC), Utility Energy Services Contracts (UESC), ESPC ENABLE, and Power Purchase Agreements (PPA). Each contracting tool varies in the scope of work it can support with the common thread being that appropriations for construction are not required. Contracts have terms up to 25 years.

Once a financing option has been selected, FEMP will guide the agency every step of the way. FPE focus their support on ESPC. A staff of Federal employees, contractors, and lab personnel provide guidance and training to UESC, PPA, and ESPC ENABLE projects. The FEMP technical assistance staff will provide assistance with planning the site's project, preparation of a solicitation, assistance throughout the acquisition, and follow up services through commissioning.

Utilizing FEMP's technical assistance allows agencies to provide post-commissioning update the EISA 432 Compliance Tracking System (CTS) and FEMP staff. CTS is used by OMB to score agencies on their performance meeting EISA 432 goals.

Planning Phase

It is important for a site or facility to understand how to determine what financing option is best for its project. FPEs help agencies get their projects off to the right start by explaining performance contracting to site staff and management and determining which contracting vehicle is feasible for the site or facility. Once the right contracting tool is identified, the FPE helps the agency launch its project.

Services

Assistance with determining the right financing option.

	DOE ESPC IDIQ	ESPC ENABLE	UESCs	Power Purchase Agreements (PPAs)
Contract type	Task Orders under DOE IDIQ	GSA Schedule 84 (SIN246-53)	GSA Area-wide contracts; Basic ordering agreements	Direct with developer (owner) of resource
Private-sector partner	ESCO	ESCOs on GSA Schedule 84 (SIN246-53)	Serving utility company	Developer
Eligible facilities	Federally-owned worldwide	Federally owned facilities	Where government pays utility bill; where offered/authorized	Federally-owned facilities / on federal land
Project size	\$1 – \$2 million or larger	< \$1M; buildings <200K square feet and site bundling are anticipated	Any	Typically multi-\$M renewable projects
Energy Conservation Measures	Unlimited	Lighting, water, basic HVAC controls, HAVC equipment and solar PV	Unlimited	Typically large renewable generation projects
Savings guarantees and M&V	Required	Required; simplified M&V	Negotiable; performance assurance required for annual scoring	Not required
O & M	ESCO responsible; tasking negotiable	Government is responsible; ESCO provides training	Negotiable	Developer/owner is responsible

Informational Resources

Practical Guide to Payments and Savings in ESPCs. This document conveys to Federal agencies how to interpret and apply the statutes and rules governing cost savings and payments for ESPCs under the FEMP Indefinite Delivery Indefinite Quantity contract.

<http://energy.gov/eere/femp/downloads/practical-guide-savings-and-payments-femp-espc-task-orders>

1 Assistance with Determining the Right Financing Option

1.1 When

Agency is working to determine the right course of action.

1.2 Description

The FEMP Federal Project Executive (FPE) will help you decide by explaining each contracting tool and whether or not it is viable for your particular site or facility depending on your goals, project scope, and investment value. A number of guidance documents have been developed to assist with the DOE ESPC IDIQ determination. Alternative financing options that can provide energy services and improvements without up-front capital costs include:

- **Energy Savings Performance Contracting (ESPC):** A streamlined procurement option, the agency partners with the energy services company (ESCO) who designs and constructs a project that meets the agency's needs/goals 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, with all additional cost savings accruing to the agency after the contract ends. <http://energy.gov/eere/femp/energy-savings-performance-contracts>
- **Utility Energy Services Contract (UESC):** UESC is a broad term for several contracting mechanisms that allow utilities to provide an assessment of opportunities, design and implementation of agreed-upon energy conservation measures, and MAY provide financing for the project. The agency repays the utility from appropriations either at acceptance, or if financed, over the life of the contract. <http://energy.gov/eere/femp/utility-energy-service-contracts>
- **ESPC ENABLE:** ENABLE is DOE's latest alternative financing option that serves the under-served federal market, e.g., facilities under 200,000 sq. ft. or where ENABLE is best or only option. Currently the ENABLE program targets five standard ECMs (lighting, water, basic HVAC controls, HVAC equipment, and solar PV) using simplified, basic M&V for each ECM. <http://energy.gov/eere/femp/espc-enable>
- **Power Purchase Agreements (PPA):** With a PPA, a developer installs a renewable energy system on agency property under an agreement that the agency will purchase the power generated by the system and pay for the system over the life of the contract. After installation, the developer owns, operates, and maintains the system for the life of the contract. <http://energy.gov/eere/femp/site-renewable-power-purchase-agreements>

End result: A financing option is selected.

1.3 How to Order

Complete the Project Funding Technical Assistance form:

<https://www4.eere.energy.gov/femp/assistance/>

1.4 Next Step

Work with the FPE to begin procurement.

FEMP Federal Project Executives (FPE) – ESPC and All AFO –



1.5 Information Resources

ESPC Best Practices. This document highlights ESPC current best practices that agencies may want to consider in their contracting process. Agencies can use this document to help them award high-quality and high-value ESPC task orders.

<http://energy.gov/eere/femp/downloads/espc-best-practices>

DOE Sites/Facilities: Tri-Party Agreement Template and Sample. These documents outline processes and considerations to help Federal agencies begin DOE ESPC planning. The tri-party agreement template and sample agreement are for use by DOE sites and facilities that are government-owned, contractor-operated (GOCO). They can be modified to support any Federal agencies that also may have GOCO arrangements to enhance communications between agencies, ESCOs, and operational and maintenance contractors.

<http://energy.gov/eere/femp/downloads/tri-party-agreement-template-and-sample-tri-party-agreement>

Risk, Responsibility, and Performance Matrix (IDIQ Attachment J-7). This document helps determine the risk, responsibility, and performance of a contractor's proposed approach under a Federal ESPC.

<http://energy.gov/eere/femp/downloads/espc-risk-responsibility-and-performance-matrix>

Fine Tuning for Best-Value ESPC Deals Using the Responsibility Matrix. This fact sheet outlines the steps for Federal agencies to fine tune Super ESPC to get the best value using the Risk, Responsibility, and Performance Matrix.

<http://energy.gov/eere/femp/downloads/fine-tuning-best-value-super-espc-deals-using-responsibility-matrix>

Introduction to Measurement and Verification (M&V) for FEMP ESPC Projects. This document offers an overview of why and how measurement and verification is conducted in super ESPC projects. Topics include allocating project risk, steps to verify savings, and M&V plans and reports.

<http://energy.gov/eere/femp/downloads/introduction-measurement-and-verification-doe-super-espc-projects>

Implementation Phase

The implementation phase of Project Funding is where the Agency executes a funding strategy.

Services

- ESPC
- UESC
- ESPC ENABLE
- PPA

|

1 Energy Savings Performance Contracting (ESPC)

1.1 When

An agency has determined that ESPC is their most cost-effective route.

1.2 Description

Agencies can award and administer an ESPC project through their own contract authority, however, most agencies use the DOE ESPC Indefinite Delivery/Indefinite Quantity (IDIQ) contract. DOE has performed the competitive technical and price proposal evaluations to create the umbrella contract and incorporates ESPC best practices. DOE has concluded that for sites or facilities using the DOE ESPC IDIQ it is necessary for agencies to follow certain steps when starting and implementing an ESPC.

- **Acquisition Planning** – Agencies are advised to get started by consulting a Federal Project Executive (FPE) to review available FEMP acquisition planning services available and assist in assembly of the Agency Acquisition Team.

<http://energy.gov/eere/femp/energy-savings-performance-contract-federal-project-executives-0>

- **Contractor Selection** – Agencies can work with a FPE as needed on selecting an energy services contractor on a timely basis, reviewing the Preliminary Assessment (PA), and obtaining Notice of Intent to Award and Task Order (TO) RFP templates.

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

- **Investment Grade Audit to Award** – The FPE will provide technical support during the proposal submission, review, contract negotiation and award phase. Specialized technical resources are engaged as needed for escalation rates, advanced technologies, and pricing, etc.

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

- **Final Design, Construction and Project Acceptance** – FPE will assist during the project implementation which involves the post award conference and construction phase.

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

- **Post Acceptance Period** – FEMP will participate in the life of contract process as it relates to post-installation M&V reports, year one annual M&V reports, and other performance period issues as necessary.

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

End result: A signed ESPC between the agency and ESCO and satisfaction with the FEMP ESPC start to award process.

1.3 How to Order

Complete the Project Funding Technical Assistance form:

<https://www4.eere.energy.gov/femp/assistance/>

1.4 Next Step

Ongoing monitoring and verification of ECMs.

1.5 Information Resources

ESPC Training

The Federal Energy Management Program offers training to help federal agencies implement ESPC. Each class is available as on-demand training, and most have been accredited so the participant earns CEUs.

<http://energy.gov/eere/femp/energy-savings-performance-contract-training>

Informational Webpage Hyperlinks

This link provides information on all things IDIQ ESPC. Information on all phases of a project, from planning to commissioning is available, with links to example and active documents.

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

2 Utility Energy Services Contracts (UESC)

2.1 When

An agency determines that a UESC contract can best meet their needs for implementing a life-cycle cost effective, goal-attaining energy and water efficiency improvement project.

2.2 Description

A utility energy service contract is a limited-source contract between a federal agency and serving electric, natural gas or water utility for energy management services, including energy and water efficiency improvements and demand reduction services. GSA Areawide Contracts with a regulated public utility company provide ease of ordering and managing utility services. These contracts and modifications can now be downloaded on GSA's website at <http://www.gsa.gov/portal/category/100000>. In the absence of an AWC, a stand-alone contract can be used to implement a UESC.

A UESC can be used for any size project and the process has recently become more streamlined with the development of the new UESC Guide which includes samples and templates of UESC documents. The utility partner assesses the opportunities, designs and implements the accepted energy conservation measures, and may provide financing for the project, if desired. The agency repays the utility from appropriations either at acceptance or over time when the projects are financed.

Primary UESC Steps:

- Preliminary Assessment
- Investment Grade Audit
- Award for Design and Installation
- Construction

FEMP provides comprehensive support to guide agencies through the process of implementing UESCs. Direct project support includes assistance in developing contract documents, providing document templates, and building partnerships. FEMP also provides technical reviews of audits, feasibility studies, and proposals to ensure optimal performances. FEMP has also started a new Rebate and Incentive Outreach Initiative to help utilities share information on their rebate and incentive programs with their federal customers.

End result: The contracting officer (CO) will lead the acquisition effort, supported by technically knowledgeable staff working closely with the utility, to assess potential, investigate technical and economic feasibility, and ensure a fair and reasonable price for design and implementation of a successful energy project.

2.3 How to Order

Complete the Project Funding Technical Assistance form:

<https://www4.eere.energy.gov/femp/assistance/>

2.4 Information Resources

Utility Energy Service Contracts Website. Everything a Federal agency needs to get started.

<http://energy.gov/eere/femp/utility-energy-service-contracts>

Utility Partnerships Program Overview. This document describes the Utility Partnerships Program within the U.S. Department of Energy's Federal Energy Management Program.

<http://energy.gov/eere/femp/downloads/utility-partnerships-program-overview>

UESC Training. On demand training on the following topics: 1) Executing Utility Energy Service Contracts: An Advanced Guide, 2) Launching a Utility Energy Services (UESC): Getting to Yes, 3) Placing UESC Task Orders Under a GSA Areawide Contract, 4) Utility Energy Service Contracts and Energy Project Incentive Funds.

[https://www4.eere.energy.gov/femp/training/?keyword=&format\[0\]=29&series\[0\]=87](https://www4.eere.energy.gov/femp/training/?keyword=&format[0]=29&series[0]=87)

UESC Guide. This document features a compilation of samples and templates developed as a resource to help Federal contracting officers task orders for utility energy service contracts (UESCs) under existing U.S. General Service Administration (GSA) areawide contracts (AWCs).

<http://energy.gov/eere/femp/downloads/utility-energy-services-contracts-guide-0>

Federal Utility Partnership Working Group. The Federal Utility Partnership Working Group (FUPWG) establishes partnerships and facilitates communications among Federal agencies, utilities, and energy service companies. The group develops strategies to implement cost-effective energy efficiency and water conservation projects through utility incentive programs at Federal sites.

<http://energy.gov/eere/femp/federal-utility-partnership-working-group>

UESC Enabling Documents. Enabling document covers information and provides materials that clarify the authority for federal agencies to enter into utility energy services contracts (UESCs). This document is delivered by the U.S. Department of Energy's Federal Energy Management Program (FEMP).

<http://energy.gov/eere/femp/downloads/utility-energy-services-contracts-enabling-documents-may-2009>

UESC Virtual Center of Expertise. Many helpful resources about utility energy service contracts (UESCs) are available.

<http://energy.gov/eere/femp/resources-utility-energy-service-contracts>

3 ESPC ENABLE

3.1 When

An agency has determined to use ESPC but the project would be a smaller size, so ENABLE is their most efficient route.

3.2 Description

ESPC ENABLE provides a standardized and streamlined ESPC process for small, Federal facilities to install targeted, energy conservation measures in six months or less. Projects are administered through the General Services Administration Federal Supply Schedule 84, Special Identification Number 246-53 using a set of pre-established procurement and technical tools. ESPC ENABLE offers the same benefits as a conventional ESPC while taking advantage of the GSA Schedule and its set of pre-qualified vendors and pre-negotiated pricing.

DOE has concluded that for sites or facilities using DOE ENABLE it is necessary for agencies to follow certain steps when starting and implementing a project.

- **Acquisition Planning** – Agencies are advised to get started by consulting FEMP to provide assistance in training ESPC ENABLE acquisition team and to locate tools and templates. <http://energy.gov/eere/femp/espc-enable-procurement-process#phase1>
- **Contractor Selection** – Agencies can work with FEMP as needed on evaluating responses from energy services contractors, and obtaining Notice of Intent to Award template. <http://energy.gov/eere/femp/espc-enable-procurement-process#phase2>
- **Investment Grade Audit to Award** – FEMP will provide technical support during the review of IGA findings, contract negotiation and award phase. <http://energy.gov/eere/femp/espc-enable-procurement-process#phase3>
- **Installation** – Agencies oversee project installation, commissioning, and acceptance of the ECMs. <http://energy.gov/eere/femp/espc-enable-procurement-process#phase4>
- **Performance Period** – FEMP will participate in the life of contract process as it relates to post-installation M&V reports, year one annual M&V reports, and other performance period issues as necessary. <http://energy.gov/eere/femp/espc-enable-procurement-process#phase5>

End result: A signed ESPC between the agency and ESCO and satisfaction with the FEMP ESPC ENABLE start to award process.

3.3 How to Order

Complete the Project Funding Technical Assistance form:

<https://www4.eere.energy.gov/femp/assistance/>

Also peruse the GSA Schedule 84 Category 246 53 and GSA eBuy. These pages provide information on the contractors available to perform these services.

<http://www.gsaelibrary.gsa.gov/ElibMain/scheduleSummary.do?scheduleNumber=84>

<http://www.gsa.gov/portal/content/104675>

3.4 Next Step

Ongoing and verification and monitoring of ECMs.

3.5 Information Resources

ESPC ENABLE Overview and Tools. The Federal Energy Management Program's (FEMP) Energy Savings Performance Contract (ESPC) ENABLE provides a standardized and streamlined process for small, Federal facilities to install targeted, energy conservation measures (ECMs) in six months or less. Projects are administered through the General Services Administration (GSA) Federal Supply Schedule 84, Special Identification Number (SIN) 246-53 using a set of pre-established procurement and technical tools. The program allows sites an opportunity to implement specific ECMs including lighting, water, simple HVAC controls, HVAC system replacement, and solar photovoltaic. Read about the ECMs offered through ESPC ENABLE.

<http://energy.gov/eere/femp/espc-enable>

4 Power Purchase Agreements

4.1 When

An agency determines that a PPA contract can best meet their needs for implementing a third party financed, owned and operated onsite renewable energy system(s).

4.2 Description

PPAs allow Federal agencies to implement on-site renewable energy projects with no upfront capital costs. Agencies can contract for renewable energy generated on-site by a third party owner/operator who installs a renewable energy system on Federal land or buildings. In exchange, the agency agrees to purchase the power generated by the system. These PPAs repay the third-party owner/operator over the contract term. The developer owns, operates, and maintains the system for the life of the contract. The third-party owner/operator maintains the system for the life of the contract, takes advantage of any available tax incentives, and maintains the appropriate tax status and any contractual responsibilities with the servicing utility.

FEMP will assist with the following:

- Acquisition Plan
- Source Selection Plan
- Project Process and Key Issues
- Requirements Identification for RFP
- RFP Development
- Proposal evaluation

End result: A signed PPA between the agency and third-party owner/operator and satisfaction with the FEMP PPA start to award process.

4.3 How to Order

Complete the Project Funding Technical Assistance form:

<https://www4.eere.energy.gov/femp/assistance/>

4.4 Information Resources

Online Information Resources:

PPA Training. This eTraining core course provides Federal energy and facility managers and contracting officers with knowledge and skills to develop an on-site renewable power purchase agreement (PPA) on a Federal site.

<https://www4.eere.energy.gov/femp/training/training/federal-site-renewable-power-purchase-agreements>

Informational webpage hyperlinks. The Federal Energy Management Program (FEMP) works with Federal agencies and partners to assemble sample documents from past on-site renewable power purchase agreement (PPA) projects to help streamline the PPA process.

<http://energy.gov/eere/femp/sample-documents-site-renewable-power-purchase-agreements>

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