

Federal Energy Efficiency through Utility Partnerships

FEMP actively pursues utility energy services, financing, and incentives to support Federal projects.



Program Overview

Changes in energy markets require Federal energy managers to find effective ways to meet the challenge of increasing electric and gas rates. The U.S. Department of Energy's Federal Energy Management Program (FEMP) can help Federal agencies navigate through complex questions about industry restructuring, project financing, and technical solutions.

This overview describes how FEMP's utility program assists Federal energy managers. The document identifies both a utility financing mechanism and FEMP technical assistance available to support agencies' implementation of energy and water efficiency methods and renewable energy projects.

Background

The Federal government is the nation's largest utility customer, spending more than \$4.3 billion annually. Along with this energy bill comes the responsibility to be a leader in managing energy use wisely. The Energy Policy Act of 1992 (EPA) requires Federal agencies to reduce their energy consumption, and subsequent executive orders establish goals for continually improving end-use efficiency at Federal facilities. To achieve these goals, approximately \$4 billion to \$6 billion in public and private funds will need to be invested to implement energy efficiency, renewable energy, and water conservation projects.

One of the best ways for Federal agencies to implement efficiency and renewable energy projects is through partnerships with their franchised or servicing utilities. Partnerships can reduce government investments by identifying the most cost-effective financing and technical solutions. More than 45 electric and gas utilities have provided project financing for energy and water efficiency upgrades at Federal facilities, investing more than \$600 million through Utility Energy Services Contracts (UESCs) since 1995.

Overcoming barriers to energy efficiency

FEMP is removing the barriers that have inhibited private-sector investments in Federal projects through:

- Increased access to utility resources, services, and financing
- Streamlined Federal procurement procedures
- UESC training for energy managers.

Bringing Federal agencies and utilities together

FEMP brings agencies and utilities together to:

- Enhance and foster partnerships between Federal agencies and their servicing utilities to identify, develop, and implement cost-effective energy efficiency, water conservation, and renewable projects at Federal sites
- Stimulate communication between agencies and utilities regarding energy management
- Discuss changes in the electric utility industry and technological developments in the areas of energy efficiency, water conservation, and wastewater reuse.



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Financing projects

EPA allows Federal agencies to take advantage of utility incentive programs. Federal legislation and

numerous legal opinions demonstrate that agencies have full authority to enter into UESCs. Rebates may also be available as incentives to reduce demand. Alternative financing through utility contracting offers a means for funding energy and water efficiency projects with no initial capital investment. FEMP strives to provide whatever level of support the agency needs including training, technical guidance, and direct project assistance.

The UESC method of project financing continues to be a driving force behind many Federal energy management accomplishments. The Edison Electric Institute (EEI) has committed to encouraging \$2 billion in private investment funding by 2010 for life-cycle, cost-effective Federal facility improvement projects. In fiscal year 2000, \$157 million in private-sector investments generated \$35 million in savings at Federal facilities. These projects are now

The Energy Technology Resource Center is a FEMP Partner Resource Center in Tampa, Florida, that is co-sponsored by TECO Energy, Inc.

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Office of Energy Efficiency and Renewable Energy



paying for themselves from a share of the cost savings resulting from efficiency improvements.

FEMP project assistance

Project assistance is available in many forms.

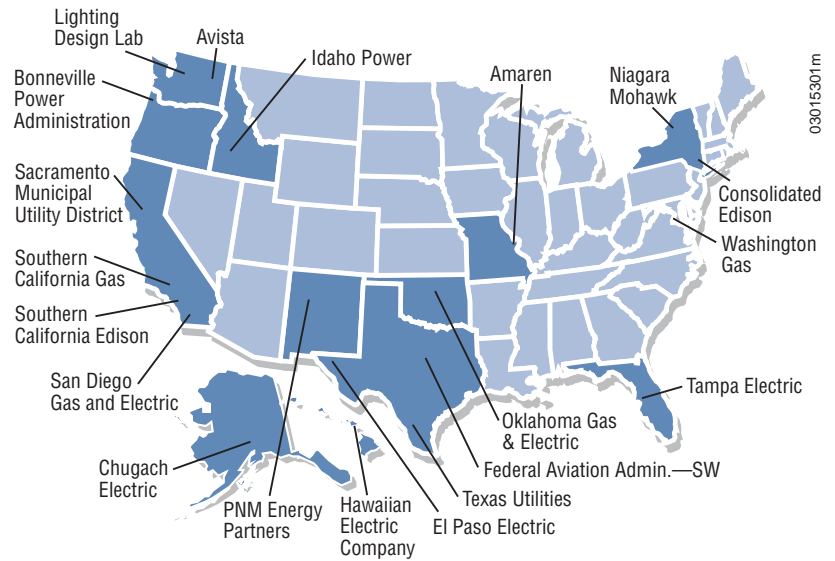
- Federal employees are encouraged to contact DOE Regional Office representatives first (see below).
- FEMP provides direct technical and project assistance.
- A 15-minute introductory video about UESCs is available at no charge by contacting EREC at 1-800-DOE-EREC (363-3732).
- Utility project financing workshops and tele-courses are offered through FEMP.
- FEMP peak energy assistance is available to assist agencies experiencing dramatic price increases.
- "Utility Energy Services Contracts: Enabling Documents" contains legislation and executive actions, legal opinions, agency guidance, a General Services Administration (GSA) model area-wide contract, the UESC model agreement, and alternative financing guidance memoranda. This document can be accessed at www.eren.doe.gov/femp/utility/enabl_docs.html, or ordered from www.eren.doe.gov/femp/ordermaterials.html.
- Restructuring information, including tracking of public benefits resources, utility Federal accounts representatives, and workshops, can be accessed at www.femp-restructuring.org.

Types of assistance

Many other resources are available to assist agencies.

- Useful resources related to utility restructuring, financing, and partnering are available at www.eren.doe.gov/femp/utility.html.

Federal Partner Resource Centers



Twenty FEMP partners have an energy resource center.

- FEMP Partner Resource Centers are an excellent source of information. The centers are co-sponsored by participating utilities and provide products such as software, publications, and training opportunities (see map).

For More Information

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Produced for the U.S. Department of Energy by the National Renewable Energy Laboratory, a DOE national laboratory

DOE/GO-102001-1337
 July 2001