



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**

# FEDERAL MARKETS UPDATE

NAESCO

Doug Culbreth

ALTERNATIVE FINANCING  
REPRESENTATIVE

U.S. DEPARTMENT OF ENERGY





## Federal Energy Management Goals

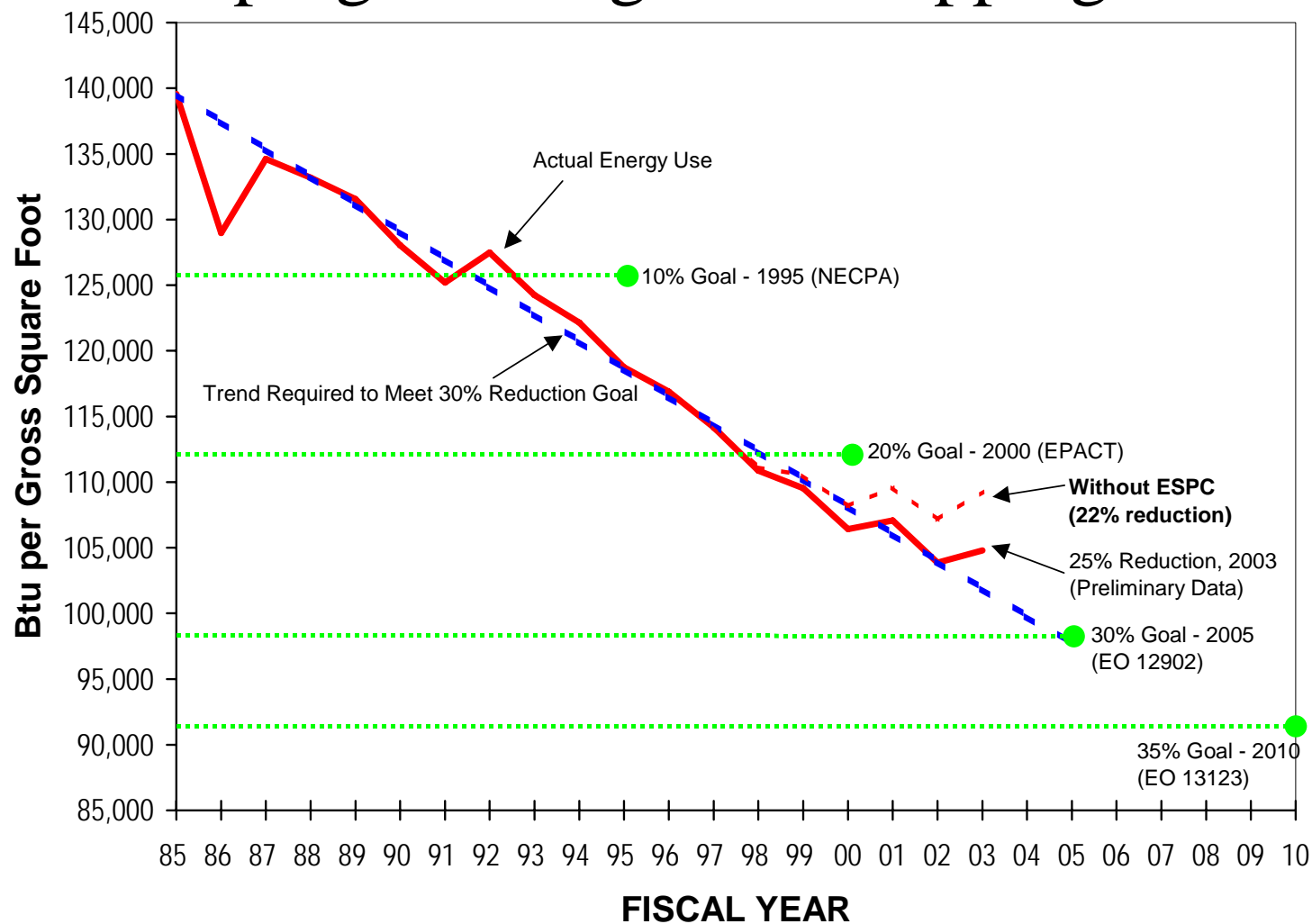
- Reduce energy consumption
  - Facility energy per square foot to be reduced by 30 percent in 2005 and 35 percent in 2010 relative to 1985
  - Industrial/laboratory energy to be reduced by 20 percent in 2005 and 25 percent in 2010 relative to 1990
- Expand use of renewable energy
  - 2.5% of Federal facility electricity consumption by 2005
  - 2,000 solar energy systems by 2000; 20,000 by 2010
- Implement best management practices for water conservation in 80% of Federal facilities by 2010
- Reduce greenhouse gas emissions 30 percent by 2010 compared to 1990



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

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

## Agencies' progress on goals is slipping





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**

# Best News!

ESPC Program reauthorized until  
September 30, 2006.



# FUTURE

- Need for permanent authority
- New proposed legislation limits program because of scoring
  - \$500 M, 100 projects, only DOD, DOE, and VA could use ESPCs
  - Status changes daily-limits not in Senate markup
- FEMP is establishing changes to protect program integrity



## Program objectives

- Continued standardization and streamlining through the use of tools and performance metrics
- Establish data repository
- Quality not quantity



# Program Changes

- Financing Reforms
  - Expand requirement for finance related information in final proposal.
  - Require the ESCO to solicit competitive finance offers.
  - Financial arrangement chosen is subject to a government audit.



# Program Changes

- Standardize Expense and Profit Placement
- Title Transfer to Government at Acceptance
- Clarify the format and level of detail associated with M&V



# Program Changes

- Project facilitators will be required on all Super ESPC projects.
- DOE Golden Field Office has new contracts for project facilitation.
- Steering Committee and Working Groups working toward standardization of quality in project facilitation.



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

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

## DOE FY05 ESPC GOALS

- \$60-\$100 MILLION

- Approximately \$200 million in active project development