



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

federal energy management program

Federal Energy Management

Federal Investment Trends & Opportunities

NAESCO Federal Market Workshop

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U.S. Department of Energy

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Outline & Introduction

- **Mission**
- **Bottom Line Up-Front**
- **Federal Funding Trends**
- **FEMP Reorganization**
- **New ESPC Contract**
- **Future Financing Opportunities**
- **Question & Answer Session**



THE FEMP Mission

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

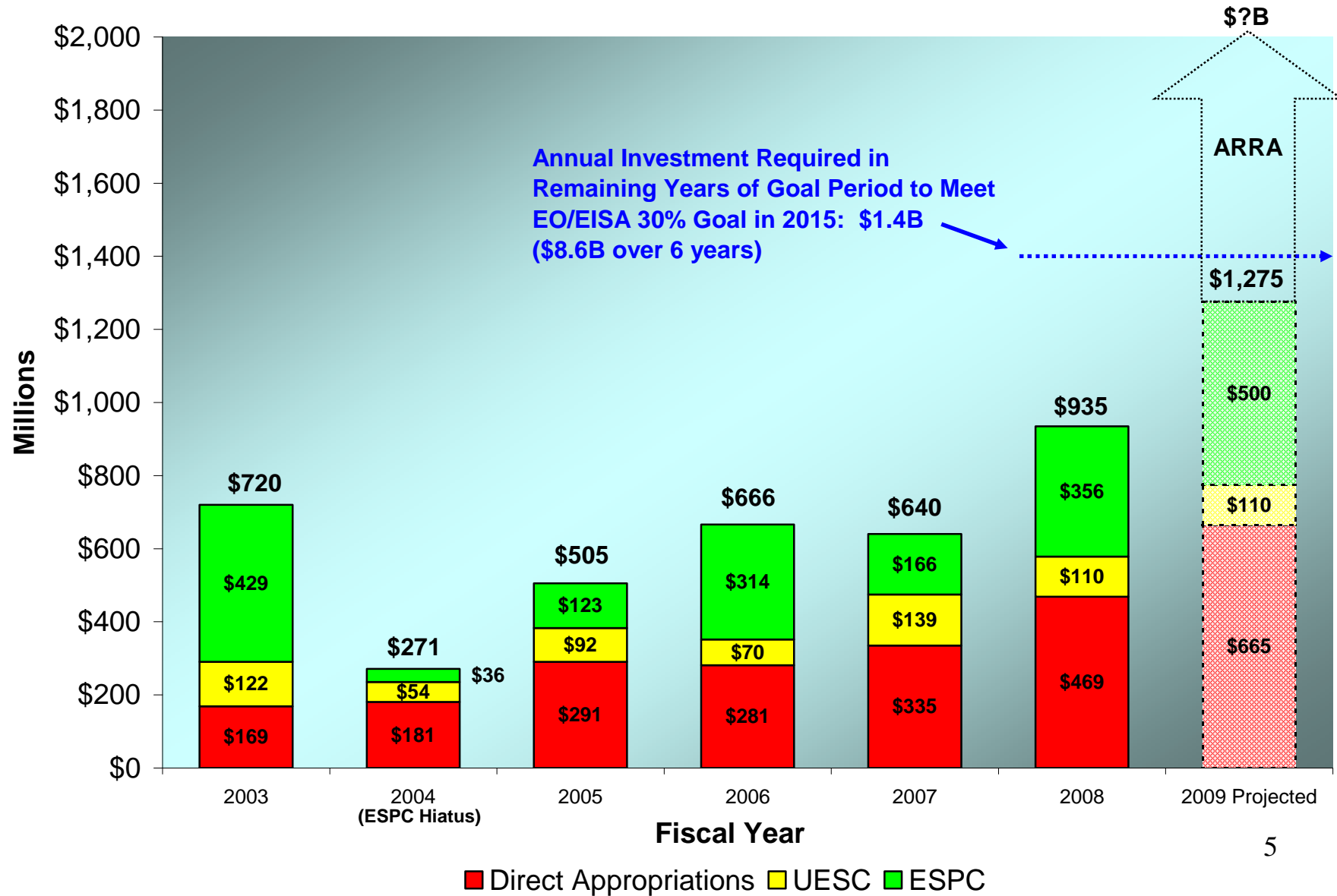


Federal Investment Trends are *Increasing & Providing:*

- **New challenges**
- **New opportunities**

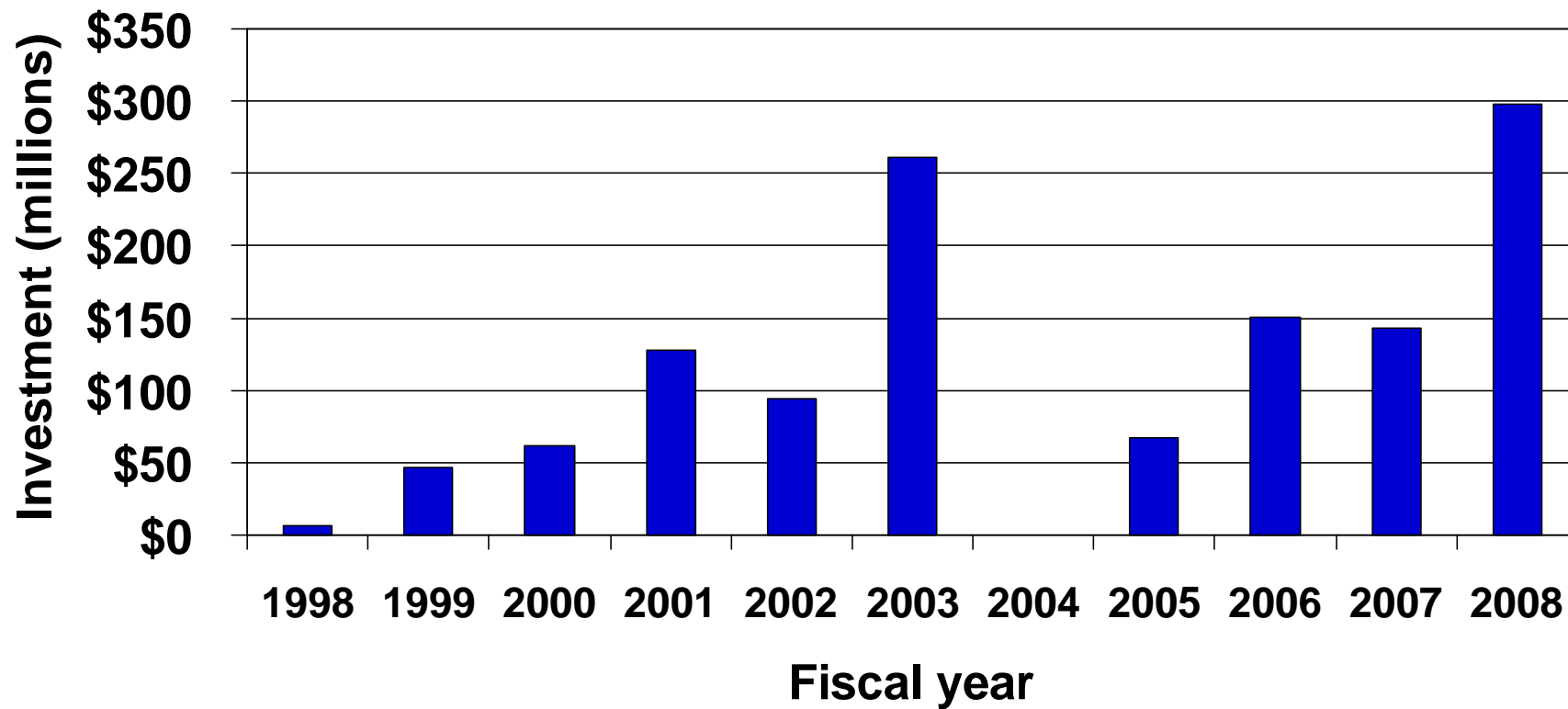


Federal Funding Trends





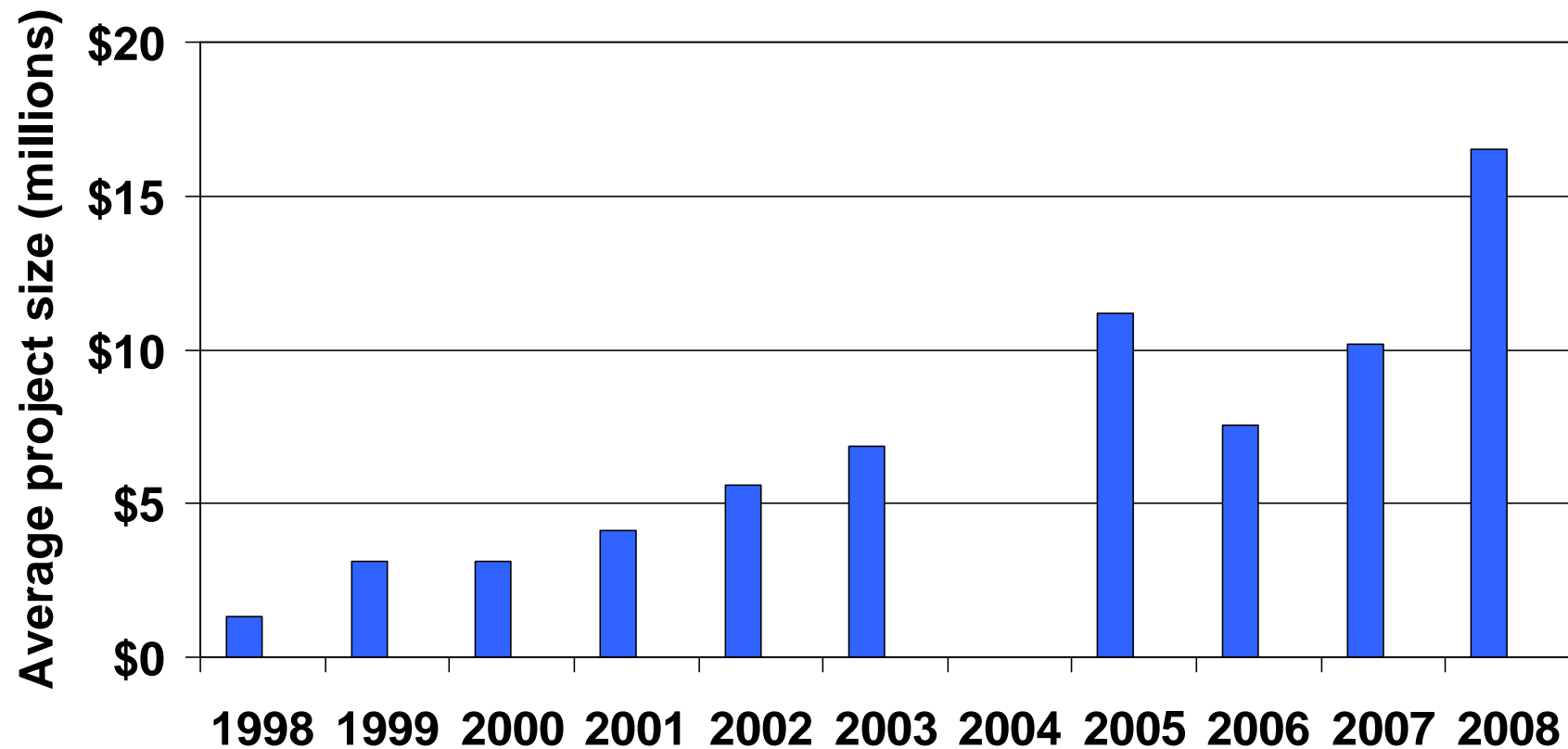
ESPC Investments Continue to Grow



Note: In 2004, the ESPC program was in hiatus.



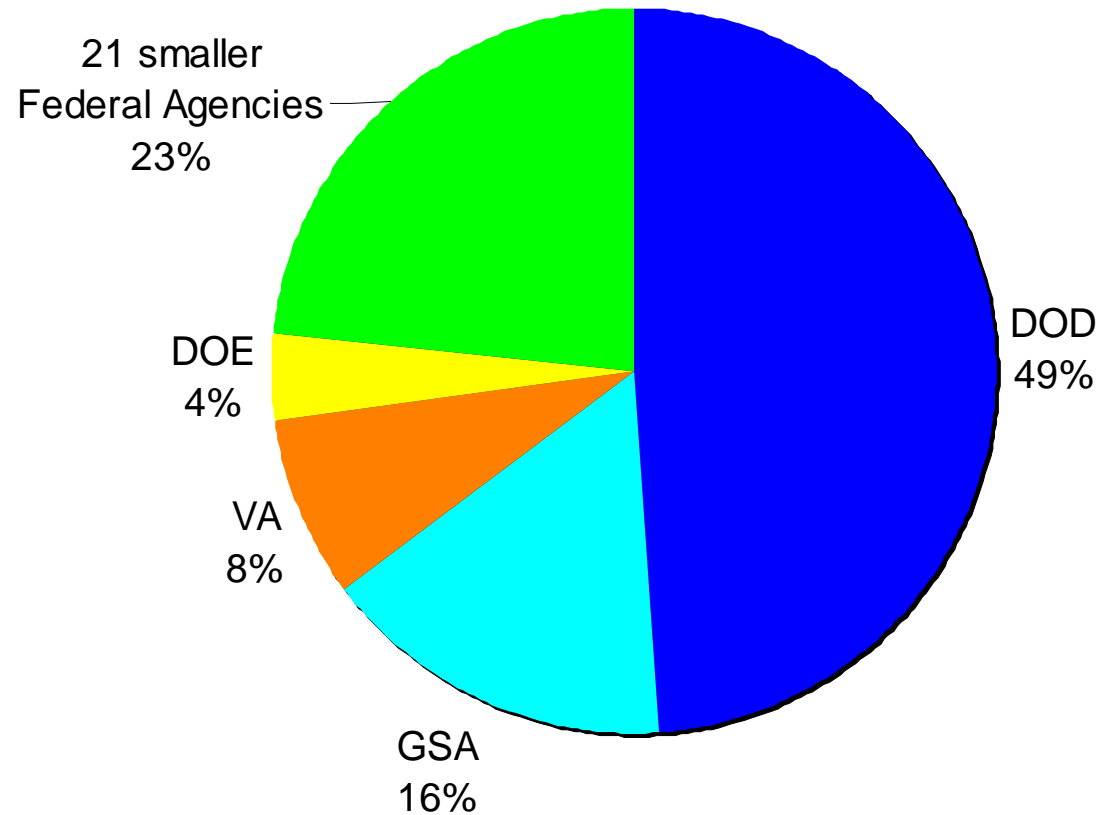
Average Project Size has Grown Steadily



Note: In 2004, the ESPC program was in hiatus.

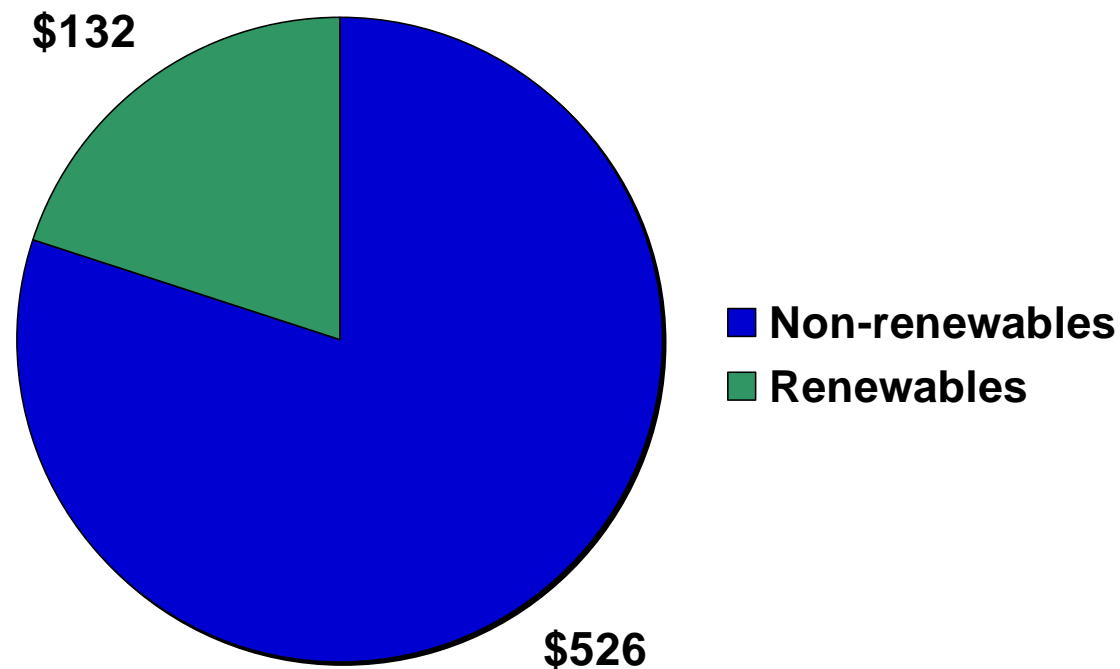


ESPC Investment by Agency





Since 2005, Renewables Make Up About 20% of Investment



Investment amount in Millions



Despite Significant Federal Agency Progress in Selected Areas...

Preliminary findings indicate that, for the Federal Government overall, the:

- *Rate of progress is decreasing, and...*
- *Obtainment of long-term goals may be in jeopardy*



FEMP is Reorganizing to Better Serve Federal Customers

- **Established 3 Service Lines**
- **Provide each agency with a “Customer Service Representative” - *each Representative will:***
 - **Develop detailed knowledge of agency’s energy programs & needs**
 - **Expedite process for providing technical & financial assistance, policy guidance, etc.**



DOE's New Contract Offers *New Opportunities*

- **Awarded December 18, 2008**
- **Awarded 16 contracts – including 8 ESCOs new to the IDIQ contract**
- **Contract ceiling of \$5B for each ESCO totaling \$80B in overall ceiling**



ESPC IDIQ Award:

Most Things Remain the Same...

- **Purpose:**
 - Acquire energy & water conservation services & reduce use & cost
 - Reduce related operations, maintenance, & repair costs
- **Maximum term: 25 years**
- **Costs (payments) must be covered by savings**
- **Savings must be guaranteed and verified annually**



New Contract Improvements:

Scope, Ordering Period, Minimums & Maximums, & New Streamlined Procedures

- **Contracts no longer limited by geography or technology**
- **Promotes use of renewable energy technologies**
- **Allows for streamlined Task Order (TO) procedure**
- **Addresses new competitive requirements under NDAA**
- **Minimum guaranteed order(s) per IDIQ is \$5K**
- **TO minimum is \$30K; maximum is \$200M**
- **IDIQ period of performance: 5 years, with 2 optional 3-year extensions**



New Opportunities for Federal Agencies

- **Leverage appropriated funds with third-party financing (ESPCs, UESCs) to dramatically increase project scope, economic impact, & to sustain a viable tool for continuing support in the future**
 - Explore best value options for the public sector
 - Explore paying for certain aspects of an ESPC (renewables, financing, performance monitoring, etc.)
- **Use Power Purchase Agreements for renewable energy projects**



Exciting Future Opportunities

Expand ESPCs for energy & cost savings in non-building applications per EISA Sec. 518:

- **Land platforms/vehicles**
- **Ships**
- **Aircraft**
- **Tactical Power Generation**



Keeping Up with FEMP

Go to the FEMP Website for:

Program Activity Information

News Updates, Announcements & Policy Initiatives

Upcoming Workshops & Training Events

www.eere.energy.gov/informationcenter