



U.S. DEPARTMENT OF
ENERGY

FEMP Quick Reference for Meeting New Federal Goals and Requirements with Performance Contracting

January 2023

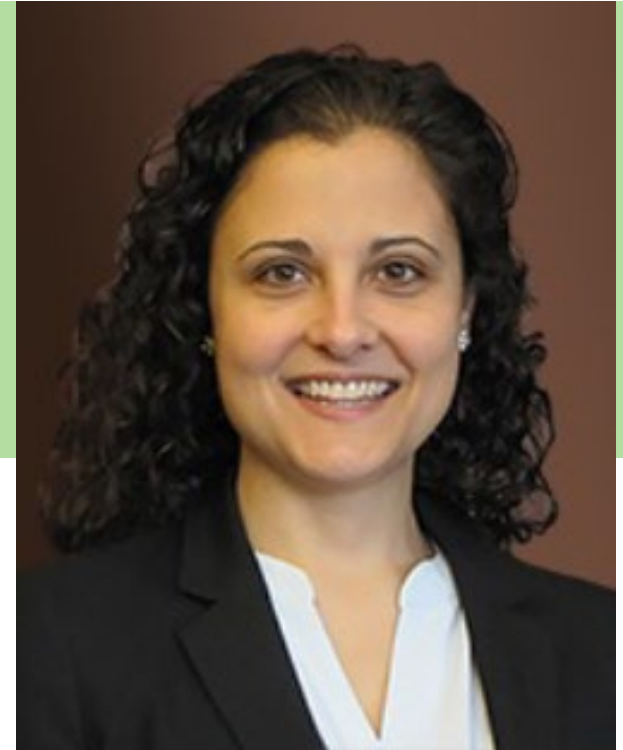


FEMP Director's Message

FEMP works with its stakeholders to enable federal agencies to meet energy-related goals, identify affordable solutions, facilitate public-private partnerships, and provide energy leadership to the country by identifying government best practices.

This quick reference provides an overview of the new goals and requirements for federal agencies and the services FEMP provides to help agencies meet them.

I encourage agencies to take advantage of the resources available from FEMP, ESCOs and utilities to achieve these energy and sustainability objectives.



Mary Sotos
Program Director,
Federal Energy Management
Program, Department of Energy

Common Questions on Meeting Federal Goals and Requirements

Select a question below for more information. Select the [Back](#) button to return to this page.

- [What are the new energy and sustainability goals and requirements for federal agencies?](#)
- [How can performance contracting support meeting current goals and requirements?](#)
- [How have agencies invested in performance contracting?](#)
- [What performance contracting mechanisms are available?](#)
- [What assistance can FEMP provide to help agencies meet the goals?](#)
- [What funding is available from FEMP to benefit my performance contracting project?](#)
- [Where can I find additional training on performance contracting?](#)
- [Who can I contact to get started?](#)

FEMP-Supported Performance Contracting Highlights

Over \$12.0 billion in project investments awarded (DOE ESPC IDIQ, ESPC ENABLE, UESC)

Energy

- 49.6 trillion BTU reduced annually

Economic

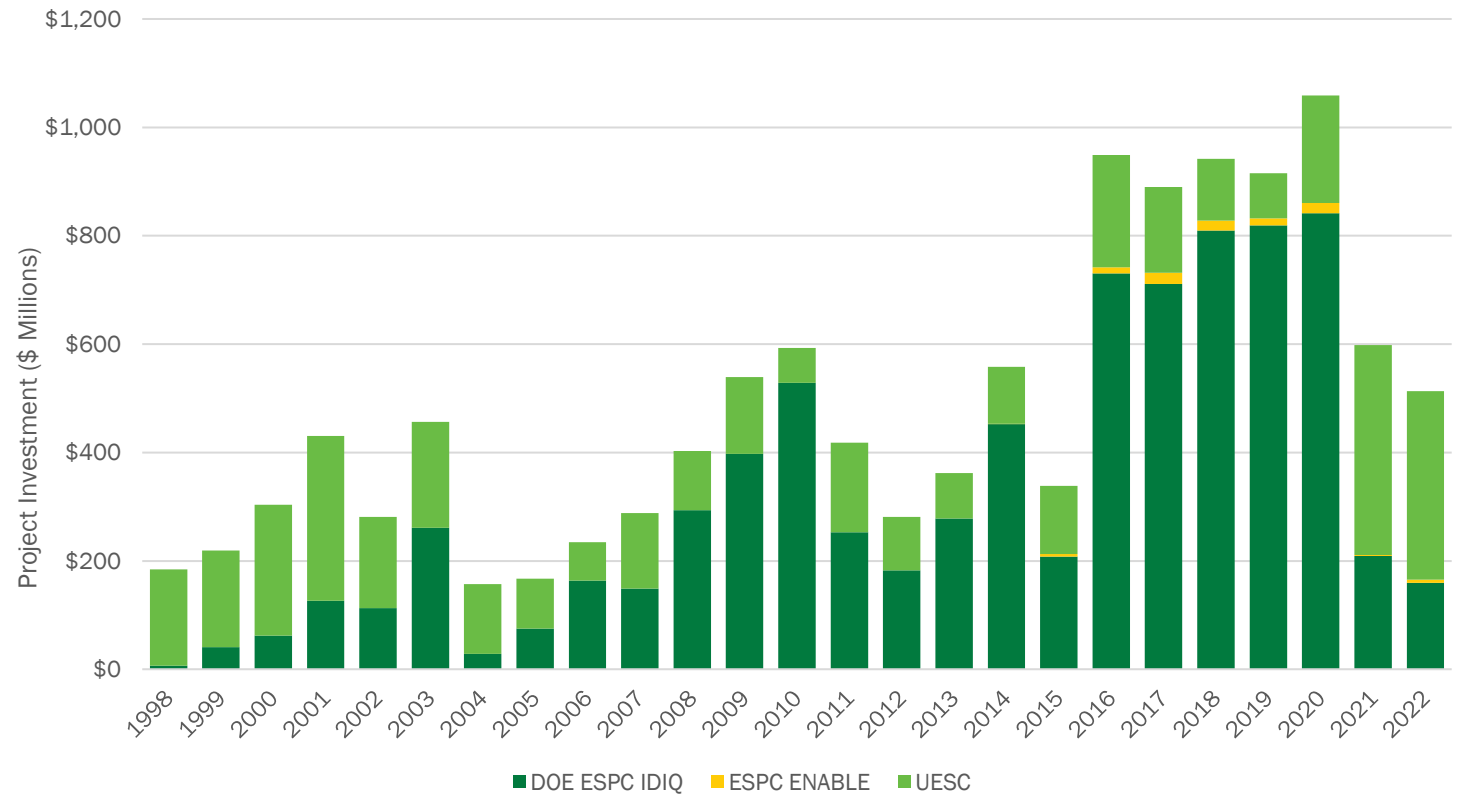
- 96,600 job-years (direct jobs)

Environmental

- 2.8 million metric tons CO₂e* reduced annually

*estimated using eGRID 2019 values

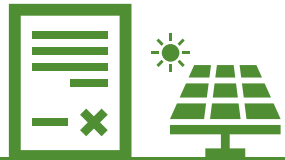
Federal Performance Contracting Investment by Fiscal Year Awarded



Federal Agency Energy and Sustainability Goals and Requirements

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Agency energy projects will enable progress toward several administration and congressional priorities focused on energy and water efficiency, decarbonization, investment, jobs and American manufacturing.



Energy Act of 2020

- Agencies to use performance contracting to address at least 50% of ECMs identified
- Agencies to implement all cost-effective ECMs identified within two years
- FEMP to establish a Federal Smart Building Program



Executive Order 14057

- Government-wide targets for long-term and mid-term GHG reductions
- 100% net zero buildings, zero-emission fleets, 24/7 carbon pollution-free electricity
- Net zero federal government operations by 2050 or sooner



Climate Smart Building Initiative (CSBI)

- Agencies to establish emissions reductions targets delivered through performance contracting
- Increase on-site clean electricity generation
- Support plan to reduce emissions from Federal buildings by 50% by 2032



Federal Building Performance Standard

- Support achievement of net-zero emission for federal building portfolio
- Zero scope 1 emissions from on-site fossil fuel use in 30% of agency's federal buildings (by GSF) by FY 2030
- Applies to federally-owned, EISA-covered facilities in U.S. and U.S territories

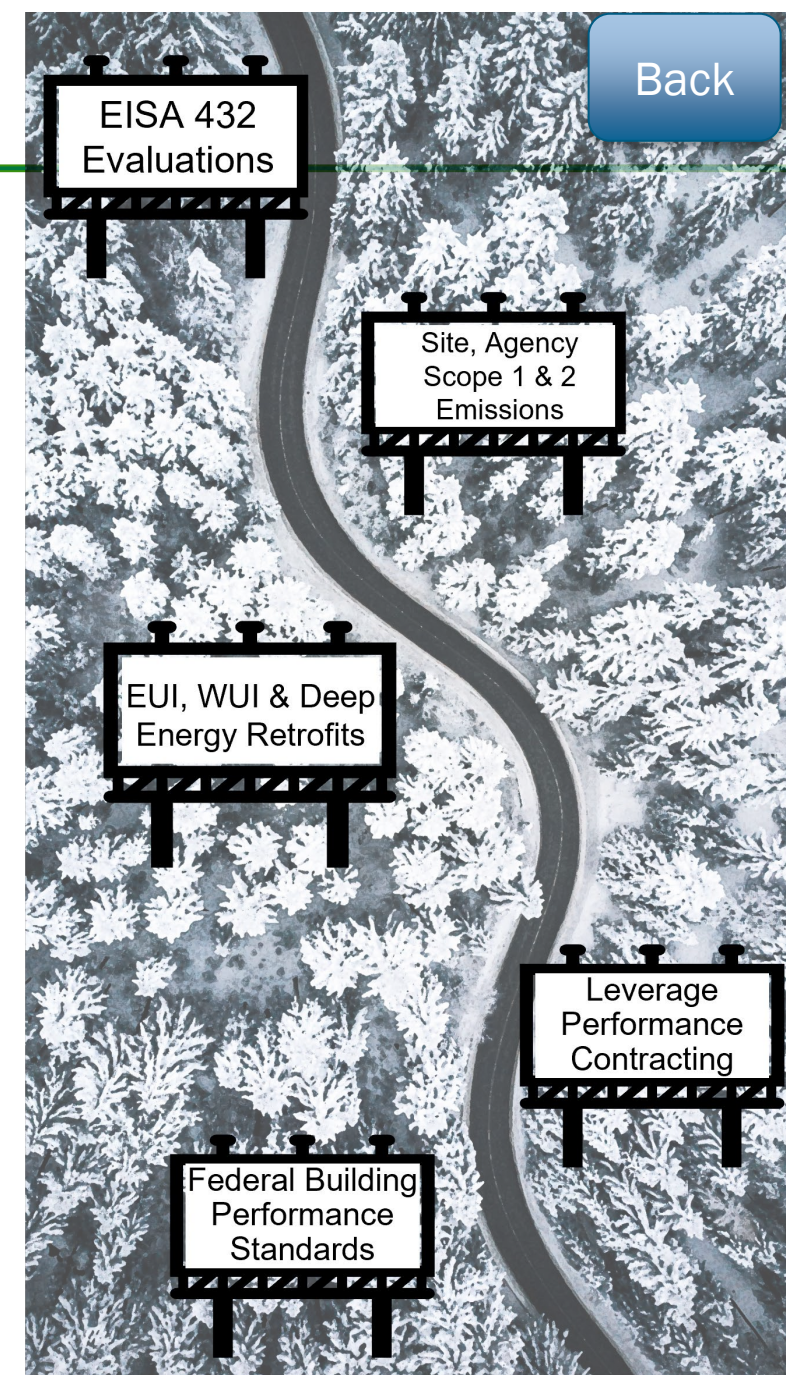
Note: Descriptions are illustrative and not comprehensive.

Performance contracting supports all these goals and requirements

FEMP is available to assist with steps towards meeting new goals and requirements

- Each can impact your approach in addressing your facility portfolio
 - EA 2020: Implement 50% of EISA 432 identified measures using performance contracting. *Preliminary Assessments and Investment Grade Audits can support meeting EISA 432 evaluation requirements.*
 - E.O. 14057: Government-wide targets for long-term and mid-term GHG reductions from FY 2008 baseline. *Performance contracting can support GHG reductions, using [eProject Builder](#) Schedule 4g-GHG to estimate scope 1 & 2 emission reductions.*
 - CSBI: Establishing emission reduction targets, leverage performance contracting, and increase on-site clean energy generation. *Performance contracting and ESAs may be considered.*
 - Carbon-Free Buildings Strategic Plans: Agencies set annual and long-term goals for EUI and WUI, planning for deep energy retrofits, leveraging performance contracting to achieve scope 1 & 2 emission reductions.
 - Federal Building Performance Standards: Zero scope 1 emissions from on-site fossil fuel use in 30% of agency's federal buildings (by GSF) by FY 2030. *Evaluate ECMs that reduce or eliminate scope 1 emissions using performance contracting.*

Contact your FPE or request through [FEMP Assistance Request Portal](#)
(select Project Financing/Performance Contracting)



How Can Performance Contracting Support Meeting Current Goals and Requirements

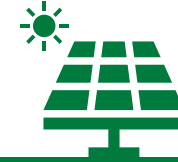
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Target Goal Areas	Target summary*	Energy Act 2020	EO 14057	Climate Smart Building Initiative (CSBI)	Carbon-Free Building Strategic Plans
Reducing emissions	Agency-specific scope 1 and 2 GHG reduction targets	Can support	Supports	Can support	Set annual targets
Increasing energy efficiency	Agency-specific EUI reduction targets	Can support	Supports	Can support	Set annual targets
Increasing water efficiency	Agency-specific WUI reduction targets	Can support	Supports	Can support	Set annual targets
Deep energy retrofits	40% reduction in energy use intensity across 30% of covered facilities by 2030	Can support	Supports	Can support	Set annual targets
Building Performance Standard	Zero on-site fossil fuel consumption (Scope 1) across 30% of applicable facilities by 2030	Can support	Supports	Can support	Set annual targets
Leveraging performance contracting	Agency-specific GHG reduction targets, in support of 2.8M MT CO2e/yr reduction	Can support	Supports	Supports	Set interim milestones
On-site carbon pollution-free (CFE) electricity generation	100 percent net annual CFE use by FY 2030. 50 percent 24/7 CFE by FY 2030.	Can support	Supports	Supports	Set annual targets

*Note: Descriptions and targets are illustrative and not comprehensive.

Performance contracting supports all these goals and requirements

Available Performance Contracting Mechanisms



	Department of Energy (DOE) Energy Savings Performance Contracts (ESPC)	ESPC ENABLE	ESPC Energy Sales Agreements (ESA)	Utility Energy Service Contracts (UESC)
Contract Type	Task Orders (TO) Under DOE	General Services Administration (GSA) Consolidated Schedule, SIN 334512	May be either a stand-alone contract or a TO under the Indefinite-Delivery Indefinite-Quantity (IDIQ), as an Energy Conservation Measure (ECM) within an ESPC	GSA Area-wide Contracts; Basic Ordering Agreements
Partner	Energy Services Company (ESCO)	ESCOs on both DOE Qualified List and GSA Consolidated Schedule, SIN 334512	ESCOs eligible under DOE ESPC or ESPC ENABLE	Serving distribution utility (electricity, gas, or water)
Eligible Facilities	Federal facilities worldwide	Federal facilities worldwide	Federally-owned facilities or on Federally-owned land	Federally-owned facilities
Project Size	\$2 million or larger	No fixed size or \$ limits; suitable for smaller projects *largest to date \$18.5 million	Typically, 500 kW or larger	Any size
Savings Guarantee	Required	Required; simplified M&V	Required; metering (Option B) is recommended	Performance assurance plan required to verify performance and savings (may include M&V); Savings guarantee not required, negotiable

FEMP Funding Opportunities (e.g., AFFECT)

- Current opportunities: [AFFECT 2022](#) (see [next page](#))
- Future opportunities will be published on [FEMP website](#)
- Past AFFECT opportunities:

Grant Program Year	Grant Award Amount	Estimated Total Investment
AFFECT 2014	\$5,000,000	\$114 million
AFFECT 2015	\$2,850,000	\$71.8 million
AFFECT 2016	\$3,000,000	\$49 million
AFFECT 2019 FAC	\$5,500,000	\$140 million
AFFECT 2020 FAC	\$11,000,000	\$439 million
AFFECT 2021 FAC	\$13,000,000	\$737 million

- Other agency appropriations and grants can also be [leveraged in performance contracting projects](#)

Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) Federal Agency Call (FAC) 2022 Appropriations



Total Funds Available: \$13 million*

- **Topic Area 1:** Projects Under Development Facing Reductions in Scope Due to Adverse Changes in Fiscal/Economic Conditions
- **Topic Area 2:** Load Management Projects (Energy Performance Contracts)
- **Topic Area 3:** Load Management Projects (Other Procurement Mechanisms)

*Historically, AFFECT grants have averaged approximately \$700,000 per grant.

FEMP does not intend to award individual grants under this FAC in excess of \$2 million.

FAC Issue Date:	12/02/2022
Informational Webinar:	12/15/2022
Submission Deadline for Applications:	02/28/2023
Expected Date for Selection Notifications:	05/19/2023
Expected Timeframe for Award Negotiations:	05/19/2023 – 07/20/2023

FAC, Webinar, and Q&A Info:
<https://eere-exchange.energy.gov/DE-FOA-0002700>

Questions about this FAC? Email
AFFECT2022Approp@hq.doe.gov

Note:

- FEMP personnel are prohibited from communicating (in writing or otherwise) with agencies regarding the FAC except through established question and answer process described below.
- Questions regarding the content of this FAC must be submitted to: AFFECT2022Approp@hq.doe.gov. Questions must be submitted not later than 3 business days prior to the application due date and time (2/28/2023). Please note, feedback on individual applications will not be provided through Q&A.
- All questions and answers related to this FAC will be posted on EERE Exchange at: <https://eere-exchange.energy.gov>. Please note that you must first select this specific FOA/FAC Number in order to view the questions and answers specific to this FAC. FEMP will attempt to respond to a question within 3 business days, unless a similar question and answer has already been posted on the website.
- Please periodically check the Q&A section on EERE Exchange at: <https://eere-exchange.energy.gov> to see responses to submitted questions.

Leveraging Appropriations to Include Additional Scope

Original Performance Contracting Project (\$9M)

Funded through (guaranteed) savings generated by the project ECMs



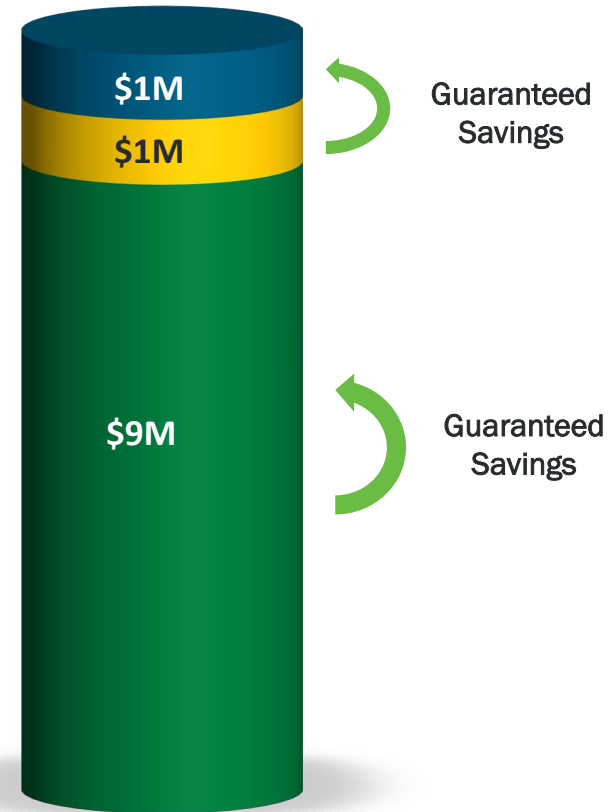
Appropriations-Funded Project (\$1M)

Energy costs are reduced, but savings cannot be captured to fund additional scope



Combined Performance Contracting /Appropriations Project (\$11M)

Over project term, savings from the appropriations are captured in the project, leveraged to fund additional scope

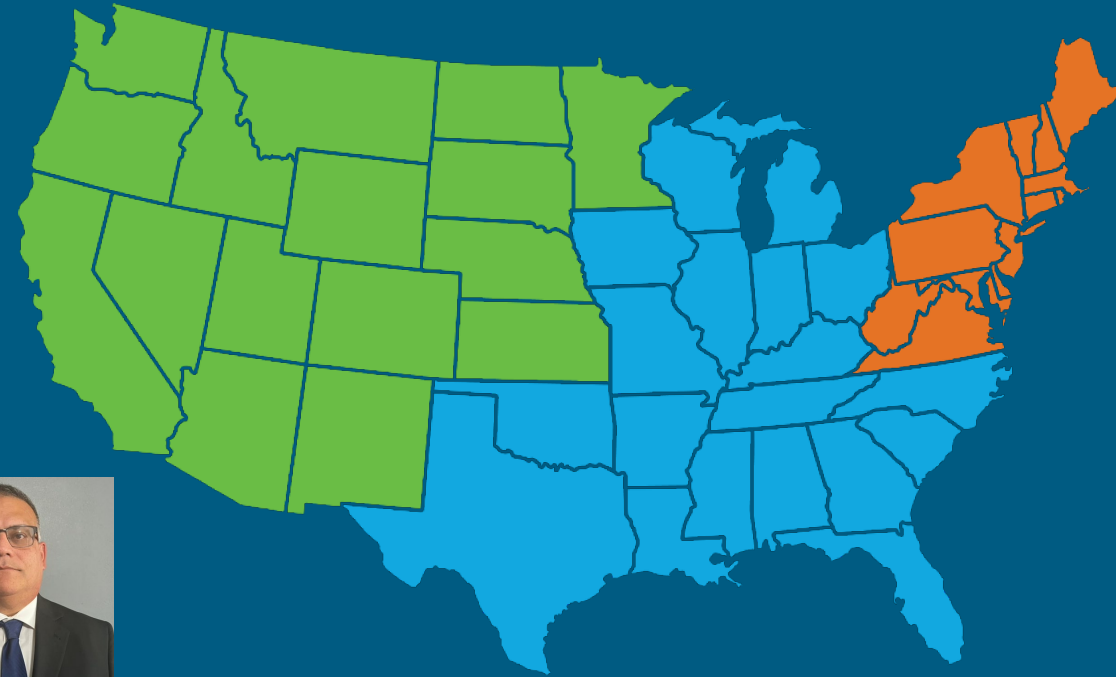


*Analysis based on DOE ESPC IDIQ project awards

First Point of Contact: Your Federal Project Executive (FPE)

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- Help with all performance contracting: ESPC, ENABLE, ESAs and UESCs
- Connect you with lab, Subject Matter Experts (SME), resources



Western Region

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Western Region plus
East Asia and the
Pacific; Near, South,
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Multi-regional Support

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Click [here](#) for more information about how FPEs can help you.

- **FEMP Training Curriculums: ESPC, UESC, and Appropriations Project Development**
 - Energy and Water Efficiency Project Financing
 - Renewable Energy Technologies and Procurement
 - Utility Engagement (Responsibilities and Best Practices)
 - Operations and Maintenance, Commissioning, Recommissioning, and Retro-commissioning
 - Federal Policies, Requirements, Rules, and Industry Standards
 - Measurement and Verification Metrics and Metering
 - Strategic Energy and Water Program Development, Integration, and Risk Management
 - Strategic Project and Facility Energy Management
 - FEMP Services and Resources

Check [FEMP Training Catalog](#) for upcoming live webinars and training offerings