

DOE OFFICE OF INDIAN ENERGY

Tribal Power Preference Listening Session

May 18, 2023





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Indian Energy Preference Policy Overview

Tracy Niro | May 18, 2023



Overview

- **What is the Indian Energy Purchase Preference?**
- **How do Federal Agencies buy electricity?**
 - Market types
 - Types of purchases
- **What policies are driving Federal Agencies to purchase more carbon pollution-free electricity?**
- **Summary**

Overview of the Indian Energy Purchase Preference

What is the Indian Energy Purchase Preference?

EPAcT 2005 Establishment of the Preference

25 U.S.C. § 3502(d)
(Sec. 503 of the Energy Policy Act of 2005)

(1) In purchasing electricity or any other energy product or byproduct, a Federal agency or department may give preference to an energy and resource production enterprise, partnership, consortium, corporation, or other type of business organization the majority of the interest in which is owned and controlled by 1 or more Indian tribes.

(2) In carrying out this subsection, a Federal agency or department shall not
(A) pay more than the prevailing market price for an energy product or byproduct; or
(B) obtain less than prevailing market terms and conditions.

Note: Projects can be located anywhere.

2012 DOE Procurement Policy Guidance

Secretary Chu issued Department guidance for implementing 25 U.S.C. § 3502(d):

“...the Department will give preference to tribes and tribal majority-owned business organizations for the *purchase of electricity produced by renewable resources, renewable energy products, and renewable energy by-products.*”

Renewable Resources

Wind, solar, geothermal, bioenergy, incremental hydropower

Renewable Products

Renewable fuel or feed sources, such as woody biomass and biofuels

Renewable By-Products

Environmental attributes generated by renewable energy and sold in markets (e.g., renewable energy certificates or RECs/EACs, greenhouse gas credits)

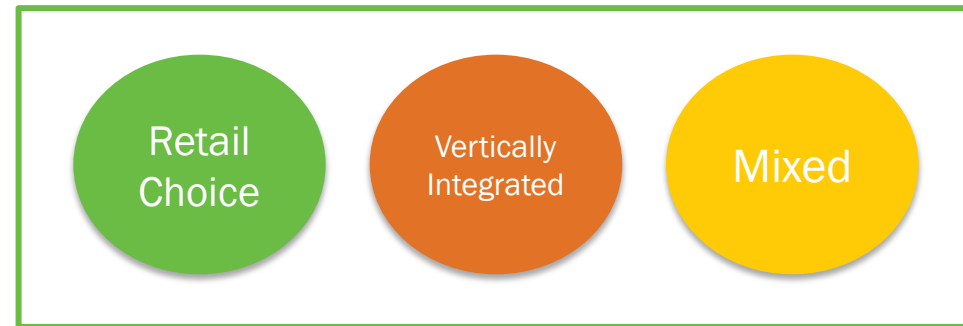
Overview of the Indian Energy Purchase Preference

How does the Federal Government purchase electricity?

Electricity Market Types Determine Government Options

Options for purchasing electricity and inclusion of Preference in federal procurements will depend on site agency location.

Types of Markets

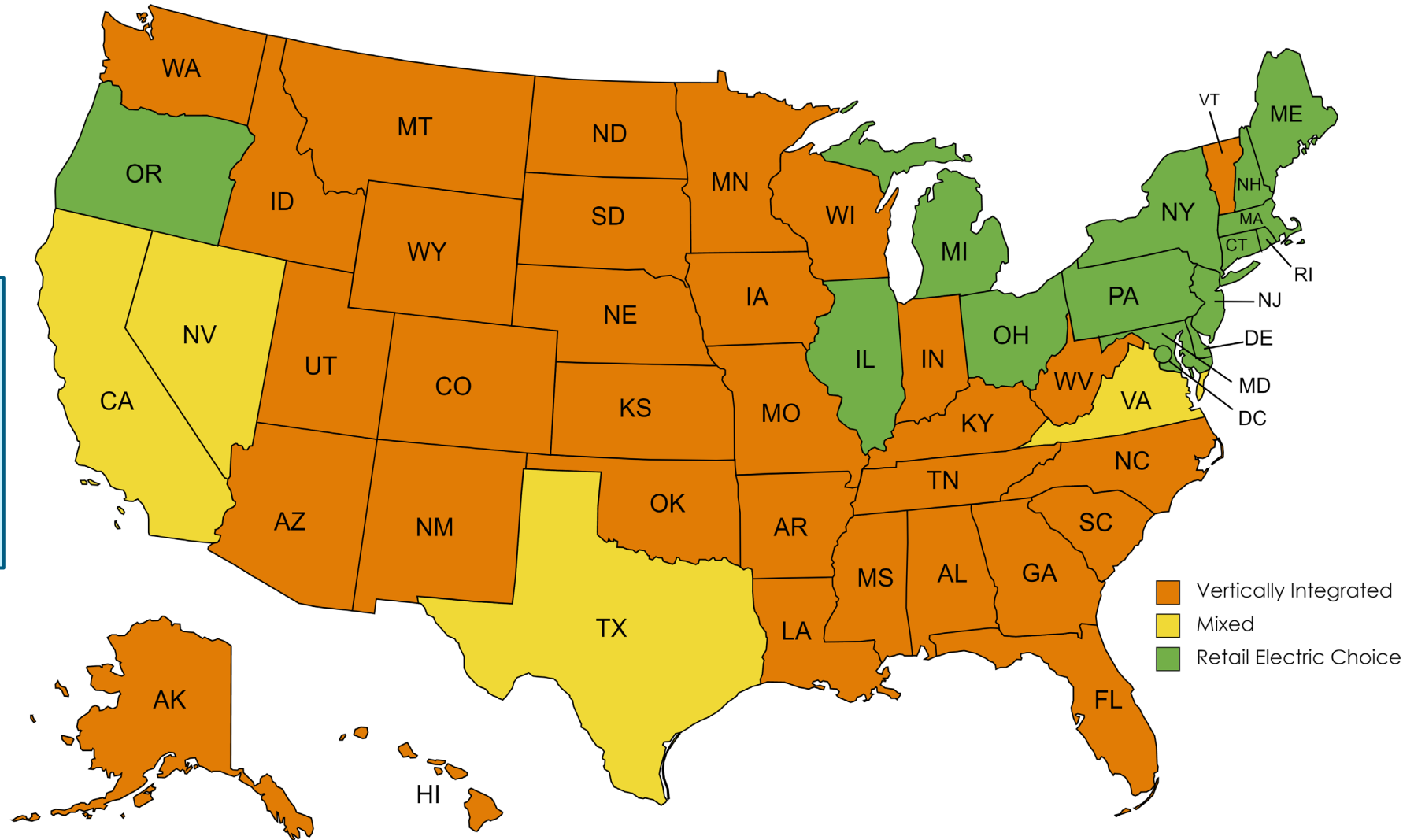


Types of Purchases



Electricity Market Types by State

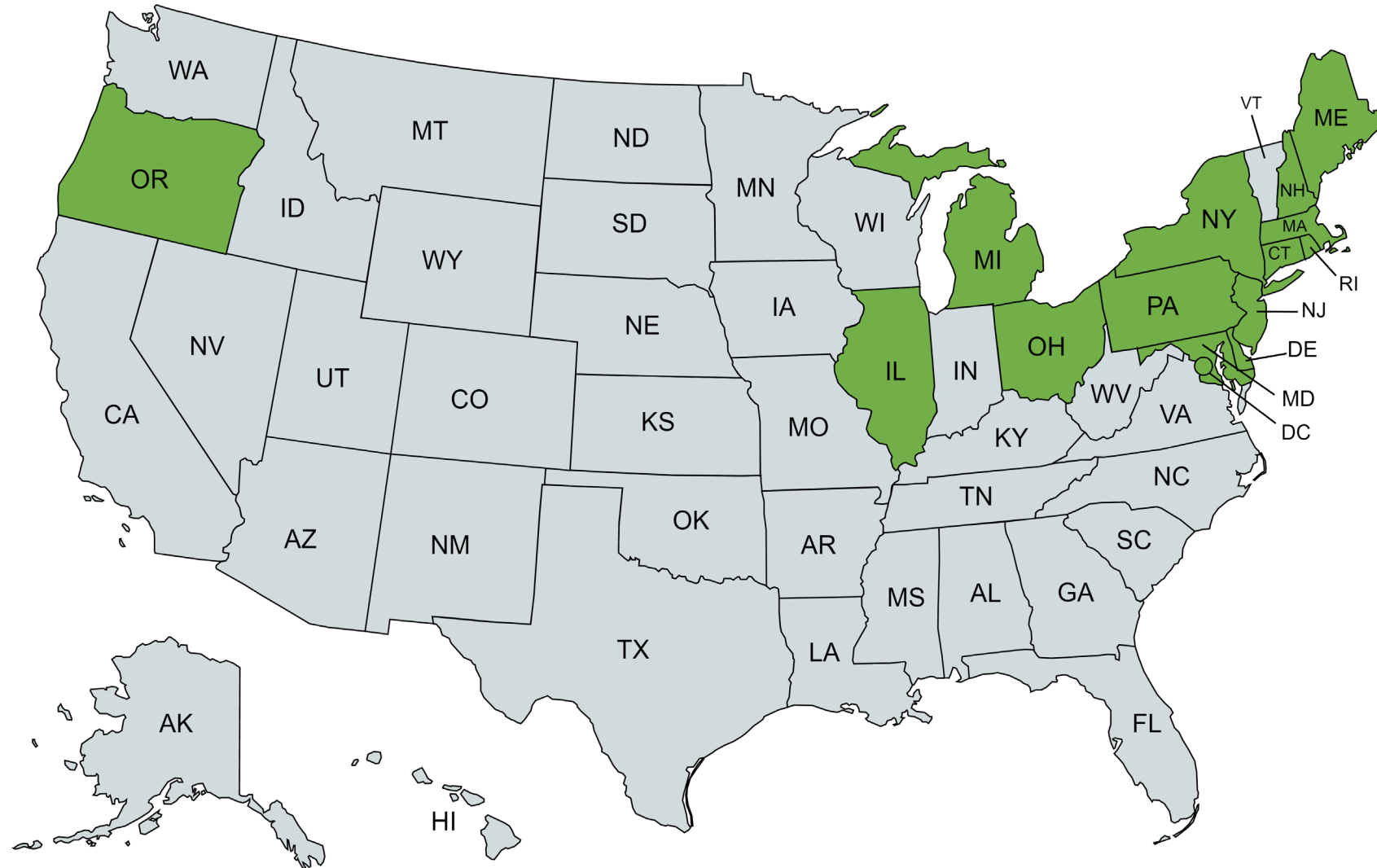
Pursuant to 40 U.S.C. § 591 the Federal Government must purchase electricity in a manner consistent with state law governing the provision of electric service.



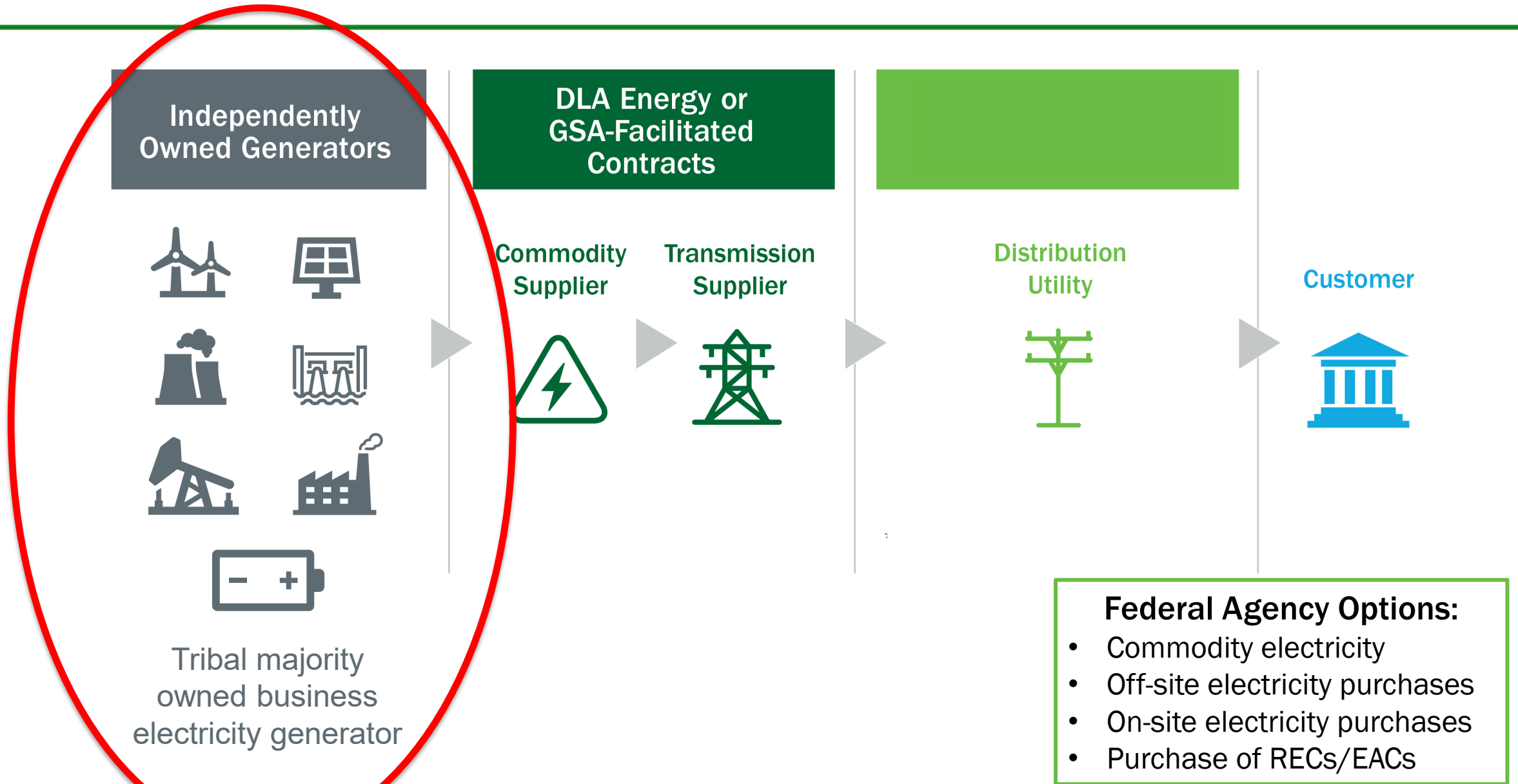
Note: This map is subject to change.

Retail Electric Choice Markets

- **Common** type of electric contract
- Contract between commodity supplier and Federal Government facilitated by DLA or GSA
- **Competition required**
- Contracts up to **5 years**
- **Potential for inclusion of preference**

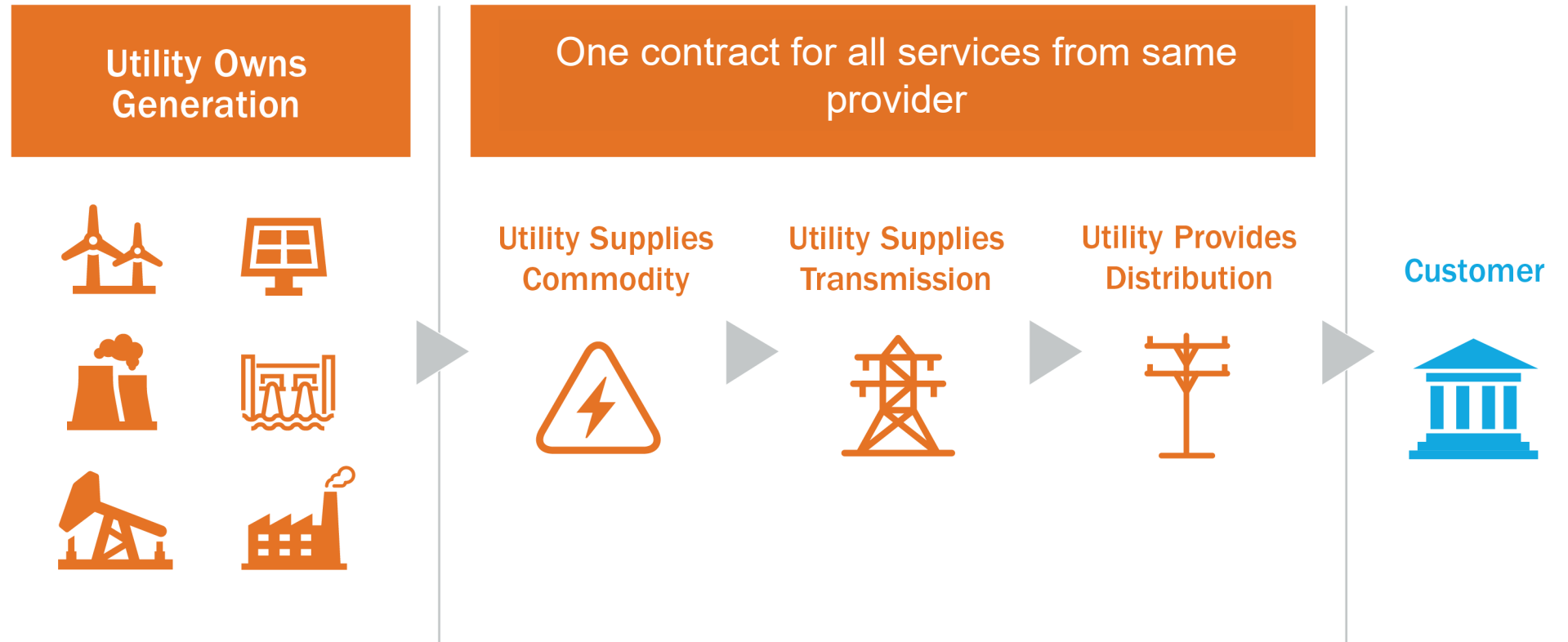


Overview of Retail Electric Choice Markets



Vertically Integrated Market

In certain circumstances* the tribal majority owned generator may be able to sell electricity to a federal agency through the utility.



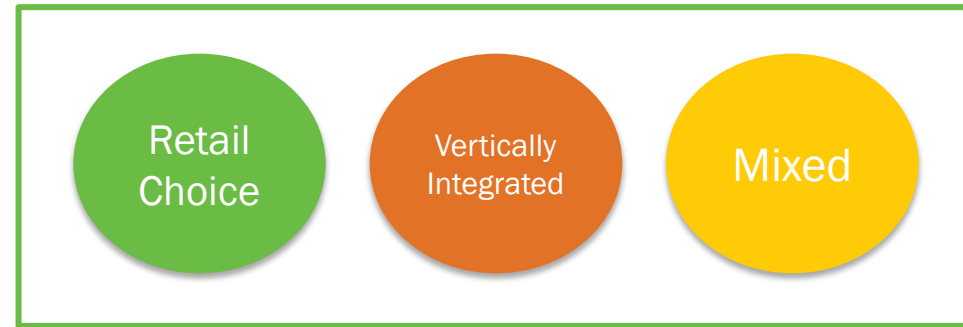
Federal Agency Options:

- *Off-site electricity purchases
- On-site electricity purchases may be limited
- Purchase of RECs/EACs

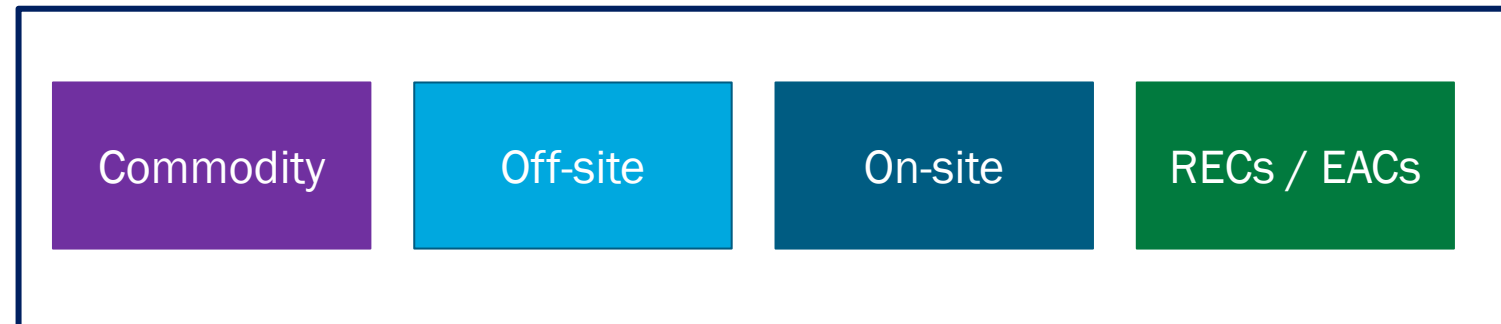
Recap: Electricity Market Types Determine Government Options

Options for purchasing electricity and inclusion of Preference in federal procurements will depend on site agency location.

Types of Markets



Types of Purchases



Commodity Electricity Contracts – Retail Choice Markets Only

TMOB* Electricity Supplier

- Re-sells purchased electricity or constructs, owns, operates, and maintains generation
- May be able to take advantage of tax incentives

Agency

- Buys electricity for a specified term
- 5 years or less

Key Considerations

- GSA and DLA Energy conduct these procurements on behalf of federal customers
- Reverse auction format

TMOB* = Tribal Majority Owned Business

Off-Site Power Contracts

TMOB Electricity Supplier

- Re-sells purchased electricity or constructs, owns, operates, and maintains the generator
- May be able to take advantage of tax incentives

Agency

- Buys electricity for a specified term
- Civilian agencies have 10-year contract authority
- DoD has 30-year contract authority
- Power marketing administrations (PMAs) have longer authority

Key Considerations

- Third-party sales of electricity must be legal in state/utility territory
- Can the power be delivered?

Federal On-Site Distributed Energy Procurement Options

On-Site Power Contracts

TMOB Electricity Supplier

- Constructs, owns, operates, and maintains the generator on the agency's site
- May be able to take advantage of tax incentives

Agency

- Hosts generation & buys electricity for a specified term
- Civilian agencies have limited long-term contract authority
- DoD has 30-year contract authority
- PMAs have longer authority

Key Considerations

- Third-party sales of electricity must be legal in state/utility territory

Federal On-Site Distributed Energy Procurement Options

TMOB* REC/EAC Supplier

- Sells RECs/EACs from owned generation

Agency

- Buys RECs/EACs for specified time
- Typically, 5 years or less

Key Considerations

- No electricity associated with RECs/EACs—just the environmental attributes
- Good option if electricity cannot be delivered directly to agency

*TMOB = Tribal Majority Owned Business

Selling to the Federal Government

www.sam.gov

- **Searchable database of opportunities to sell to Fed Gov**
- **North American Industry Classification System (NAICS) codes are like keywords**
 - 221111 hydroelectric power
 - 221114 solar power
 - 221115 wind power
 - 221116 geothermal power
 - 221118 other electric power



The screenshot shows the SAM.GOV website interface. At the top is the SAM.GOV logo with a stylized American flag. Below the logo is a navigation menu with links for Home, Search, Data Bank, Data Services, and Help. The main content area features the heading 'Contract Opportunities' with a 'Legacy Website' badge and the FBO logo. A paragraph explains that contract opportunities are procurement notices from federal contracting offices and lists types such as pre-solicitation, solicitation, award, and sole source notices. A link to 'grants.gov' is provided for grant opportunities. At the bottom, there is a search bar with the example text 'e.g. W91QVN-17-R-0088, light bulbs' and a search button.

Overview of the Indian Energy Purchase Preference

What policies are driving the Federal Government to purchase more carbon pollution-free electricity?

Energy Policy Act of 2005 “Bonus” for Renewable Energy

EPA 2005 provides an incentive for Agencies to purchase renewable energy generation on federal land or Indian land.

Agencies receive double credit towards renewable energy goal for:

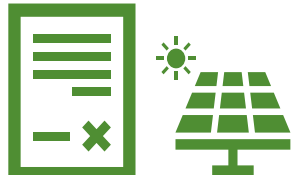
Electricity generated on:

- ✓ Federal land, or
- ✓ Indian land

And used by Fed Agency

Pursuant to 42 U.S.C. § 15852(c)

Federal Energy and Sustainability Goals and Requirements



Energy Act of 2020

- Agencies to use performance contracting to address at least 50% of energy conservation measures (ECMs) identified
- Agencies to implement all cost-effective ECMs identified within two years
- Federal Energy Management Program to establish a Federal Smart Building Program



Executive Order 14057

- 100% carbon pollution-free electricity (CFE) by 2030
- 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 establish emissions reductions targets for performance contracting
- Increase on-site clean electricity generation
- Support plan to reduce emissions from Federal buildings by 50% by 2032

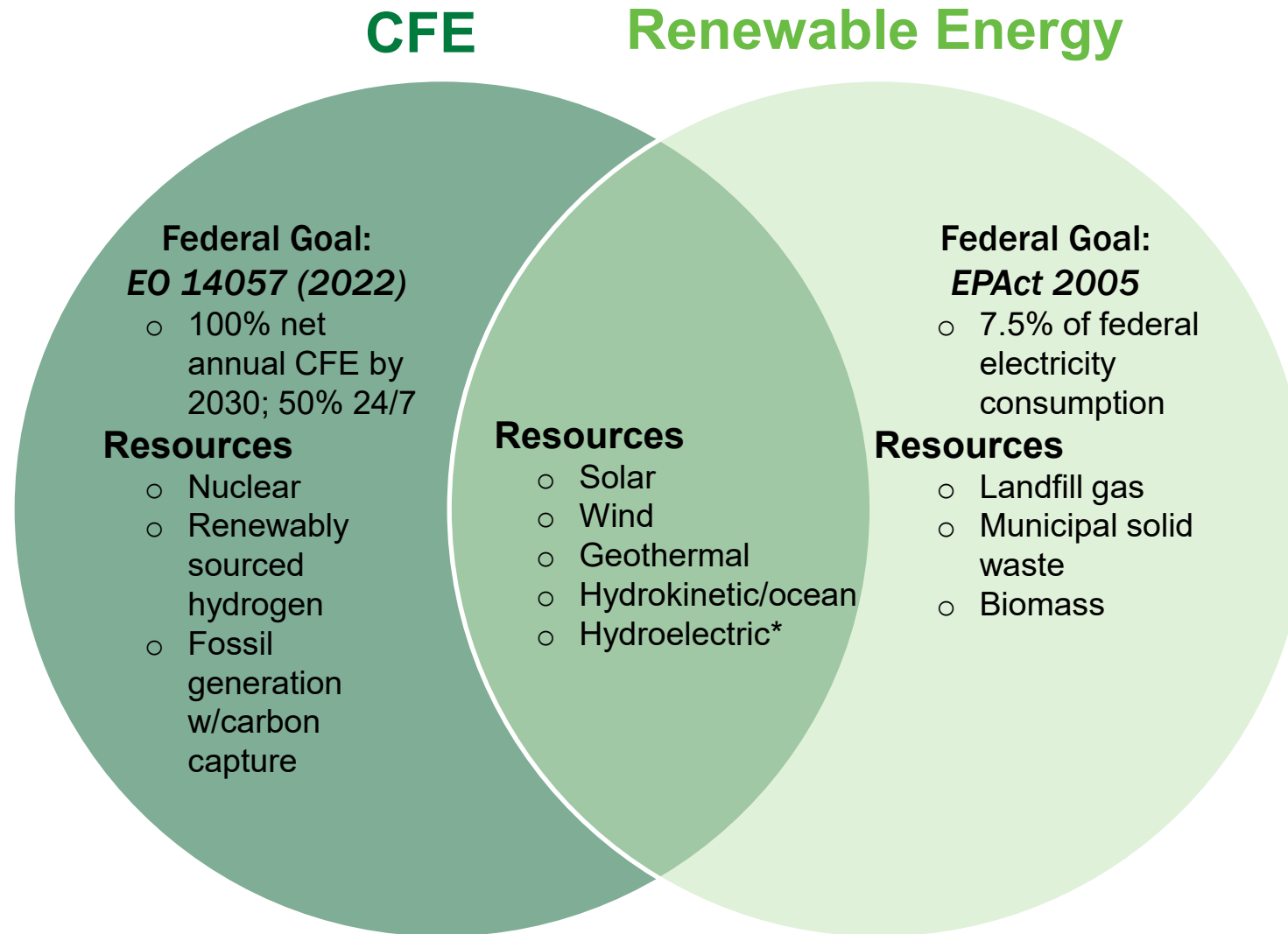


Federal Building Performance Standard

- 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
- For fed-owned, covered facilities in U.S. and territories

Note: Descriptions are illustrative and not comprehensive.

CFE & Renewable Energy – Some Overlap, but not Identical



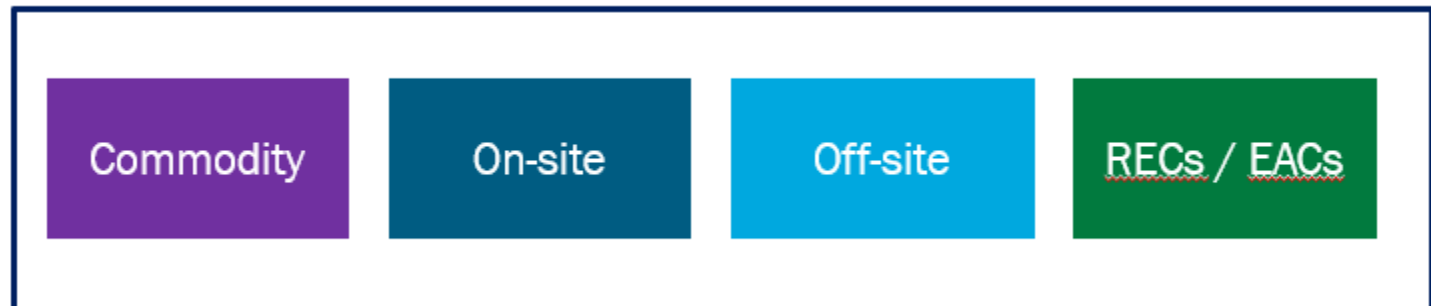
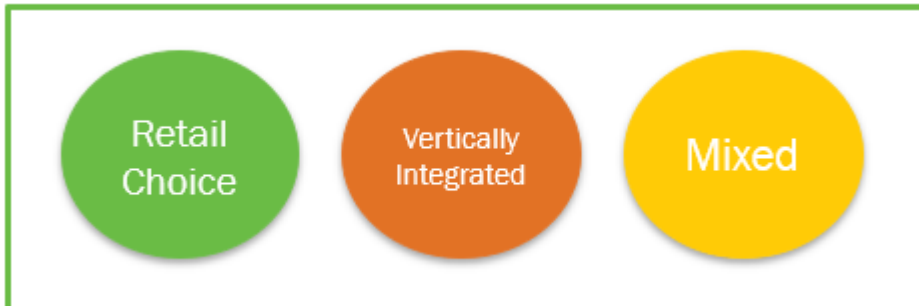
*All hydroelectric generation qualifies as CFE. New hydroelectric generation qualifies as renewable if its capacity has increased through either improved efficiency or an addition to the project.

Summary

The Federal Government has increased its focus on purchasing carbon pollution-free electricity

- Tribal majority-owned businesses (TMOBs) selling energy, energy products, and energy by-products may receive a preference when competing for certain federal energy-related contracts

Market Type and Purchase Type Impact Options



Thank you!

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202-431-7601

Federal Energy Management Program
Office of the Under Secretary for Infrastructure
U.S. Department of Energy

Related FEMP On-Demand Trainings

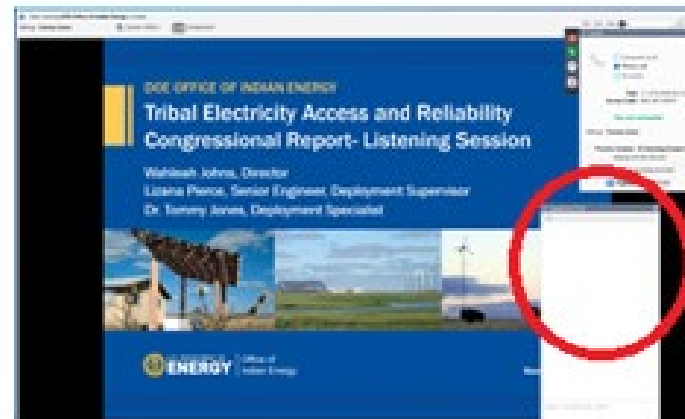
[Decarbonization Considerations: Onsite Distributed Energy Projects and Offsite Purchases](#)
[Federal On-Site Carbon Pollution-Free Electricity \(CFE\) Purchase Contracts](#)
[Utility Industry Basics for Federal Agency Carbon Pollution-Free Electricity \(CFE\) Procurement](#)



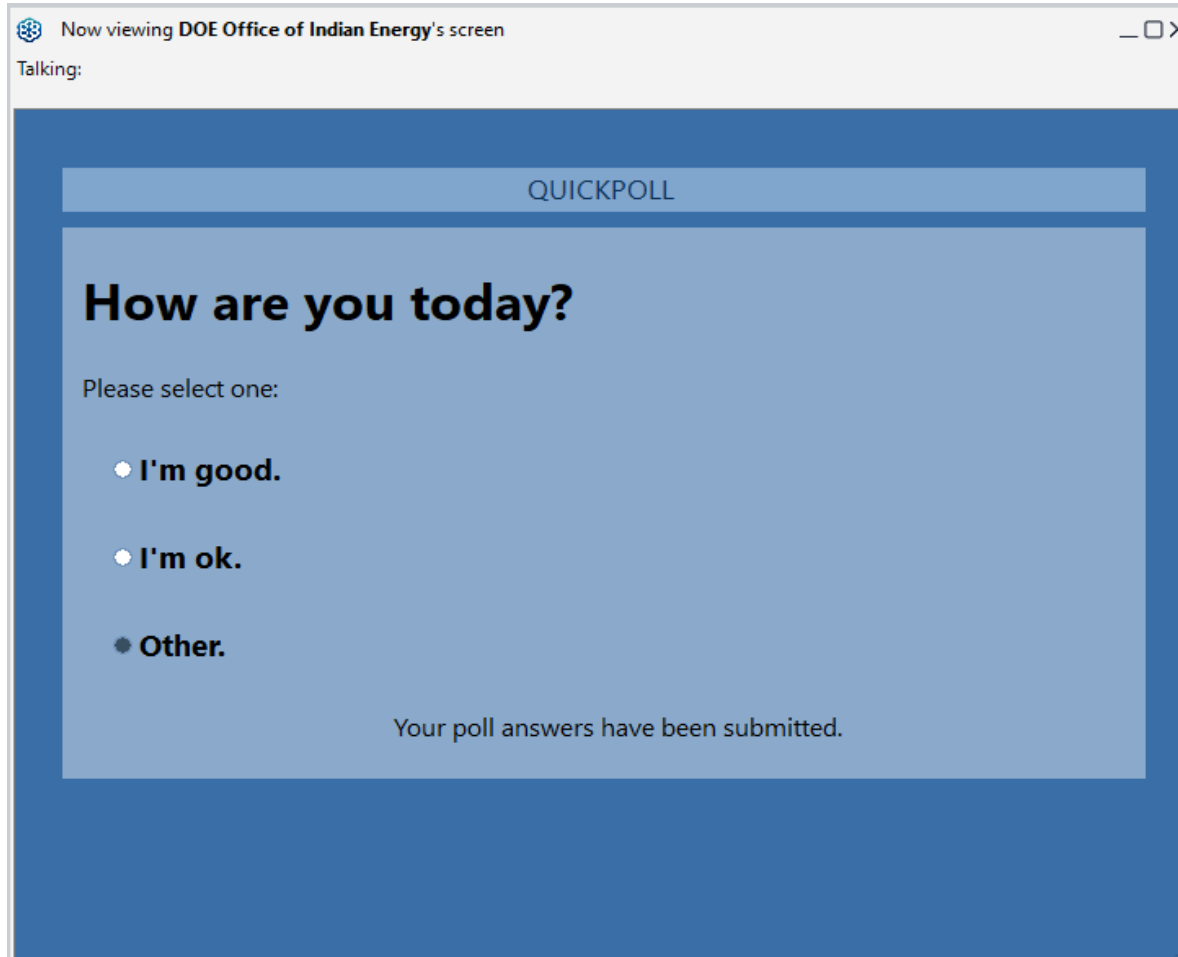
Tommy Jones

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How to expand navigator and undock Question feature



Using the Polling Feature

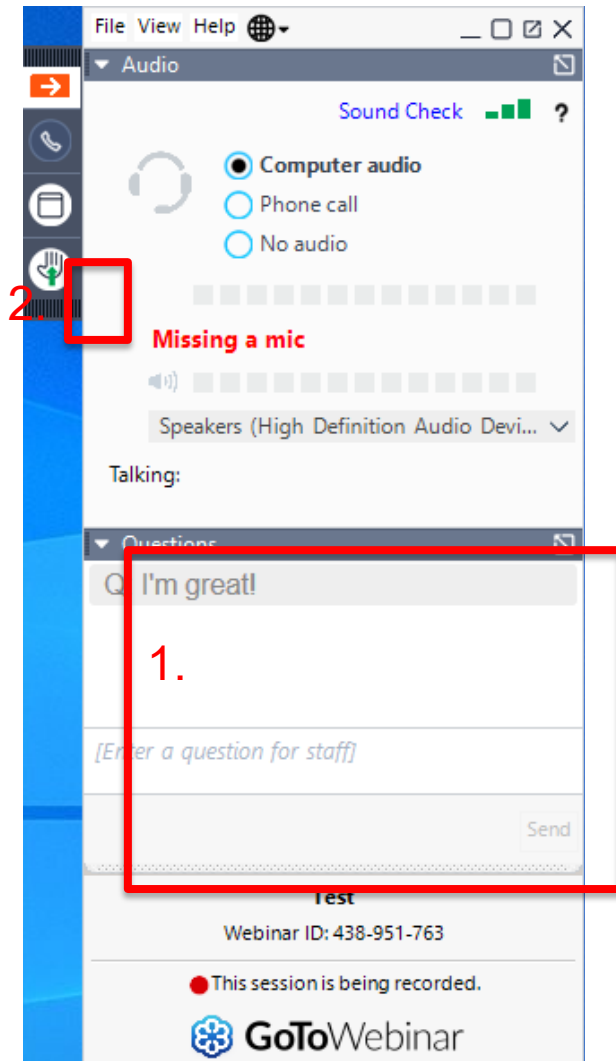


Today's listening session will use Polling.

Polls will show up in your GoToWebinar Viewer.

To answer, click on the choices in the Viewer.

How to Submit “Other” Responses



1. If responding “other,” please submit a comment in the Questions tab and enter the number of the question before responding i.e. 1. Hello

Technology troubles? Please send questions to IndianEnergy@hq.doe.gov.

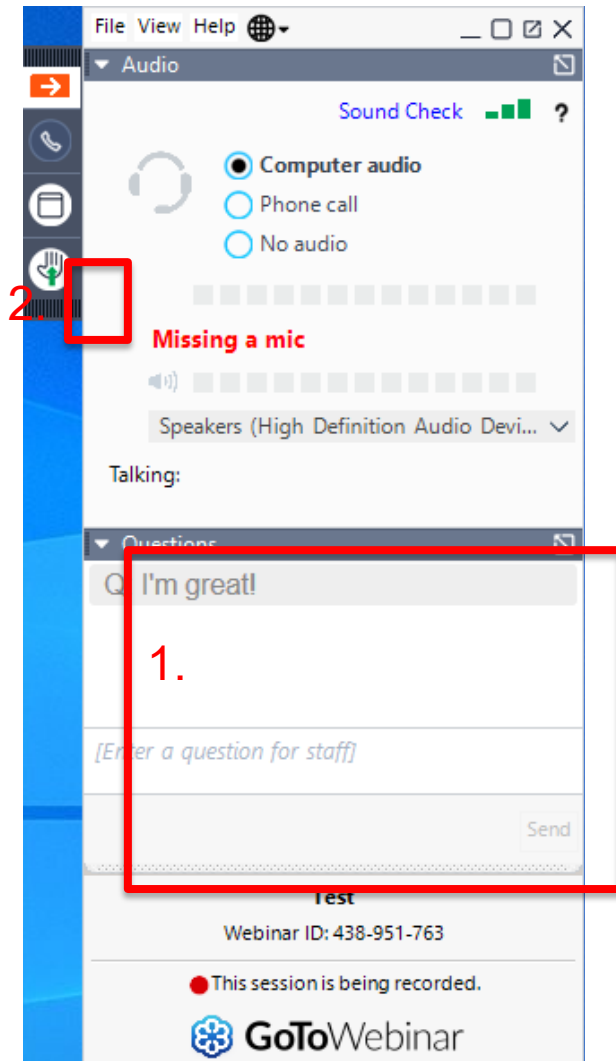
POLLING QUESTIONS

TMOB = Tribal Majority Owned Business

CFE = Carbon Pollution-Free Energy



How to Submit Your Responses



1. Please submit responses in the Questions tab.
2. Please format responses to include question number i.e. “21. Hello”
3. Please raise your hand to be unmuted.

Technology troubles? Please send questions to IndianEnergy@hq.doe.gov.

DISCUSSION QUESTIONS

What training and/or education is needed to support energy-related jobs for tribal members?

What obstacles exist for a tribal majority owned business selling new carbon-pollution-free electricity?

What kinds of relationships or agreements do your tribal majority owned businesses have with non-tribal utilities?

Other feedback, concerns, or questions?

 Thank you!

