



50 Years of Federal Energy Management

# **Tools and Resources to Meet Agency Goals**

Chris Tremper, Nael Nmair, Kendall Kam, Kurmit Rockwell, Jefferey Murrell, Tracy Niro

### **Learning Objectives**

Upon completion of this training, you will be able to:

- Understand FEMP's achievements in federal energy and water savings to date
- Learn about low-cost facility operation improvements in use today
- Become familiar with FEMP's performance contracting and Project Facilitator offerings
- Examine carbon pollution-free electricity procurement avenues for federal agencies
- Understand what resources are available for fleet electrification and how to use them



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Scan this QR code to start





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# **Federal Progress to Date**

**Chris Tremper** 

#### **Federal Progress to Date**

- Facility energy intensity (Btu/Gross Square Foot) reductions
  - 26.5% reduction vs. 2003 goal is 30%
  - 0.1% decrease vs. 2021
- Renewable electricity goal of 7.5% was exceeded (11.2% of electricity use)
- Potable water intensity reduction: 30.4% reduction vs. 2007, 2.2% reduction vs. 2021
- Efficiency investment in Federal facilities (\$0.7B total in FY 2022) decreased 40% from 2021
  - Direct funding investment: \$140 million in FY 2022 (-71% vs. 2021)
  - ESPC investment: \$219 million (-19% vs. 2021)
  - UESC Investment: \$348 million (-16% vs. 2021)
  - Performance contracting is 80% of total investment in 2022
- Scope 1&2 GHG emissions from standard operations declined by 37.1% vs. 2008, and 3.4% vs. 2021
  - Facility energy GHG emissions declined 38.9% vs 2008 and 2.8% vs 2021
    - Net electricity emissions declined 44.3% vs 2008 and 4.8% vs. 2021
    - On-site combustion emissions declined 21.8% vs 2008, but *increased* 0.2% vs. 2021
  - Mobility energy emissions declined 20.6% vs 2008 and 1.0% vs 2021
    - Fleet vehicle emissions declined 2.8% vs 2008, but *increased* 4.5% vs. 2021
    - Emissions from aircraft, ships, and other mobility declined 44.9% vs 2008 and 12.3% vs. 2021



#### Federal Government Progress Toward Facility Energy Efficiency Goals FY 2003 - FY 2022



#### 2022 Goal Building Energy Use: 310 Trillion Btu, with Intensity and Reduction Progress versus 2003

DOD -21.7%	VA -26.1%	USPS -37.1%		DOE -44.6%	
	LOD	ннѕ	DHS		DOI
	-50.8%	-22.0%	-32.6%		-47.3%
		NACA	DOC -36.6%	c	DOL TRS
	GSA -31.2%	-40.4%		-38	3.2% -20.5
Energy Intensity (Btu/GSF)		USDA	SI -15.7	% USA(	CE DOT NAI % -40.4% -45
0 270,616		2.1%	EPA -41,7%	-17.2% SSA -41.15	% TVA -76.4% Other

#### Federal Government Renewable Electricity Use

(as a Percentage of Facility Electricity Consumption)



#### FY 2022 Renewable Electricity Use and Percentage of Electricity Consumption: 6.0 Million MWh

DOD 7.7%	VA 19.2%	GS 31.	A 8%		
	USPS 5.9%	HHS 13.8%	DOI 9.5%	USACE 19.4%	USDA 12.0%
		DOT 9.8%	SSA	State	e SI
DOE 18.6%	DOJ 11.3%	DHS	38.9%	27.7	% 18.8%
Renewable Percentage 0.0%	NASA	9.9%	13.8%	NAR. 35.3	A EPA % 15.6%
	10.0%	20.7%	TRSY 19.4%	DOL 8.3%	HUD 0PP 47.4%

Federal Government Potable Water Intensity (Gallons per Gross Square Foot)



#### 2022 Potable Water Use: 118 Billion Gallons Used, with Intensity and Reduction Percentage versus 2007

DOD -30.2

%	DOJ -22.7%	VA -33.0%	
	DOE -34.1%	NASA -33.0%	GSA -37.8%
		HHS -21.0%	DHS -31.9%
Water Intensity (Gallons per GSF) 7.5 108.9	DOI -41.5%		
		DOL -38.5%	DOT -28.6% TRSY 8.4%
	USPS -50.5%	USDA -27.8%	TVA -45.0%
		USACE -21.0%	SI -58.0%



#### Federal Government Scope 1 and 2 Greenhouse Gas Emissions from Standard Operations

2022 Target Greenhouse Gas Emissions: 33.2 Million Metric Tons of Carbon Dioxide Equivalent (MTCO2e) with Reduction Percentage versus 2008



#### Federal Government Investment in Facility Efficiency Improvements



Sect. 432 of Energy Independence and Security Act of 2007 (EISA) (42 U.S.C. 8253(f)) Approach to Facility Resource Management



# Overview of 42 U.S.C. 8253(f), Use of energy and water efficiency measures in Federal buildings

- Agencies must identify "covered facilities" that constitute at least 75% of energy use
- Each facility must have a designated energy manager responsible for:
  - Benchmarking metered buildings (that are, or part of, "facilities")
  - Completing comprehensive energy/water evaluations (audits) (each facility at least once every 4 years)
  - Implementing identified ECMs and reporting; (bundling permitted)
    - Implement all life-cycle cost-effective ECMs identified not later than 2 years after completion of audit
      - use performance contracting to address at least 50 percent of the measures identified
  - Follow-up M&V on implemented ECMs (as part of quadrennial evaluation)
- Web-based Compliance Tracking System (CTS) to certify compliance, track agency progress in implementing the mandates
  - Agencies tailor reporting into CTS according to their management approach
    - Upload from centrally-managed systems or entered by regional/facility managers bottom-up
  - Reports available to Congress, industry, and the public
    - Agencies may exempt facility-level data from disclosure for national security purposes



#### Reported Findings in EISA 432 Compliance Tracking System

- Public data site: <u>http://ctsedwweb.ee.doe.gov/CTSDataAnalysis/ComplianceOverview.aspx</u>
- 8,105 Covered Facilities, 2.8 billion square feet
  - 90% of total facility energy use
- 44% of Covered Facilities evaluated within the last four years (in terms of energy use)
  - <u>\$7.7 billion in potential ECMs identified with annual savings of \$865 million (~100,000 ECMs)</u>
  - Potential annual savings of 30 trillion Btu (9% of total consumption) and 9 billion gallons of water (8%)
- \$6.6 billion in implemented projects (5,022) reported
  - 23 trillion Btu in annual savings (7% of total consumption) and 7 billion gallons of water (6%)
  - 384 million kWh of renewable electricity generation and 1.8 trillion Btu of renewable thermal generation
  - ~28,000 ECMs
- 993 out of 5,022 projects with follow-up measurement and verification
- 457 million square feet of building space benchmarked in FY 2022



# **Thank You!**

Chris Tremper Program Analyst Federal Energy Management Program U.S. Department of Energy (C): 202-247-6501 Annual Energy Performance Data | Covered Facility Management and Benchmarking Data







50 Years of Federal Energy Management

# **Energy and Water Treasure Hunt**

**Nael Nmair, PE, PMP** Supervisor, FEMP Facility and Fleet Optimization

September 12, 2023

# **Objectives of a Treasure Hunt (TH)**

The objective of the TH program is to engage all levels of agency staff in an interactive free two-day training that identifies and quantifies low-to no-cost energy/water conservation measures (ECMs/WCMs) and decarbonization opportunities. TH participants:

- Acquire skills that will empower attendees to routinely conduct a Treasure Hunt at your site
- Identify the objectives and goals of decarbonization and energy/ water reduction
- Identify low or no-cost energy and water conservation measures at your site
- Engage simple automated tools to quantify energy and CO2 reduction/ savings
- Implement logical incremental steps to align culture with new energy standards
- Provide leadership essential tools and information to make informed decisions
- Earn up to 1.8 continuing education credits



#### **Drivers: Compliance With Energy-Related Statutes and Guidance**

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Energy Independence and Security Act (EISA) of 2007 (Sect 432)	Energy Act of 2020	<u>Executive Order</u> <u>14057</u>	<u>Climate Smart</u> <u>Building Initiative</u> <u>(CSBI)</u>	<u>Federal Building</u> <u>Performance</u> <u>Standard</u>
<ul> <li>Energy and water evaluations of covered facilities every 4 years (25%/year)</li> <li>Estimated costs and savings for identified measures</li> <li>Building energy and water (ECM/WCM) benchmarking and reporting</li> </ul>	<ul> <li>Agencies to implement all cost- effective ECMs identified within two years</li> <li>Agencies to use performance contracting to address at least 50% of ECMs identified</li> <li>FEMP to establish a Federal Smart Building Program</li> </ul>	<ul> <li>Government-wide targets for long-term and mid-term GHG reductions</li> <li>100% net zero buildings, zero- emission fleets, 24/7 carbon pollution-free electricity</li> <li>Net zero federal government operations by 2050 or sooner</li> <li>65% reduction in scope 1 and 2 GHG by 2030 (based on 2008 levels)</li> </ul>	<ul> <li>Agencies to establish emissions reductions targets delivered through performance contracting</li> <li>Increase on-site clean electricity generation</li> <li>Support plan to reduce emissions from Federal buildings by 50% by 2032</li> </ul>	<ul> <li>Support achievement of net-zero emission for federal building portfolio</li> <li>Zero scope 1 emissions from on-site fossil fuel use in 30% of agency's federal buildings (by GSF) by FY 2030</li> <li>Applies to federally- owned, EISA-covered facilities in U.S. and U.S territories</li> </ul>

# What are the Expected Impacts of a Treasure Hunt?



#### Look for electrification opportunities

Assist agencies in compliance with mandated energy & water goals, decarbonization, and electrification



*Recognize* tangible annual energy savings:

- Treasure Hunts (5-15%)
- Simple Payback (0.3-3.5 years)

*Increase* building systems resilience, operability, and efficiency:

- Assess critical equipment BAS sequence of operations
- Reduce energy/water consumption
- *Encourage* decarbonization/electrification
- Reduce O&M costs and increase reliability
- Implement no-cost to low-cost energy/water conservation measures (ECMs/WCMs)
- Supplement energy security and resilience

Instill site/agency energy savings culture to maximize and replicate energy and water conservation efforts

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Increase occupant's comfort

**Provide** facility staff viable conservation measures to present to leadership

*Empower* sites to replicate this training to an extended stakeholder pool (additional personnel, buildings, sites, etc.). Train-the-trainer.

### **Treasure Hunts Are Interactive Hands-on Trainings**



Participants learn basic energy and O&M principles Classroom training and field application of best practices learned

- Current energy laws, guidance and policy
- HVAC and building automations
- Lighting strategies and principles
- Thermography/ Envelope

- Plug load management
- Compressed air
- Water efficiency
- Electrification/Decarbonization Opportunities



#### Participants Identify Energy & Water Conservation Measures (ECMs)



#### Teams

- Analyze field- collected data
- Brainstorm new ideas and approaches to decarbonization and energy/water use reduction
- Average annual savings has historically been up to 15%
- Utilize free user-friendly DOE MEASUR and common energy tools
- Provide outbrief of TH teams' findings to leadership for consideration and implementation





#### **FEMP Treasure Hunt - Contacts**

Nael Nmair PE., PMP Supervisor, FEMP Facility and Fleet Optimization nael.nmair@hq.doe.gov

Elena Meehan, MBA elena.meehan@hq.doe.gov **Resource Manager** 

For questions about the program, or to request site training, please contact: FEMPAssistance Request Portal (energy.gov)

Kendall Kam, EE, CEM kendall.kam@hq.doe.gov **Program Manager** 

Chris Jackson, MPM, CEM, PMP chris.jackson@hq.doe.gov **Resource Efficiency Manager** 330-780-9689 Contracted by Lindahl Reed



Federal Energy Management Program









# 50001 Ready Program: Implementing an Energy Management System (EnMS)

Kendall Kam, 50001 Ready Program Manager

kendall.kam@hq.doe.gov

# 50001 Ready Supports Federal Sustainability Goals



#### Helps agencies strategically manage all energy-related initiatives and goals!













Acquisition and Electronics Stewardship

Facility Energy Efficiency

Fleet Management

Greenhouse Gase

Performance Tracking and Reporting



#### 2022: New CEQ Guidance on E.O. 14057

"Agencies should continue to use effective management strategies, such as environmental management systems (EMS) and energy management systems (EnMS), if they align with and support their agency needs and facilitate implementation and progress toward E.O. goals."

#### ISO 50001 -Energy Management System



#### **Energy Policy Act of 2020**

Sec. 1002. Use of energy and water efficiency measures in Federal buildings.

- Encourages federal energy managers to consider use of systems approach to managing energy and water
- Names ISO 50001 specifically as the standard to model the system approach on.

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# **50001: Increased Energy Performance**



#### Multi-sites in 3M & Schneider-Electric showed a

#### 2x improvement vs internal BAU



"ISO 50001 is a standard that drives results directly to the bottom line. ISO 50001 systematically drives down energy costs and improves competitiveness through the assignment of responsibilities and raising the visibility of energy management within the organization." —Andrew Hejnar, 3M

#### **US DOE Partners** Industrial

- in 50001
- Arcelor Mittal Steel
- Bridgestone
- Cummins

3M

- **Detroit Diesel**
- **General Motors**
- HARBEC Inc.
- Intertape Polymer Group
- Johnson Controls
- Mack Trucks
- MedImmune
- NewGold
- Nissan North America
- Schneider Electric
- Titan America
- Volvo

#### Other Sectors

- **Des Moines Wastewater**
- Hilton Worldwide
- Marriott International, Inc.
- **Tinker Air Force Base**

#### Other Partners

- American Chemistry Council
- American Forestry and Paper Association
- Council for Industrial Boiler Owners

# What is 50001 Ready?



- A self-paced, step-by-step framework to implement a world class energy management system (EnMS).
- Offers <u>recognition</u> for self-attesting to completion of 50001 Ready tasks to establish an energy management system consistent with ISO 50001 standard. There is no third-party certification requirement.
- Includes a <u>suite of resources</u> to support continuous improvement in institutional, commercial, and industrial facilities including open-source software tools.
- Supports 'enterprise' or multi-facility EnMS adoption.







50001 Ready Navigator Navigator Task Worksheets

#### Energy Footprint Tool



EnPI Lite Tool

# 50001 Ready Tasks & Your Current Energy Management Work

Context of the Organization	Leadership	Planning	Support	Operation	Perfo Eval	ormance luation	Improvement
<ol> <li>An EnMS and your Organization</li> <li>People and Legal Requirements</li> <li>Scope and Boundaries</li> </ol>	<ul> <li>4. Management Commitment</li> <li>5. Energy Policy</li> <li>6. Energy Team and Resources</li> </ul>	<ul> <li>7. Risks to EnMS</li> <li>Success</li> <li>8. Energy Data</li> <li>Collection and Analysis</li> <li>9. Significant Energy</li> <li>Uses</li> <li>10. Improvement</li> <li>Opportunities</li> <li>11. Energy</li> <li>Performance Indicators</li> <li>(EnPIs) and Baselines</li> </ul>	14.Competence and Training 15. Awareness and Communication 16.Documenting the EnMS	17.Operational Controls 18. Energy Considerations in Design 19. Energy Considerations in Procurement	20. Moni Measure the EnM 21. Moni Measure Energy Performa Improver 22. Inter 23. Mana Review	itoring and ement of S itoring and ement of ance ment nal Audit agement	24. Corrective Action 25. Continual Improvement
50001	Ready	12. Objectives and Targets 13. Action Plans for Continual Improvement		Strongly prep Partially prep Not prepared	ared ared		



# How Does 50001 Ready Work?



**1**. Implement ISO 50001 principles

Complete Tasks in the free, self-guided 50001 Ready Navigator

2. Present energy performance

Review energy performance data. May use EPA's Portfolio Manager, DOE's EnPI Lite or FEMP/OMB energy reporting data

#### 3. Self-attest to 50001 Ready

Sign-off by management and energy lead that to best of ability met the 25 Tasks in the 50001 Ready Navigator



#### **Tennessee Valley Authority**

Is recognized as an Energy Management Leader for instituting DOE's 50001 Ready program across its Magnolia Combined Cycle Plant in Ashland, MS

UNDER THE LEADERSHIP OF

Clay Hoover Program Manager, TVA EnergyRight®

Michael Cashon Senior Manager, Southern Regional Gas Operations

Recognized by the United States Department of Energy January 8, 2020



# 50001 Dashboard: Regional View

- 50001 Ready can be used at the:
  - Installation Level
  - Regional Level
  - HQ Level
- Dashboards provide oversight of energy status



VA

Contact	Site Name	Task P	rogress		Action	Last Activity		
B	San Juan VAMC	1 2 14 15 1	3         4         5         6         7           16         17         18         19         20	8         9         10         11         12         13           21         22         23         24         25	E Dashboard	06/24/2020	Notes 1	Remove
B	Orlando VAMC	1 2 14 15 1	3 4 5 6 7 6 17 18 19 20	8         9         10         11         12         13           21         22         23         24         25	🖽 Dashboard	06/24/2020	Notes 1	Remove
B	West Palm Beach VA	Medic 1 2 14 15 1	3 4 5 6 7 6 17 18 19 20	8         9         10         11         12         13           21         22         23         24         25	Dashboard	06/15/2020	Notes 1	Remove
B	Tampa VAMC	1 2 14 15 1	3 4 5 6 7 6 17 18 19 20	8         9         10         11         12         13           21         22         23         24         25	E Dashboard	04/18/2022	Notes 1	Remove
B	Miami VAMC	1 2 14 15 1	3         4         5         6         7           16         17         18         19         20	8         9         10         11         12         13           21         22         23         24         25	E Dashboard	06/24/2020	Notes 1	Remove
B	Bay Pines VAMC	1 2 14 15 1	3         4         5         6         7           16         17         18         19         20	8         9         10         11         12         13           21         22         23         24         25	E Dashboard	09/22/2020	Notes 1	Remove
8	Gainesville VAMC	1 2 14 15 1	3 4 5 6 7 6 17 18 19 20	8         9         10         11         12         13           21         22         23         24         25	E Dashboard	12/14/2020	Notes 1	Remove
	:	Status Key: Not Start	ed In Progres	Ready For Review	Completed 🖈 DOE	Recognition		
						Tea	m	
Name		Association	Progress	Task Status		Mem	bers La	ast Action
				1 2 3 4 5 6	7 8 9 10 11 12	13		
Salt La	ake City VAMC		0%	14 15 16 17 18 19	20 21 22 23 24 25	2	04	4/26/2022
Sherid	an VAMC		0%	1         2         3         4         5         6           14         15         16         17         18         19	7 8 9 10 11 12 20 21 22 23 24 25	13 2	04	4/29/2022
Cheye	nne VAMC		0%	1 2 3 4 5 6 14 15 16 17 18 19	7 8 9 10 11 12 20 21 22 23 24 25	13 2	04	4/26/2022
Rocky Region	Mountain nal VAMC		0%	1         2         3         4         5         6           14         15         16         17         18         19	7         8         9         10         11         12           20         21         22         23         24         25	13 5	00	5/01/2022
Grand	Junction VAMC		0%	1         2         3         4         5         6           14         15         16         17         18         19	7         8         9         10         11         12           20         21         22         23         24         25	13 3	04	4/26/2022
Oklaho	oma City VAMC		0%	1         2         3         4         5         6           14         15         16         17         18         19	7 8 9 10 11 12 20 21 22 23 24 25	13 2	0	5/10/2022
Musko	ogee VAMC		0%	1         2         3         4         5         6           14         15         16         17         18         19	7 8 9 10 11 12 20 21 22 23 24 25	13 2	04	4/26/2022
Ft. Ha	rrison VAMC		0%	1 2 3 4 5 6	7 8 9 10 11 12	13 2	04	4/26/2022

14 15 16 17 18 19 20 21 22 23 24 25



Since 2020, over 100 sites from 10 federal agencies have received FEMP training on the 25 tasks of the 50001 Ready program

Agencies	Ν	Number of Sites Engaged in Program			
	Training	Implementation Track	Total	Total	
<u>10</u>	<u>89</u>	<u>55</u>	<u>144</u>	<u>208</u>	
		NTOP VETERA	NASA	SERAL AVIANOZ * BOMINISTRATIO	

**Energy Policy Act of 2020, passed in January** 

Sec. 1002. Use of energy and water efficiency measures in Federal buildings. Encourages federal energy managers to consider:

- use of systems approach to managing energy and water
- names ISO 50001 specifically as the standard to model efforts around.

# Success Story - Oklahoma City Air Logistics Complex, Tinker AFB

#### Takeaways

- Leadership engagement, including permission and support from Tinker AFB command in implementing energy management activities
- Cultural change and a sense of organizational pride
- Increased discipline and follow through
- Changes in the procurement process
- Focus on the process energy versus regular heating and cooling
- Energy reductions and energy cost savings (14.1 percent below FY15 baseline).







# New Global Training Cohort Launched – July 2023





50001 Ready

### New! 50001 Ready EMA Tool



Interested to understand how you can improve your energy management practices? Use the 50001 Ready Energy Management Assessment (EMA) tool to compare your practices to international energy management standard ISO 50001 and identify new opportunities to improve your energy and carbon performance!





# New! 50001 Ready Decarbonization Management Guidance

50001 Ready Decarbonization Management Guidance is now available on the 50001 Ready Navigator. To access, select the "Decarbonization" tab on any of the 25 Navigator tasks.



Task 1: We determine the strategic issues that affect our ability to improve energy performance and achieve the goals of our 50001 Ready energy management system.

Current Task Status: Completed	SUCUT Ready Help Desk
Not Started ★       In Progress        Ready For Review Q       Completed ✓       Next Task →	
Your roles for this task: Contributor & Approver	
Partner Task Guidance From: Flash Cohort	
Establish your scope and boundaries	
Detailed Guidance: An EnMS and Your Organization         Getting It Done       Task Overview         Full Description       Decarbonization         Notes ()       Playbook	gnments

Get Help

Contact Flash Cohort

#### Decarbonization Not required for DOE recognition

When reviewing the strategic issues that affect your ability to achieve the goals of your energy management system, you should keep in mind that these goals will likely include the reduction of energy-related GHG emissions.

The first step in integrating energy-related GHG emissions into the management system is to identify the issues that may affect your ability to achieve the intended outcomes of the management system, including the reduction of energy-related GHG emissions. Examples of the issues that may be relevant to your organization are provided in the "Full Description" tab for this task and in many cases will come from the organization's strategic or long-term planning processes.



#### Kendall Kam, 50001 Ready Program Manager

kendall.kam@hq.doe.gov



"The DOE-organized ISO 50001-Ready cohort training was extremely helpful. The methodical walk-through of how to address each playbook task, use the on-line tools, and access to the help desk provided a framework for the systematic completion of the 50001-Ready process. The 50001-Ready Navigator, gave us a clear path forward to implement the structural energy management program at our sites."

Andrea Thi, Environmental/Sustainability Program Manager, U.S. DOJ.







50 Years of Federal Energy Management

# Introduction to Performance Contracting and Project Facilitator Offerings

Kurmit Rockwell, PE, CEM, LEED AP Jefferey Murrell, PE, MBA

September 12, 2023

#### **Learning Objectives**

- Understand Federal Government Drivers
- Become familiar with the key features, benefits and widespread use of Performance Contracting (PC)
- Learn how agencies implement PC through success stories
- Understand how to get started with a PC
- Be aware of the role of a Project Facilitator (PF) and FEMP PF services



# Introduction to Performance Contracting Kurmit Rockwell

#### Federal Agency Energy and Sustainability Goals and Requirements

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

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Energy Act of 2020	Executive Order 14057	<u>Climate Smart Building</u> Initiative (CSBI)	<u>Federal Building</u> <u>Performance Standard</u>
<ul> <li>Agencies to use performance contracting to address at least 50% of ECMs identified</li> <li>Agencies to implement all cost-effective ECMs identified within two years</li> <li>FEMP to establish a Federal Smart Building Program</li> </ul>	<ul> <li>Government-wide targets for long-term and mid-term GHG reductions</li> <li>100% net zero buildings, zero- emission fleets, 100% carbon pollution-free electricity (50% 24/7) by 2030</li> <li>Net zero federal government operations by 2050 or sooner</li> </ul>	<ul> <li>Agencies to establish emissions reductions targets delivered through performance contracting</li> <li>Increase on-site clean electricity generation</li> <li>Support plan to reduce emissions from Federal buildings by 50% by 2032</li> </ul>	<ul> <li>Support achievement of net- zero emission for federal building portfolio</li> <li>Zero scope 1 emissions from on-site fossil fuel use in 30% of agency's federal buildings (by GSF) by FY 2030</li> <li>Applies to federally-owned, EISA-covered facilities in U.S. and U.S territories</li> </ul>

Note: Descriptions are illustrative and not comprehensive.

Performance contracting supports all these goals and requirements

### What are Energy Performance Contracts?

# Contracts that allow agencies to do energy and water projects with little to no up-front costs and appropriations from Congress.

#### Utility/ESCO



- Identifies facility upgrades and energy savings opportunities Develops and installs energy/water conservation measures
- Resulting cost savings to cover project costs

#### Agency



- Pays utility over term of contract from savings
- Contract administration  $\rightarrow$  life of contract



Provides support upon request:

- Financing
- Contracting
- Technical
- Performance Assurance / M&V



### **Budget-Neutral Solution to Infrastructure Backlog**

Reallocate the Government's utility bill. Stop paying for waste and pollution, start paying for efficiency.





### **Key Feature of Performance Contracts**

#### Legislated purpose: Achieve energy savings and ancillary benefits

- Max contract term is 25 years (starting with task order award)
- Financing and appropriations may be combined
- Utility/ESCO is responsible for obtaining financing
- Contracts are firm-fixed-price
- Multiple sites may be included in a single task order
- May include O&M, repair & replacement

# Energy Savings Performance Contract (ESPC)

- Prime contractor = Energy Service Company (ESCO) (DOE IDIQ, ENABLE, Army MATOC)
- Savings guarantees and M&V are required

   savings must exceed payments each
   year
- ESCO is responsible for O&M regardless of who performs O&M

#### Utility Energy Service Contract (UESC)

- Prime contractor = local serving distribution utility (electric, gas, or water)
- Performance assurance plan or savings guarantees are required – savings to exceed payments over contract term



#### **Benefits**

- Financial Benefits
  - Fund energy improvements with no up-front capital costs
  - Leverage appropriations to build more comprehensive projects
  - Free up funds for other investment and mission support
  - Obtain long-payback ECMs by bundling with short-payback ECMs
  - Optimize use of agency operations and maintenance (O&M) and repair and replacement (R&R)  $\rightarrow$  (OMR&R)





### **Benefits** (con't)

- Required Performance:
  - Equipment performance and standards of service
  - Performance assurance and guarantees
- Performance contracts gives Utility/ESCO incentives to serve agency needs
  - Find all ECMs
  - Finish punch list quickly
  - Commission well
  - Ensure optimal O&M
  - Purchase quality equipment





### What can be bought and how is it is paid for?

- Virtually any <u>energy</u> and <u>water</u> conservation measure that meets federal definitions
  - This can include EV Chargers (EVSE) as part of a related ECM or as an ECM for demand cost savings
- How to pay for performance contracts
  - Energy, demand, and water cost savings
  - Energy- and water-related cost savings (O&M and R&R)
  - Avoided equipment cost savings
  - Appropriations, grants (e.g., FEMP AFFECT), rebates, renewable energy credits, and other incentives





# Leveraging Appropriations to Maximize Project Scope



New Report (https://info.ornl.gov/sites/publications/Files/Pub192303.pdf)



\*Analysis based on DOE ESPC IDIQ project awards

# Performance Contracting Investments in Federal Agencies (FY98 – FY22)



■ DOE ESPC IDIQ ■ ENABLE ■ UESC ■ Other ESPC

	Program Investment (since FY98)	Program Year Start
DOE IDIQ	\$7.976B	FY98
ENABLE ESPC	\$0.094B	FY12
UESC	\$4.088B	FY92
Other ESPC (e.g., Army MATOC, VA IDIQ)	\$3.240B	FY98
Total Alternative Finance	\$15.398B	



# USCG Training Center Petaluma in Sonoma County, CA

- Awarded ESPC project investment of over \$36.1M
  - Annual savings of \$1.2M, 8.7M kWh/yr of electricity and 50.8 kgal/yr of propane
- Energy resilience ECMs accomplished through Energy Sales Agreement
  - GHG reduction of more than 3,950 tons CO2 equivalent
- Energy resilience ECMs
  - Solar PV 5MW
  - Battery Energy Storage 11.6MWh
  - o Backup Generators
  - Microgrid
  - MV Transformers
  - Advanced Energy Metering
  - $\circ~$  EVSE 3 dual port level 2 chargers, expansion for 5





# UESC Success Story: Army Garrison Ft. Liberty (2020)

#### **UESC Quick Facts:**

- Location: Army Garrison Fort Liberty; Fort Liberty, NC
- Utility Partner: Duke Energy
- Investment Value: \$36 million
- Contract Term: 19 years
- Annual Cost Savings: Approx. \$880,000
- Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) grant: \$800,000

#### **Energy Conservation Measures:**

- 1.1 MW floating solar PV system with battery storage at a remote satellite installation of Fort Bragg
- Replaced 9 oil-fired boilers with highly efficient natural gas-fired condensing boilers
- ~216,000 interior and exterior light fixtures converted to LED
- ~26,000 high efficiency toilet and showerhead replacements
- Three high efficiency dehumidification system (HEDS) units to control indoor relative humidity; AFFECT grant applied to this ECM



The floating solar PV array was the first at a DOD installation and the largest in the U.S. Southeast at the time of award. Prior to inclusion in this UESC, HEDS technology was piloted at Fort Liberty as part of the DOD Environmental Security Technology Certification Program (ESTCP).

For more information, see this <u>U.S. Army release</u>.



### ESPC ENABLE ESA Case Study: NIST Campus (Gaithersburg, MD)

# Site

National Institute of Standards and Technology

# System

- 5 MW-DC fixed-tilt ground-mounted PV system
- Contract vehicle through ENABLE with an Energy Sales Agreement (ESA) for PV (no other ECMs)
- Awarded May 2018
- Accepted/Completed Dec. 2018
- Estimated First Year Production ~6.1 million kWh
- Guaranteed Annual Cost Savings from PV ~\$500,000





# How to Get Started with a Performance Contract: Your Federal Project Executive (FPE)

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





#### Western Region

Scott Wolf Western Region plus East Asia and the Pacific; Near, South, and Central Asia 360-866-9163 wolfsc@ornl.gov



#### Southeast Region

Doug Culbreth Southeast Region plus Europe and Western Hemisphere 919-870-0051 culbrethcd@ornl.gov



#### Northeast Region

Tom Hattery Northeast Region plus State Dept. 202-256-5986 thomas.hattery@hq. doe.gov



#### Multi-regional Support

Michael Mungal All Regions 954-812-7082 mungalmj@ornl.gov Click <u>here</u> for more information about how FPEs can help you.



# Project Facilitator Service Offerings Jefferey Murrell

# **DOE-approved Project Facilitators (PFs)**

# PFs are experienced, unbiased advisors who guide the agency through the project development, implementation and M&V processes.

- Required for FEMP IDIQ ESPCs; recommended for UESC and ENABLE projects
- Technical experts that can assure good deal for the government
  - Organize process, help run meetings
  - Review all proposals and contract documents
  - Analyze deal from technologies to avoided costs
  - Promote decarbonization, renewable, and net-zero technologies
- Particularly valuable for agencies with limited performance contracting experience
- New incentive for "qualified" agencies: FEMP will pay for PF services from acquisition planning until the start of the investment grade audit (IGA) for PFs procured by FEMP upon agency request
- For PFs procured by FEMP, a "qualified" agency is responsible to reimburse FEMP for PF services from the start of the IGA to 1<sup>st</sup> Year M&V



#### **Options for Acquiring:**

- Agency self-procured PF: GSA Multiple
   Award Schedule Special Item Number
   <u>541690E</u>
- <u>DOE PF</u> (on a reimbursable basis) using Interagency Agreement (IAA) via GSA Schedule

#### Learn more by contacting:

 Jefferey Murrell, PF Program Manager | 202.394.2240 | jefferey.murrell@hq.doe.gov



### **Project Process and Key Milestones – New PF Incentive**





# **FEMP Training and Resources**

### **Performance Contracting Training**



FEMP ON-DEMAND TRAININGS

PERFORMANCE CONTRACTING TRAINING DISTRIBUTED ENERGY AND ENERGY PROCUREMENT RELATED TRAINING



### **FEMP ESPC and UESC Resources**

Utility Program and Utility Energy Service Contracts for Federal Agencies

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Energy Savings Performance Contracts for Federal Agencies

www.energy.gov/eere/femp/utility-program-and-utility-energy-servicecontracts-federal-agencies www.energy.gov/eere/femp/ energy-savings-performance-contracts-federal-agencies

#### **Essential Education**

- Project Implementation and Best Practices
- Case Studies
- Fact Sheets
- On-Demand Webinars
- On-site briefings

#### **Topic Specific Resources**

- Distributed Energy Screening Tools
- Guidance for Measurement & Verification
- Performance Assurance Planning
- Cybersecurity for Performance Contracts
- <u>Decarbonization Considerations: Performance Contracting</u>
- Decarbonization Considerations: Onsite

#### **Access to FEMP Services**

Technical Assistance | Training | Events

# **Thank You!**

# **FEMP Performance Contract Contacts:**

Kurmit Rockwell, Program Manager Kurmit.rockwell@hq.doe.gov Tracy Niro, Program Manager tracy.niro@hq.doe.gov Ira Birnbaum, ESPC ENABLE PM ira.birnbaum@hq.doe.gov

Jefferey Murrell, Project Facilitator PMEthan Epstein, UESC PMJefferey.murrell@hq.doe.govethan.epstein@hq.doe.gov

Priya Stiller, ESPC ESA PM priya.stiller@hq.doe.gov

Skye Schell, Supervisor, Procurement Services, Performance Contracting, and Energy Generation <u>schuyler.schell@hq.doe.gov</u>









# Federal Utility Carbon Pollution-Free Electricity Program Availability Map

**Tracy Niro** 

#### Map Available Online

#### Federal Utility Carbon Pollution-Free Electricity Program Availability Map

#### Federal Energy Management Program

Federal Energy Management Program \* Federal Utility Carbon Pollution-Free Electricity Program Availability Mag

The Carbon Pollution-Free Electricity (CFE) Program Availability Map is a searchable database of clean energy purchasing programs offered by vertically integrated utilities (i.e., those responsible for generation, transmission, and distribution of electricity in their service territory). It is published by the Federal Energy Management Program (FEMP) and is intended to assist federal stakeholders with identifying CFE options that meet E.O. 14057 requirements.

#### Using the Map

Narrow your search by state, availability, Executive Order (E.O.) 14057 eligibility, and General Services Administration (GSA) Areawide Contract (AWC) to identify programs of interest. Select a given program to view the program website, contract term length, and more.

Map Key	
Availability	Agencies can enroll in available options. A program may be unavailable if the program has already been fully subscribed or if enrollment has not yet begun.
E.0. 34057 Eligibility	Eligible options meet the following requirements in the EO 14057 Implementing instructions: • Technology meets definition of CFE • Generator was pleced in service on or after October 1, 2021 • CFE is delivered to the same balancing authority • Energy attribute certificates are obtained and retired by the customer or on the customer's behalf.

See FEMP's Carbon Pollution-Free Electricity Resources for Federal Agencies to learn more about electric utility regulatory environments and CFE procurement strategies.



https://www.energy.gov/femp/federal-utility-carbonpollution-free-electricity-program-availability-map



Take a FEMP-developed training# to learn how to leverage this tool to meet decarbonization goals.

Technical Assistance Tracy Niro, Program Manager tracy.niro@hq.doe.gov





