



Leveraging Energy Sales Agreements (ESA) Under ESPC ENABLE and DOE's IDIQ Contract

FEMP Energy Exchange 2024 Pre-Event Workshop

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FEMP Focuses on Federal Agency Support

FEMP works with key stakeholders to support all stages of energy management in federal agencies' critical areas





Agenda

ESPC ESA Basics

- ESA benefits
- ESA requirements
- Using ENABLE
- Using DOE IDIQ

Advanced ESA Topics

- Investment tax credit (ITC) monetization
- Unique ESA considerations
- Fair market value (FMV) & reserve accounts
- eProject Builder
- Technology considerations

NIST Case Study and Resources

- ESA rationale
- Contracting process
- Reserve account
- Performance period
- Lessons learned

Q&A

Q&A

Q&A

Learning Objectives

- Identify the key benefits and requirements of ESPC energy sales agreements
- Understand the ESA considerations of different technologies
- Apply best practices from prior project case studies
- Leverage available FEMP and other resources to help agencies implement successful ESPC ESA projects



This Training Offers IACET CEUs

How to obtain your CEUs:

- 1. Visit the Whole Building Design Guide (WBDG) at wbdg.org to log in or create an account
- 2. Enroll in the training
- 3. Attend the training in full
- 4. Return to your WBDG account's Enrolled courses
- 5. Select the training's "Proceed to Course" button
- 6. Complete an assessment
- 7. Submit a training evaluation
- 8. Download your certificate.



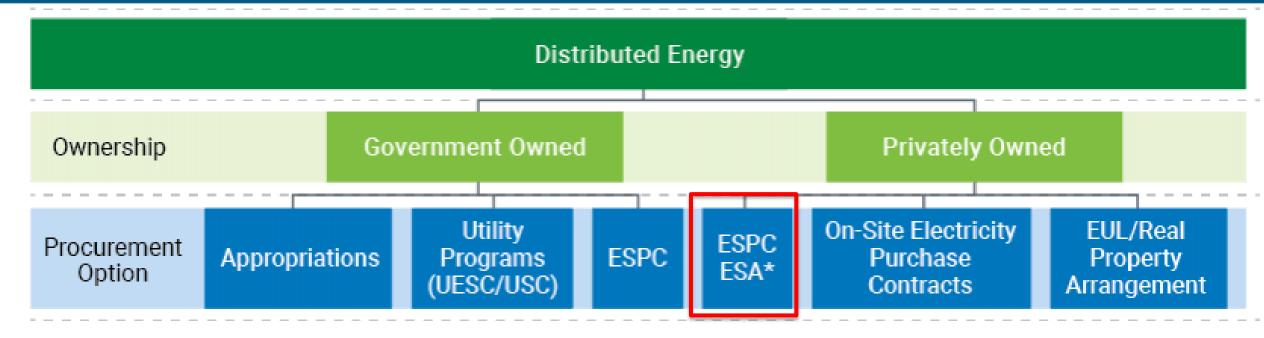
What's an IACET CEU?

An International Association for Continuing Education and Training (IACET) continuing education unit (CEU) is a unit of credit equal to 10 hours of participation in an accredited program designed for professionals with certificates or licenses to practice various professions.



ESPC ESA Basics

On-Site Project Procurement Options



FEMP's On-Site Procurement Options Page

Legend & Abbreviations				
ECM	Energy Conservation Measure	ESPC ESA	ESPC Energy Sales Agreement	
UESC	Utility Energy Service Contract	FIII	Enhanced Use Lease	
ESPC	Energy Savings Performance Contract	EUL		

^{*}System is privately owned initially; government must retain title by end of the contract (OMB Memo requirement)



What Is an Energy Sales Agreement (ESA)?

An energy sales agreement - referred to as an ESPC ESA or ESPC with an ESA ECM - is a project structure that uses the multiyear ESPC authority to implement distributed energy projects on federal buildings or land.

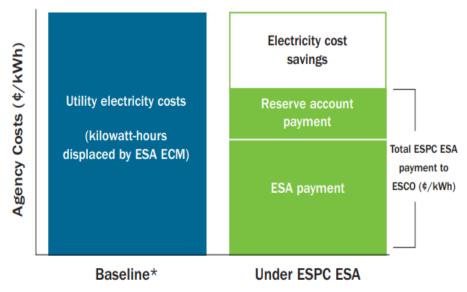
A federal agency should consider an **ESPC ESA** if they:

- 1. Think the intended project would benefit from tax incentives
- 2. Are interested in a cost-effective ECM (ESA ECM)
- 3. Have limited long-term contracting authority options
- 4. Lack upfront capital for a project



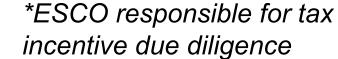
ESPC ESA Basics

Watch a short explainer video on ESPC ESAs



*Either the blended rate or a rate that only considers cost offset by the ESA ECM

- ESA ECM initially privately owned; agency purchases electricity
- Operation, maintenance, repair & replacement provided by Energy Service Company (ESCO)
- Similar to power purchase agreement (PPA) but uses long-term ESPC authority
- Differences from typical ESPC:
 - Payment based on kWh generation; price in ¢/kWh
 - Private ownership allows tax incentives to be captured
 - Maximum contract term is 20 years
 - Savings accrue upon acceptance





ESPC ESA Benefits

- ESCO can monetize tax incentives (federal government cannot)
- Long-term contract mechanism
- Statutory cost savings requirement
 - Savings come from ESPC ESA cost that is less than your utility cost
- No up-front capital for equipment
- O&M, repair/replacement provided
- Known price for load displaced by ESA
- Minimal risk to government
- Successful project examples



ESPC ESA Requirements

The ESPC ESA must meet all ESPC authority requirements.*



Payments must come from cost savings (ESPC ESA cost must be less than utility cost each year of contract)



Project must be on federal land or building



ESCO must be on DOE qualified list by time of award



ESA must meet all other ECM requirements under 42 USC 8259





FAR Part 41 - 48 CFR § 41.102(b)(7)

FAR Part 41 authorizes the use of ESPCs for the acquisition of utility services.

- "...However, agencies may utilize part 41 for any energy savings or purchased utility service directly resulting from implementation of a third party financed shared-savings project under 42 U.S.C. 8287 for periods not to exceed 25 years.*"
 - 48 CFR § 41.102(b)(7) (2015)
 - * However, the ESA ECM term is limited to 20 years based on IRS Revenue Procedure 2017-19 (shown in detail later)

ESPC ESA Contract Vehicle Options

All requirements apply regardless of ESPC ESA contracting option.

DOE Indefinite-Delivery, Indefinite-Quantity (IDIQ)

 A streamlined master contract that allows federal agencies to work with 20 DOE-qualified ESCOs holding the current DOE ESPC IDIQ contract.

DOE ESPC ENABLE

 A standardized and streamlined procurement process to implement basic ECMs under an ESPC. There are 24 DOE-qualified ESCOs on GSA's Supply Schedule SIN 334512.

Site-Specific/Stand-Alone

 An ESCO is selected through a request for proposal (RFP) process. The selected ESCO must be on DOE's Qualified List of ESCOs prior to contract award.

Army Corps MATOC (IDIQ, DOD Only)

• The U.S. Army Corps of Engineers' ESPC program awards master ESPCs and multiple award task order contracts (MATOCs).



ENABLE ESAs

Why Use ESPC ENABLE for your ESA?

Streamlined execution and measurement & verification (M&V)

Well-defined ECM scope

Simplified prescriptive approach



ESPC ENABLE ESA Case Study: DEA Facility (El Paso, TX)

Agency	Drug Enforcement Administration (DEA)
Location	El Paso, TX
System	2.5 MW-DC, fixed-tilt ground-mounted PV system
Contract Vehicle	ESPC ENABLE with an ESA and other ECMs (lighting, water)
Estimated First Year Production	~4.4 million kWh
Guaranteed Annual Cost Savings from PV	~\$288,000
Contract Term	20 years



DEA Case Study





Kick-Off Oct. 2016



Awarded Sept. 2017





DOE ESPC ENABLE ESA Templates

ESPC ENABLE Process		ENABLE ESA Templates*	
Phase 1	Acquisition Planning	Project Kick-Off Agenda (Gov't Only)	
Phase 2	ESCO Selection	Request for Quotation/Notice of Opportunity (RFQ/NOO) Risk & Responsibility Matrix	
Phase 3	Investment Grade Audit (IGA) and Award	IGA Kickoff Agenda (With ESCO) Scope of Work (SOW)	
Phase 4	Project Construction & Acceptance	No ESA-specific templates	
Phase 5	Performance Period	No ESA-specific templates	

^{*}See the <u>FEMP ENABLE website</u> for other templates and tools



DOE IDIQ ESAs

Why Use DOE IDIQ for Your ESA?

Complex project (e.g., microgrid)

Preliminary assessment desired

ECMs outside the ENABLE IGA tool scope

Any project size is allowable



ESPC IDIQ ESA Case Study: Coast Guard Petaluma (CA)

Agency	U.S. Coast Guard	
Location	Petaluma, California	
System	5 MW-DC, ground-mounted PV system 2.75 MW/ 11.6 MWh battery storage 600 kW diesel generation w/ fuel storage	
Contract Vehicle	\$48 million ESPC IDIQ with an ESA and other ECMs (lighting, transformers, HVAC, refrigeration controls)	
Estimated First Year Production	~8.7 million kWh	
Resilience Requirement	10-day outage survival (tested every 18 months)	
Guaranteed Annual Cost Savings	\$1.2 million	
Contract Term	23 years (20 for ESA)	



Conceptual system layout

Project Timeline:



Kick-Off Dec. 2020



Awarded Sept. 2021



Accepted/Completed Spring 2024



DOE IDIQ ESPC ESA Templates

DOE IDIQ ESPC Process		DOE IDIQ ESA Templates*	
Phase 1	Acquisition Planning	No ESA-specific templates	
Phase 2	ESCO Selection & Preliminary Assessment	Notice of Opportunity (NOO, using ESCO selector tool) Preliminary Assessment Kickoff Agenda (with ESCO) Risk & Responsibility Matrix	
Phase 3	Project Development and Task Order Award	IGA Kickoff Agenda (With ESCO) Task Order RFP (TO RFP)	
Phase 4	Project Construction & Acceptance	No ESA-specific templates	
Phase 5	Performance Period	No ESA-specific templates	

^{*}See the <u>FEMP IDIQ website</u> for other templates and tools

Q&A Session 1

ESPC ESA: Advanced Topics

Investment Tax Credit (ITC) and Production Tax Credit (PTC)

- For taxable business entities or direct payment for certain tax-exempt entities (federal agencies do not appear eligible)
- Developers can qualify for additional credit amounts in certain cases, the table below describes these opportunities

For projects >1MW AC, Domestic Content and Energy Community adders also assume labor requirements are met for full value.

 See the on-demand webinar, <u>Inflation Reduction Act: Implications for Federal Agency Decarbonization</u>; and webpages <u>Overview of Inflation Reduction Act Incentives for Federal Decarbonization</u> and <u>DOE Solar Tax Credits</u> for more information

Category	Amount for Projects <1MW AC (Cumulative)		Amount* for Projects >1MW AC (Cumulative)	
	Investment Tax Credit	Production Tax Credit	Investment Tax Credit	Production Tax Credit
Base Tax Credit	30%	2.75¢/kWh	6%	0.5¢/kWh
Wage & Apprenticeship Requirements	N/A	N/A	+24%	+2.25¢/kWh
Domestic Content Minimums	+10%	+0.275¢/kWh	+10%	+0.275¢/kWh
Siting in Energy Community	+10%	+0.275¢/kWh	+10%	+0.275¢/kWh
Siting in Low-Income Community or on Indian Land (<5 MW AC)	+10%	N/A	+10%	N/A

^{*}The ITC amount is a percentage of the total qualifying project cost basis.



ITC and PTC Technology Eligibility Comparison

ITC

- Energy storage
- Fuel cell
- Geothermal (heat pump and direct use)
- Combined Heat & Power
- Microturbines
- Interconnection property
- Microgrid controller

ITC or PTC

- Solar (multiple technologies)
- Municipal solid waste
- Wind (multiple technologies)
- Geothermal (electric)
- Tidal

PTC*

- Biomass
- Landfill gas
- Hydroelectric
- Marine and hydrokinetic

*For certain technologies, PTC rate is reduced by 50%.



Additional Technologies Eligible for ITC

Energy storage technologies (including thermal storage)

 Expansions of storage capacity are eligible for the ITC as well, as long as the storage capacity is increased by at least 5 kWh

Microgrid controllers

- Must be for a system between 4 kW to 20 MW
- Must be capable of operating both in connection with the electrical grid and independently from the grid
- Must begin construction before calendar year 2025

Interconnection costs

Must be associated with qualified ITC technology with capacity less than
 5 MW AC



Prevailing Wage and Apprenticeship

- Not required for projects under 1 MW AC
- Taxpayers must keep records to prove the required wages were paid and apprentice hours were worked or face penalties.
- Prevailing wages must be paid during construction, but also on any alteration or repair of the project that occurs during the first five years (for ITC) or 10 years (for PTC) of operation.
- Apprenticeship: Requires a percentage of total labor hours performed by qualified apprentices.
 - 10% of hours for projects on which construction starts in 2022 or earlier
 - 12.5% of hours for projects starting construction in 2023
 - 15% of hours thereafter



ESPC ESA: Unique Considerations Summary

- Government must retain equipment title by end of contract for annual scoring
 - Office of Management and Budget (OMB) Memo M-12-21
- Tax incentives: safe harbor provided by IRS
 - IRS will not challenge treatment of an ESPC ESA as a service contract under §7701(e)(3) of Internal Revenue Code
 - IRS Revenue Procedure 2017-19 published in <u>Internal Revenue</u>
 Bulletin 2017-07
 - Section 4 contains ESPC ESA contract requirements, including 20-year maximum term

ESPC ESA Contract Structure Requirements

Recommendations to satisfy ESPC authority requirements, the OMB title retention requirement and to facilitate use of the tax incentives*:

- Contract term 20 years or less for the ESA ECM
- Other ECMs can have terms longer than 20 years if deemed acceptable by ESCO* (and agency)
- Federal agency does not operate project at any time during the contract term
- ESPC ESA electricity price is not reduced if operating costs diminish
- ESCO bears financial risks for non-performance
- Payments must come from energy cost savings



Image Credit- NREL



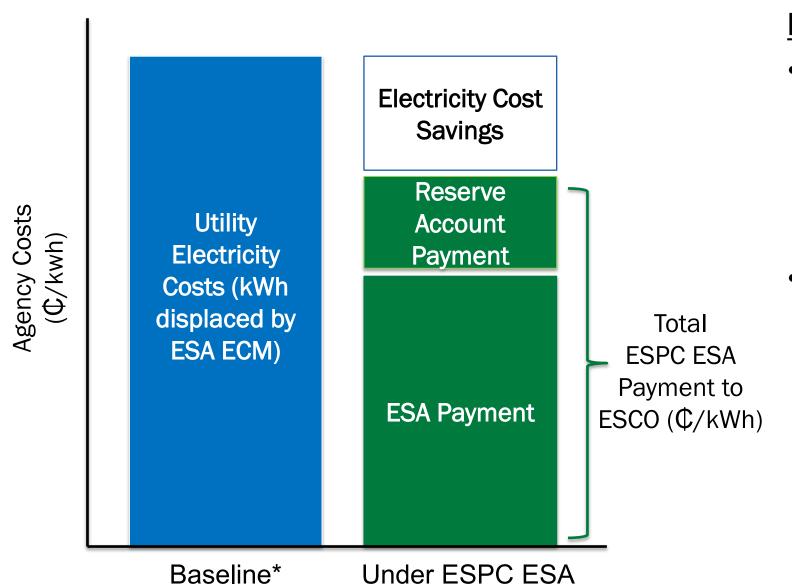
ESPC ESA Contract Structure Recommendations (cont'd)

- ESA ECM initially privately owned, equipment title transfers to federal agency by end of contract at fair market value (FMV), appraised at the time of the title transfer
- ESCO transfers a portion of the payments it receives into a reserve account held by the ESCO for the future FMV title transfer



- Reserve account payment based on estimated/appraised future FMV
- Periodic FMV estimates/appraisals, with contract modification to adjust reserve account payment*

Cost Savings With ESPC ESAs



Reserve Account:

- A portion of the ESA payment is used to fund a reserve account that is held by the ESCO
- Reserve account funds used for fair-market-value (FMV) title transfer to agency by the end of the ESPC contract term.

FMV Title Transfer & Reserve Account Summary

- Portion of ESPC ESA payments transferred to reserve account
 - Reserve account must be held by ESCO (not Government)
- Reserve account will be used for future ESA ECM title transfer at FMV

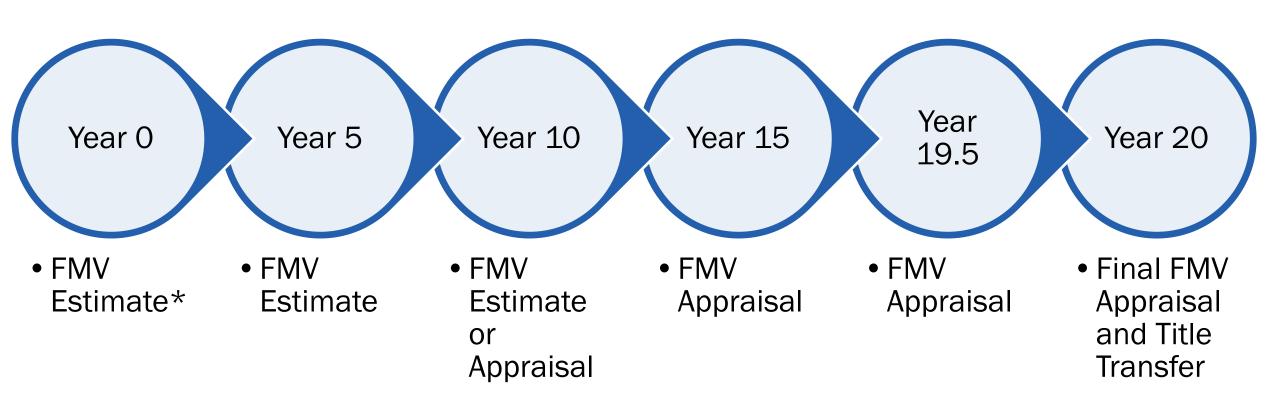
Step 1 - Establish initial reserve account payment

Step 2 - Periodic FMV estimates/appraisals

Step 3 - FMV Title Transfer



Conceptual FMV & Reserve Account Timeline



^{*}Estimate a conservatively high FMV to ensure adequate funds are available at the end of the ESA term.



FMV Title Transfer & Reserve Account: Step 1

Step 1: Establish initial reserve account payment based on estimated FMV at the end of the contract

- Options for FMV estimate include:
 - Agency estimate with FEMP assistance
 - Appraiser estimate
 - ESCO estimate during the Preliminary Assessment (PA)/IGA
- FMV estimate and corresponding reserve account payment should be established before ESPC ESA contract award

FMV Title Transfer & Reserve Account: Step 2

Step 2: Periodic FMV estimates/appraisals, reserve account payment adjustments if deemed necessary

- Update frequently during contract term
 - More updates may be beneficial
 - Estimates early in term, multiple appraisals before end of term
- Reserve account payment increased or decreased accordingly if needed
 - Ensure sufficient funds to reach the FMV by title transfer
- ESCO proposes FMV estimate/appraisal methodology, for approval by agency Contracting Officer (CO)

FMV Title Transfer & Reserve Account: Step 3

Step 3: Official appraisal required for FMV title transfer

- Official FMV appraisal* at least 6 months before title transfer
 - Allows for final reserve account payment adjustments if needed
- Compare reserve account balance to appraised FMV to ensure sufficient funds
 - If shortfall: increase reserve account payment or increase ESA ECM contract length (Cannot exceed 20 year maximum)
- Excess reserve account funds may be applied by ESCO to offset final ESPC payment(s)



FMV Title Transfer & Reserve Account

- Appraiser may use one or more of the approaches below:
 - Income
 - Sales comparison
 - Cost
- Agency should carefully review appraisal and assumptions
 - FMV should be reduced if system is not performing as expected
 - Ensure O&M and risk of equipment failure is considered
 - Consider reasonableness of future utility rate cost escalation
- Agency should have an O&M plan for the asset after title transfer

eProject Builder



- <u>eProject Builder</u> (ePB) is developed and maintained by Lawrence Berkeley National Laboratory on behalf of the U.S. Department of Energy
- ePB is a secure, web-based system that enables agencies and ESCOs/utilities/contractors to store, share, track, and report information for their energy projects. All federal ESPC projects are required to be entered into ePB.

ePB now includes ESAs

Example ePB ESA Schedule (1A) for Solar PV

Example of Schedule 1a-ESA Payments

ePB tracks ESA payment schedule (\$/kWh), guaranteed production, and reserve account payments

Assumed 1 MW PV system at \$3/W

SCHEDULE #1(esa)-ESA ESA COSTS AND PAYMENTS										
Year 1 ESA Price (\$/kWh)*	\$0.10000	Estimated FMV at end of term	\$600,000							
Guarantee %*	95.00%									
Energy Degradation*	0.50%									
	(a)	(b)	(c)	(d)						
Performance Period (Year)	Annual ESA Price (\$/kWh)	Guaranteed Annual Production (kWh)	ESA Payment (a)*(b) (Guaranteed)	Reserve Account for Fair Market Value (FMV) Purchase (w)*(b)						
1	\$0.10000	1,500,000	\$150,000	\$31,450						
2	\$0.10200	1,492,500	\$152,235	\$31,293						
3	\$0.10404	1,485,038	\$154,503	\$31,136						
*rows 4 - 17 hidden										
18	\$0.14002	1,377,475	\$192,880	\$28,881						
19	\$0.14282	1,370,587	\$195,754	\$28,737						
20	\$0.14568	1,363,734	\$198,670	\$28,595						
Total Performance Period:		28,616,856	\$3,465,137	\$600,000						

Other technologies (such as energy storage or GHP) may have different payment structures and require use of the ePB override/non-calculating template

Technology Considerations



Third-party electricity sale legality (for solar only)



Stormwater management, erosion control, other construction considerations



NEPA, historic, cultural, glint/glare, permitting



Site management, agency and other approvals



Utility interconnection requirements (solar & storage)



Buy American Act/Trade Agreement Act requirements



Building/land ownership and site access



Agency cybersecurity requirements

Energy Storage ESA Considerations

- Payment Options:
 - 1) Fixed ESA payment based on guaranteed savings
 - 2) Increased \$/kWh price of solar/battery vs. solar-only
- M&V plan should address/confirm multiple types of potential savings (demand billing, time-of-use charges, demand response)
 - Ensuring ESCO operates storage system to maximize savings
- Ensuring resilience performance (if applicable)
- Budgeting for battery capacity maintenance over the project life
- Consider long-term battery performance

Geothermal Heat Pump ESA Considerations

- System performance requirements (thermal conditioning is critical for most facilities)
- GHP can be used for heating and/or cooling
- GHP could replace different types of equipment
- Multiple potential savings streams
 - Natural gas use elimination or reduction
 - Cooling tower water use reduction
 - Cooling tower maintenance
 - Electricity demand savings
 - Other
- Increased electricity use and associated cost
- ESA payment structure
- M&V protocol and details to use
 - Include methodology to measure each savings stream and document increased electricity consumption costs

Q&A Session 2

NIST Gaithersburg ESA Case Study

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

Agency	National Institute of Standards and Technology (NIST)		
Location	Gaithersburg, MD		
System	5 MW-DC fixed-tilt ground-mounted PV system		
Contract Vehicle	ENABLE with an ESA for PV (no other ECMs)		
Estimated First Year Production	~6.1 million kWh		
Guaranteed Annual Cost Savings from PV	~\$500,000		



NIST Case Study

Project Timeline:



Kick-Off Jul. 2016



Accepted/Completed Dec. 2018



ENABLE W/ESA (On the road to an IGA)

- Had 4 separate GO / NO-GO criteria:
 - ⁻ Safety (Experience Modification Rating) rating of 1.0 or less
 - Proof of experience on PV systems larger than 1 MW in size
 - ⁻ Attend (in person) on-site visit to NIST Gaithersburg campus
 - Offer an "all-in" unit electric rate < 10 cents/kWhr, which was rate NIST was currently paying to local utility

Price was most important evaluation criteria – 65%



Post Go/No Go

ESCO addressed (adjectival ratings)

- Past performance with similar scope and work
- Strengths and what sets ESCO apart from the other ESCOs to be successful on this project
- Proposed management plan and structure
- Design and implementation team, and how they will interface with NIST
- Expertise and experience with connecting a solar PV system to an electrical spot network

IGA

- Selected ESCO & moved forward to IGA phase
- ESCO offered unit all-in rate was 40% lower than what NIST was paying local utility provider
- All-in unit rate included cost to construct, cost of borrowing capital, contractor's O/H and profit, contribution to Fair Market Value reserve account

On The Way To A Contract

- ESCO owns the solar array & renewable energy certificates
 - Private ownership 31% cheaper than gov't ownership option
 - ESCO performs all maintenance
 - Very responsive when array has issues
 - Revocable no cost "license" fee to have solar array on federal land
- Solar Panel Tariffs enacted during IGA and Utility interconnect changes affected the final negotiated rate.

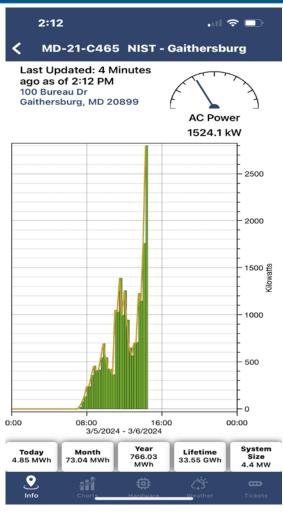
Solar Array Ownership After Year 20

- NIST purchases array at end of 20-year term at fair market value
 - Interim Fair Market Value, FMV, appraisals at 5, 10, 15 years. Final appraisal at time of title transfer
 - All-in unit rate (per kWh) includes a reserve account payment.
 - Total of reserve account at end of 20 years = final appraised fair market value; so no additional funds are needed
 - 2023 FMV appraisal report overview (year 5 of 20): \$2,551,981-on target (no adjustments needed) (per contract terms year 5 FMV contractor developed)

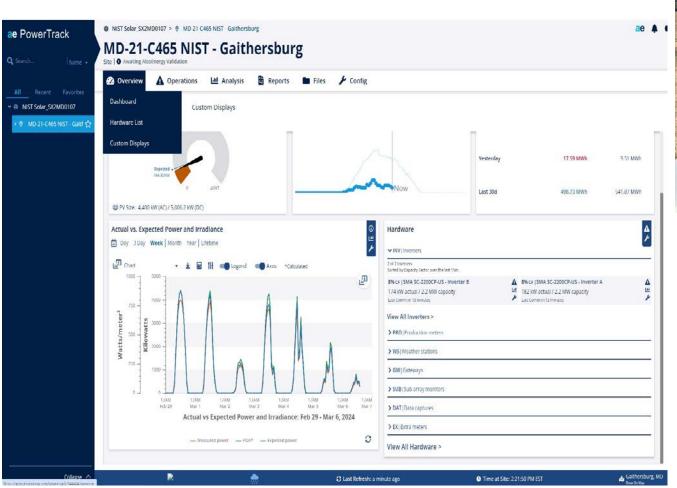
Monthly Paper Invoice

	PV System Energy Generation (kWh)	Plane of Array (POA) Solar Insolation (kWh/m²)	PV System off- line; NIST- imposed (hr)	POA Solar Insolation during Interruption Interval (kWh/m²)	PV System off- line due to Force Majeure Event (hr)	POA Solar Insolation during Interruption Interval (kWh/m ²)	For current contract year	Cumulative since contract's first payment
May (prior year)	25 54	6 (a) (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	1			,	m.c.g.ma.arm.or	\$467,958.32
June	676,419.55	166.67	y		-	-	\$9,401.21	\$477,359.53
July	735,109.45	182.03			-	-	\$9,401.21	\$486,760.75
August	687,919.00	173.16				-	\$9,401.21	\$496,161.96
September	589,734.00	151.15	1		-	-	\$9,401.21	\$505,563.17
October	561,471.00	142.14	v		-	-	\$9,401.21	\$514,964.39
November	479,223.00	121.91			-		\$9,401.21	\$524,365.60
December	271,091.00	74.33			-	-	\$9,401.21	\$533,766.81
January	207,713.00	74.49				_	\$9,401.21	\$543,168.03
February	10.70 (c. 10.000 d. 20.000				-	-	WEST STATE OF	
March					-	-		
April					,-,			
May (current year)) 1			-	-		
Year-to-Date Total							\$75,209.71	\$543,168.03
					F.	M L W L C		
		e 			Fair Market Value Status: Current Fair Market Value Target:			\$ 2,551,981.00
					1,000,000,000,000,000,000,000,000,000,0			
					Date of current FMV Assessment:			N
					Planned date of next FMV Assessment:			

Real Time Website (ESCO Owned) & Contractor Maintenance



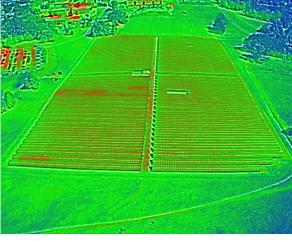
Real Time Mobile Device Dashboard



Real Time Web-based Dashboard



O&M: Drone Launch



O&M: Infrared Drone Scan

Lessons Learned

- Maryland has Solar Renewable Energy Credits marketplace
 - During IGA determining the value of SRECs was difficult
 - Recommend during NOO process identify that offerors detail the value for SRECs in the proposed rate
- Solar Array is greatly exceeding the guaranteed savings.
 - ESCO is motivated to generate more than guaranteed; results in more \$ for ESCO
 - NIST purchases every kWhr generated
 - Its all or nothing; do not let ESCO vary production based on Government demand.



More Lessons Learned

- We included fixed # of day light hours when we can turn off solar system. Used to maintain NIST owned medium voltage network. (Rarely use our afforded hours).
- Do not underestimate interaction with local electric utility on their requirements
- Consider evaluating proposed subcontractors past experience
 - Had a safety issue with one subcontractor due to unfamiliarity with contract scope.



Team

- Engage NREL and DoE/FEMP subject matter experts; use them actively throughout entire process. A wealth of useful help.
- DoC/NIST technical personnel & researchers (Feds) along with DoC/Census (Contracting) & DoC General Counsel led the contracting effort from beginning to end. This included reviewing submittals and test reports typically in less than 24 hours from submission.
- IGA process was longer than actual construction
- Learned during IGA ESCO intended on "selling" system after acceptance. "Future" owner was also involved in the IGA process to include QA. New owner required more from ESCO than NIST required.

Q&A Session 3

FEMP Resources

Useful Websites

- ESPC Energy Sales Agreements
- Interconnection Checklist
- PV Technical Specifications
- Battery Technical Specifications
- <u>Database for State Incentives on Renewables</u> and <u>Efficiency (DSIRE)</u>
- REopt Web Tool: Distributed Energy Modeling tool
- FEMP On-Site Distributed Energy Page
- FEMP Carbon Pollution-Free Electricity
 Resources Page

Energy Savings Performance Contract Energy Sales Agreements

Federal Energy Management Program

Federal Energy Management Program * Energy & Project Procurement Development Services * Distributed Energy : Requirements * Energy Savings Performance Contract Energy Sales Agreements

An energy savings performance contract energy sales agreement (ESPC ESA) is a project structure, similar to a power purchase agreement, that uses the multiyear ESPC authority to implement distributed energy projects —referred to as ESA energy conservation measures (ECMs)—on federal buildings or land. The ESA ECM is initially privately owned for tax incentive purposes, and the federal agency purchases the electricity it produces with guaranteed cost savings. An ESPC can be used for the acquisition of utility services per 48 CFR § 41.02(b)(7) (2015)#

Start an ESPC ESA

To start an ESPC ESA, an agency should review the ESPC ESA requirements and contract vehicle options. For questions, more information, or assistance:

- Contact a federal project executive
- Request assistance from the Federal Energy Management
 Program (FEMP) through the FEMP Assistance Request Portal
- Request a screening for distributed energy opportunities including optimization.

ESPC ESA Contract Vehicle Options



Benefits of ESPC ESAs: An ESPC ESA can be used to implement a distributed energy system on federal buildings or land and secure electricity cost savings with no upfront cost to your agency.

Video courtesy of the U.S. Department of Energi

ESPC ESA Resources

ESPC ESA Fact Sheet

ESPC ESA Training Series

ESPC ESA Toolkit

FEMP ESPC Energy Sales Agreement Page



ESA Webinar Series

Webinar #1

ESPC ESA Overview and Requirements

Webinar #2

PV Project Considerations

Webinar #3

ESPC ESA Site-Specific/Stand-Alone

Webinar #4

ESPC ENABLE with an ESA

Webinar #5

ESPC IDIQ with an ESA

Webinar #6

ESPC ESAs for Resilience

Webinar #7

Advanced ESPC ESA Considerations

Webinars 1-5 are available on-demand, Slides from webinars 6-7 available upon request



"Working With Your Utility" Webinar Series

Webinar #1

Interconnection Basics

Webinar #2

Advanced Interconnection Topics, Part 1

Webinar #3

<u>Utility Cost Implications of a DE Project</u>

Webinar #4

<u>Advanced Interconnection Topics, Part 2</u>

This Training Offers IACET CEUs

How to obtain your CEUs:

- 1. Visit the Whole Building Design Guide (WBDG) at wbdg.org to log in or create an account
- 2. Enroll in the training
- 3. Attend the training in full
- 4. Return to your WBDG account's Enrolled courses
- 5. Select the training's "Proceed to Course" button
- 6. Complete an assessment
- 7. Submit a training evaluation
- 8. Download your certificate.



An International Association for Continuing Education and Training (IACET) continuing education unit (CEU) is a unit of credit equal to 10 hours of participation in an accredited program designed for professionals with certificates or licenses to practice various professions.



Questions?

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