

# Federal Energy Management Program

*U.S. Department of Energy office leads Federal agencies in meeting energy goals*



## Program Overview

As the largest energy consumer in the world, the U.S. government's cost- and energy-saving opportunity is enormous. In Fiscal Year (FY) 1996, the government spent nearly \$8 billion for its 500,000 buildings, its vehicles, and process energy.

The Federal Energy Management Program (FEMP), part of the U.S. Department of Energy (DOE), helps agencies reduce their costs, increase energy efficiency, use renewable energy, and conserve water.

FEMP's three major work areas include project financing; technical guidance and assistance; and planning, reporting, and evaluation. In these areas, FEMP leads Federal energy efficiency efforts and helps Federal energy managers identify and procure the best, most cost-effective energy-saving projects through:

- Proactive problem solving
- An aggressive emphasis on increasing the number and quality of projects
- Effective partnerships among agencies, utilities, the private sector, and states that lead to increased motivation and education.



Warren Gretz, NREL/PIX06451

FEMP helps agencies reduce their costs, increase energy efficiency, use renewable energy, and conserve water.



Hawaiian Electric Co., Inc./PIX05573

### Project Financing

Lack of appropriations for Federal energy efficiency projects is no longer an obstacle for Federal agencies. More than \$4 billion is available from the private sector to make projects happen. FEMP assists agencies in choosing and implementing projects through their partnerships with the private sector.

Energy savings performance contracts (ESPCs) allow energy service companies (ESCOs) to assume the capital costs of installing energy and water conservation equipment and renewable energy systems. The ESCO guarantees a fixed amount of energy savings throughout the contract life and is paid directly from those savings. The agency retains the remainder of the energy cost savings, and assumes full ownership of the equipment and all the savings after the contract expires. Super ESPCs are regional or technology-specific contracts that allow agencies to negotiate site-specific ESPCs with an ESCO without having to start the contracting process from scratch, saving time as well as money. Once all Super ESPCs are awarded, contracts with a total investment ceiling of more than \$6 billion will be in place.

The FEMP Service Network (FSN) is a newly established, one-stop shop for all the technical and procurement expertise and services any agency needs when implementing an alternatively financed energy project. The FSN also offers support to agencies dealing with the Super ESPC delivery order process. Services include assisting with Request for Proposals, including measurement and verification requirements, and proposal submission and evaluation criteria. At the end of FY 1998, FEMP was working with various agencies to develop more than 150 projects, with private-sector investment in five delivery orders totaling more than \$7 million. FEMP technical services are available through the FSN on a cost reimbursable basis to any agency, using any financing mechanism.

FEMP's utility incentive activities will leverage roughly \$1 billion for energy projects between FY 1995 and FY 2005 and may streamline procurement of energy efficiency. Through the FSN, FEMP works to ensure that Federal facilities served by public and private utilities receive financial and technical assistance from utilities.

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



## Technical Guidance and Assistance

FEMP training, on-site audits, design assistance, and new technology applications help agencies identify the best, most cost-effective energy efficiency, water-saving, and renewable energy projects. To create a well-trained Federal workforce, FEMP conducted 49 Internet and classroom-based workshops for more than 5,100 participants during FY 1998. FEMP also performs technology demonstrations. Once projects are identified, FEMP implements them through technical assistance and project financing mechanisms.

FEMP's annual conference and trade show helps reach the maximum number of Federal energy and facility managers, engineers, contract administrators, and decision makers. Orlando, Florida, will host Energy '99, and Energy 2000 will be staged in Pittsburgh, Pennsylvania.

To help agencies reach their energy reduction goals, the SAVEnergy Audit Program identifies cost-effective energy efficiency, renewable energy, and water conservation measures for Federal facilities to accomplish through agency appropriations or alternative financing.

FEMP's national, technology-specific performance contracts help implement cutting-edge solar and other renewable energy technologies by training facility managers and showcasing cost-effective applications.

FEMP also identifies Federal market opportunities and works with procurement organizations to aggregate purchases, reduce costs, and expand markets. FEMP's product recommendations series on energy-efficiency further assists in procuring best-practice products, when they meet specific performance requirements and are cost effective.

And partnerships with other agencies and the private sector help FEMP implement water-saving projects and provide training and technical assistance. Estimates show the Federal government could save more than \$240 million per year by installing cost-effective water conservation measures.

## Planning, Reporting, and Evaluation

Coordinating and reporting to Congress on interagency activities that achieve Federal energy management goals is one of FEMP's primary responsibilities. FEMP is the lead agency coordinating activities of the Federal Interagency Energy Policy Committee and the Interagency Energy Management Task Force.

## How does FEMP benefit government?

- Reduces building energy costs—the FY 1997 Federal building energy bill is down \$2.16 billion from 1985 levels; about \$900 million of this is due to Federal energy management
- Saves taxpayers money—more than \$850 million in additional savings from 1995 levels will be realized annually by 2010
- Leverages \$4 in net savings for every \$1 invested
- Generates nearly 6,400 jobs per year at 32 per \$1 million invested
- Expands the marketplace by deploying new efficiency and renewable energy technologies
- Reduces pollution—by 2010, the equivalent to 2.5 million metric tons of carbon emissions will be avoided annually
- Ensures hazardous materials are used minimally and disposed of properly
- Promotes environmentally sound building design and operations
- Sets a good example for Federal, state, and local governments and the private sector
- Establishes the United States as a leader among nations in managing its own energy costs.

Collecting and transferring information on energy use in Federal facilities is another way FEMP helps agencies make the best decisions on energy savings. FEMP transfers information on energy and water resource management to all Federal agencies through publications and electronic media. FEMP initiated the You Have the Power campaign to raise awareness among Federal employees about saving energy, money, and future resources. Through the Web site, print materials, private-sector partnerships, and the promotion of Energy Champions (individuals who are doing great things to save energy), You Have the Power is helping to propel the Federal sector into a new, energy-efficient era.

Presenting awards, along with an interagency committee, is one way FEMP recognizes outstanding contributions toward increased energy efficiency, renewable energy use, and water conservation within the Federal government.

## For More Information

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