What's New in Federal Energy Management

Program Overview

FEMP
FEDERAL ENERGY MANAGEMENT PROGRAM

U.S. Department of Energy

Federal Energy Management Program

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

The U.S. government has an enormous cost-savings opportunity as the largest energy user in the world. In 1994, the government spent $8 billion for its 500,000 buildings, its vehicles, and process energy. The U.S. Department of Energy (DOE), Federal Energy Management Program (FEMP) reduces the cost of government and makes it work better through energy efficiency, use of renewable energy, and water conservation.

FEMP leads Federal energy efficiency efforts and helps Federal energy managers identify and procure the best, most cost-effective energy-saving projects. It does this through proactive problem solving; an aggressive emphasis on increasing the number and quality of projects; and effective partnerships among agencies, utilities, the private sector, and states. Partnerships lead to increased motivation and education and reduced barriers to successful procurement.

As the lead organization implementing legislation and Presidential direction for Federal energy efficiency, FEMP administers an interagency energy committee and task force and collaborates with the DOE national energy laboratories. FEMP works with energy service companies, energy savings product manufacturers, and utilities. This partnership will lead to a $1 billion investment by companies willing to invest in return for a share of the energy cost savings. With FEMP project financing, audits, training and technical assistance, and new technology demonstrations, agencies overcome obstacles to achieving widespread energy efficiency.

How does FEMP benefit government?

The benefits of FEMP accomplishments are considerable. Its efforts have already helped reduce Federal energy costs by more than $3 billion from 1985 levels during the past 2 years. Energy efficiency helps government work better and cost less:

- Saves taxpayers $400 million annually by 2000, and $1 billion by 2005 (from 1995 levels)
- Leverages $4 in net savings for every $1 invested.

Energy efficiency stimulates jobs through direct investment:

- Generates nearly 15,000 jobs per year at 32 per $1 million invested
- Expands the marketplace by deploying new energy efficiency and renewable energy technologies.

Energy efficiency reduces pollution:

- Avoids cumulative 30 million metric tons of sulfur oxides, nitrogen oxides, and carbon dioxide released into the atmosphere through 2010
- Ensures hazardous materials are used less and properly disposed of
- Promotes environmentally sound building design and operations.

Federal leadership:

- 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.

What are the current activities of FEMP?

FEMP works in four major areas: project financing; technical assistance; coordination, reporting, and awareness; and new initiatives.

Project financing

FEMP pursues two project-financing mechanisms to leverage existing Federal funds and private-sector

resources to finance energy- and water-saving projects.

- **Energy Savings Performance Contracting (ESPC)**—ESPC is an alternative to the traditional method of making improvements in Federal buildings, which has been through the appropriation of capital funds. With an ESPC, Federal agencies contract with an energy service company that pays all up-front costs. In exchange the company shares the cost savings resulting from the energy improvements. Private companies will invest more than $2 billion in ESPC through 2005.

To further streamline the ESPC procurement process, FEMP is developing several Energy Saver Performance Contracts (Super ESPCs). These contracts will be awarded on a regional or technology-specific basis for all federally owned buildings. Federal agencies will be able to implement their energy conservation projects by issuing orders off of existing contracts, precluding the need to prepare new and separate contracts for each project.

- **Utility incentives**—FEMP works to ensure that Federal facilities served by public and private utilities receive financial and technical assistance from utilities. FEMP's utility incentive activities will leverage more than $400 million for energy projects between FY 1995 and FY 2005 and may streamline procurement of energy efficiency.

Technical assistance

FEMP helps agencies identify the *best*, most cost-effective energy-efficiency, water-saving, and renewable energy projects through training, on-site audits, design assistance, and new technology applications. To create a well-trained workforce, FEMP conducts 50 training programs for more than 3000 Federal energy managers. With requests to audit 200 million square feet, FEMP has 20 companies and national laboratory resources available to perform these audits. FEMP also helps agencies identify the best technologies and technology demonstrations for their use. Once these projects are identified, FEMP implements them through technical assistance and project financing mechanisms.

Solar and other renewable energy. FEMP promotes implementation of solar and other renewable energy projects by connecting industry resources with Federal needs, training facility managers, and showcasing cost-effective applications.

Federal procurement challenge. FEMP is producing a series of energy-efficient product recommendations to assist Federal procurement officials and other decision makers in purchasing best-practice energy-efficient, renewable, and water-conserving products whenever they meet an agency's specific performance requirements and are cost-effective, as part of the Executive Order requirement. FEMP also identifies Federal market opportunities and works with procurement organizations to aggregate purchases, reduce costs, and expand markets.

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

Coordination, reporting, and awareness

One of FEMP's primary responsibilities is to coordinate and report to Congress on interagency activities that achieve Federal energy management goals. FEMP serves as the lead agency for coordinating the activities of two interagency committees to address policy and technical issues associated with Federal energy management. To support agencies, FEMP collects data on energy use in Federal agencies and transfers information on energy and water resource management within the Federal and private sectors to all Federal agencies. Through publications and electronic media, reliable information helps facility managers make the best decisions on energy savings opportunities.

FEMP also presents awards (with an interagency committee) to recognize outstanding contributions toward increased energy efficiency, renewable energy use, and water conservation within the Federal government.

New initiatives

FEMP is continually looking for new opportunities to improve Federal energy management. Through partnerships with other Federal agencies and public and private organizations, a continuing exchange of ideas results in identifying new opportunities to reduce Federal energy and water consumption.

- **FEMP State Initiative Program**—FEMP is developing partnerships with State Energy Offices, some of which have considerable experience with their own facilities, to strengthen the local infrastructure, transfer the lessons learned, and increase the investment pool so more Federal and state projects can be implemented.
- **Mobility**—FEMP will be addressing transportation fuel usage in the Federal government, which accounts for most Federal energy use and cost. The emphasis would be on tapping the potential for $400 million in annual savings.

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For More Information

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