

**MEMORANDUM OF UNDERSTANDING
AMONG
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
AND
U.S. DEPARTMENT of the INTERIOR**

I. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish an understanding among the U.S. Department of the Interior (DOI) and the National Rural Utilities Cooperative Finance Corporation (CFC) to promote the use of energy-efficient and renewable energy, and water conservation technologies and practices in DOI facilities serviced by CFC's electric cooperative members. This MOU formalizes this understanding and sets forth the general terms and conditions that will guide these organizations in this coordinated effort.

II. Background

National Energy and Fuel Consumption Reduction Goals

Passage of the Energy Policy Act of 2005 (EPAAct 2005) mandated the goal of an annual reduction of 2% in site energy consumption relative to a 2003 baseline from fiscal years 2006 through 2015. Executive Order (EO) 13423 – *Strengthening Federal Environmental, Energy and Transportation Management* increased this reduction goal from 2% to 3% annually so that a 30% energy reduction relative to a 2003 baseline will be achieved by 2015. Furthermore, Federal agencies are to meter for electricity all appropriate Federal buildings by no later than October 1, 2012. Renewable electricity consumption must comprise no less than 3 percent of total electric consumption in fiscal years 2007 through 2009, 5% in fiscal years 2010 through 2012, and 7.5% in fiscal year 2013 and thereafter. In accordance with the EO, at least 50% of renewable energy consumed must come from renewable energy sources which were placed into service after January 1, 1999.

U.S. Department of the Interior

The mission of the DOI is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities. The DOI is committed to implementing the President's long-term strategy to improve energy efficiency and reduce greenhouse gas emissions by producing traditional sources of energy and increasing renewable energy production on Federal land in an environmentally responsible way while involving all interested persons in an open process to reduce imports of foreign oil, meet the Nation's energy needs, and protect sensitive natural and cultural resources for future generations.

National Rural Utilities Cooperative Finance Corporation

CFC is a member-owned cooperative institution that provides financial products to its approximately 1,050 electric cooperative members across the United States. Cooperative institutions like CFC put their values into practice, guided by seven key “Cooperative Principles,” one of which is “Concern for Community.” This principle, according to which cooperatives work for the sustainable development of their communities through policies accepted by their members, ties the goals of CFC and America’s rural electric cooperatives with DOI’s goals of conserving energy, reducing pollution and enhancing the nation’s energy security.

III. Goals

Under this MOU, CFC will act as program liaison to its member electric cooperatives for the purpose of facilitating their exploration, assessment and implementation of sustainable energy projects at DOI facilities. The primary goals of these sustainable energy projects are to:

- Save energy and taxpayer dollars by promoting energy-efficient and renewable energy technologies and practices;
- Increase the use of alternative fuels;
- Promote water conservation projects
- Reduce depletion of non-renewable resources; and
- Reduce our Nation’s dependence on foreign oil and enhance national energy security

CFC will encourage DOI and America’s electric cooperatives to work together in order to enhance the success of DOI’s effort to routinely incorporate sustainable energy techniques into regular facility operations and planning, design and construction. Over the long term, this approach may serve as a model to enhance the sustainable energy programs for other Federal agencies.

IV. Benefits

This coordinated effort provides the Federal government and the rural electric cooperative community with an excellent opportunity to demonstrate their commitment to, and leadership in:

- Saving energy and water, thereby lowering energy costs and saving taxpayer dollars;
- Reducing air pollution and thereby promoting a healthy environment both locally and globally;
- Reducing dependence on foreign oil and enhancing the nation's energy security;
- Reducing depletion of nonrenewable resources;
- Creating jobs by stimulating domestic industry and encouraging technological innovation.

This undertaking will help DOI to meet national goals for energy efficiency and the use of renewable energy technologies. Specifically, the initiative will help to fulfill provisions of the Energy Policy Act of 2005 and Executive Order 13423; leverage available Federal funding, and obtain financing for projects that otherwise would not be accomplished due to budgetary limitations. Furthermore, this effort will help DOI and its bureaus meet its energy-related stewardship and environmental strategic goals.

Additionally, this program will benefit CFC through goodwill to DOI customers of rural electric cooperatives and will enable CFC's member utilities to advance their "Concern for Community" goal by helping DOI meet the national goals for energy efficiency.

V. Responsibilities

The DOI and CFC will work collaboratively to identify opportunities for electric cooperatives and DOI to work together to implement specific DOI-based projects in rural electric cooperative service territories and to facilitate and encourage the use of available Federal funding and CFC financing for such purposes.

VI. Authority

Authority to enter into this MOU is provided under 42 USC 7256 for DOE and the National Park Service Organic Act, 16 USC 1-3 for DOI to enter into agreements with other public agencies in order to further their respective missions. CFC's authority to enter into this MOU is provided by CFC's Bylaws and Organization Policies.

VII. Public Information Coordination

News releases or conferences held for the purpose of publicizing information relating to this program, and the results thereof, will be conducted jointly or with the concurrence of the other parties with respect to content and timing. We mutually agree not to use the name of the other in any public information without written permission.

VIII. General

It is mutually recognized and acknowledged that implementation of the provisions of this MOU will be subject to the availability of funds. This MOU shall not be used to obligate or commit funds or as the basis for the transfer of funds. This document is intended to set forth mutual goals and objectives. It does not create a partnership, joint venture or similar entity giving rise to joint and several or vicarious liability among the parties. Any activities required under this MOU will be accomplished by using the appropriate legal instrument as required by all applicable laws and regulations. The parties agree that this document is non-binding and cannot be enforced in a court of law or otherwise. Unless otherwise agreed in writing, each party shall bear the costs associated with their own activities under the program.

This MOU shall take effect on the date of the last approving signature.

At the request of any party, and upon the agreement of the remaining parties, this MOU may be revised. Any additions, deletions, or changes shall be made in writing and signed by the signatories or their designated representatives.

Any party wishing to terminate the MOU shall submit a written notification of termination providing 60 days prior notice.

IX. Acceptance of the Agreement

National Rural Utilities Cooperative Finance Corporation

By: Sheldon C. Petersen
Sheldon C. Petersen

Title: Governor and CEO

Date: 8/30/07

Department of the Interior

Name: Debra E. Sonderman
Debra E. Sonderman

Title: Director, Office of Acquisition and Property Management

Date: 30 August 2007