

## VA ENERGY CONSERVATION PROGRAM

**1. REASON FOR ISSUE:** This directive establishes Department of Veterans Affairs (VA) policies and assigns responsibilities for a comprehensive Department-wide energy conservation program. The objective is to establish requirements and responsibilities for managing and implementing the program.

**2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive sets forth policies and responsibilities for implementation of VA's energy conservation program, which complies with the goals of Executive orders, and federal mandates for energy efficiency and conservation. The directive contains:

a. Identification of requirements applicable to VA capital programs including major construction, minor construction, non-recurring maintenance, enhanced-use leases, energy savings performance contracts, and utility energy savings contracts.

b. Policy statements regarding energy goals and requirements; commodity acquisition; energy investments; reporting; and management tools for implementation of VA's energy conservation program.

**3. RESPONSIBLE OFFICE:** The Office of Management (004) is responsible for the contents of this directive.

**4. RELATED HANDBOOK:** VA Handbook 0055, Procedures for the VA Energy Conservation Program.

**5. RESCISSIONS:** None.

**CERTIFIED BY:**

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**BY DIRECTION OF THE SECRETARY  
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## VA ENERGY CONSERVATION PROGRAM

**1. PURPOSE.** This directive establishes the Department of Veterans Affairs (VA) energy conservation program (VAECP). Its purpose is to develop a comprehensive Department-wide energy policy that addresses commodity acquisition, energy investments, and conservation strategies to comply with federal energy mandates as well as support internal energy initiatives and achieve VA energy goals.

**2. POLICY.** This directive sets forth Department-wide energy direction for all VA administrations and staff offices, and government-owned, contractor-operated facilities to ensure compliance. This directive addresses the following areas: energy goals, commodity acquisition, energy investment, reporting, management tools, and responsibilities. This policy also establishes requirements applicable to VA capital programs including the use of appropriated funds (major construction, minor construction, non-recurring maintenance), and third-party alternative financing (enhanced-use leases, energy savings performance contracts, and utility energy savings contracts).

**a. Energy Goals and Requirements.** The VAECP goals and requirements provide a common basis for all administrations and staff offices to comply with the measures outlined in this policy, which include all federally mandated goals and requirements as well as those to be established by VA in the future. The goals and their annual indicators of progress will be the standard for evaluation of the effectiveness of the VAECP. The program ensures efficiency in all aspects of the following: building design and operation; energy consumption; water conservation; and usage of emerging technologies. Through implementation of life-cycle cost-effective investments, VA intends to meet and exceed all mandated goals and requirements as set forth in the following:

(1) Executive Order 13123, "Greening the Government Through Efficient Energy Management;"

(2) Executive Order 13148, "Greening the Government Through Leadership in Environmental Management;"

(3) Executive Order 13149, "Greening the Government Through Federal Fleet and Transportation Efficiency;"

(4) National Energy Policy Act of 1992 (NEPACT);

(5) Office of Management and Budget Circular A-11; Exhibit 55, "Energy and Transportation Efficiency Management;" and

(6) VA-established goals for electrical production and utilization, water and cost utilization.

**b. Commodity Acquisition.** Commodity acquisition assessments (CAA) will be performed to evaluate all current rate structures and to ensure that all cost savings opportunities are being explored. Administrations and staff offices will provide short- and long-

term commodity acquisition plans. The plans will include findings, recommendations, and a strategic implementation plan. The CAA will review the following:

- (1) Cost effective commodity purchasing;
- (2) Analysis of the regulated/deregulated environments;
- (3) Availability of area-wide contracts;
- (4) Long-term consolidation of commodity purchase(s); and

(5) Utility audits to validate costs in relationship to commodity consumption and tariff schedules.

**c. Energy Investments.** Energy investments are necessary to fulfill energy goals and requirements. The energy investment strategies will be accomplished through financial decisions ranging from appropriated funds (major construction, minor construction, non-recurring maintenance) to third-party alternative financing (enhanced-use leases, energy savings performance contracts, and utility energy savings contracts). VA will take actions to implement an efficient Department-wide investment strategy that will include the following:

- (1) Performing energy assessments (phase I is the commodity acquisition assessment);
- (2) Establishing appropriate baseline (consumption and cost);
- (3) Identifying energy conservation measures, and energy needs and deficiencies;
- (4) Developing and evaluating investment proposals and energy-efficient product procurements based on life-cycle cost analysis;

(5) Developing short- and long-term investment plans, prioritization strategies, and funding strategies using the investment decision matrix;

- (6) Obtaining agency-required approvals;
- (7) Procuring, implementing, and installing investments; and
- (8) Conducting measurement/verification of investment goals.

**d. Reporting.** A Web-based data collection and reporting system will be deployed in the future. All administrations and staff offices must put in place management processes to document and measure progress toward federal energy efficiency goals, and to confirm that energy management performance goals are being met. The reporting process will include:

- (1) Establishment of a VA energy database (which may include the use of existing databases) and verification of data entered into the database;
- (2) Quarterly energy reporting from all administrations and staff offices;

(a) Where VA is a tenant in a multi-tenant facility, and not the primary tenant, the VA entity will be exempt from reporting energy consumption.

(b) Where VA is the tenant in a GSA owned or leased facility, the VA entity will be exempt from reporting energy consumption.

(c) Where VA is the sole tenant in lease space, VA will be required to negotiate energy efficient conservation measures in the lease.

(3) Where VA is the sole tenant in lease space, VA will install real-time data metering technologies in all VA-owned and direct VA-leased facilities. The real-time metering technology should feed into the VA energy database. Until such meters are installed, VA will review utility bills to track commodity usage.

(4) An annual report is to be submitted to OAEM by October 31 on the previous fiscal year's commodity acquisition, energy consumption, energy investments, and energy program management achievements, as well as an implementation plan for the next fiscal year's management strategies, commodity acquisition strategies, and energy investment strategies.

**e. Management Tools.** To reach the goals set forth in this policy, VA will use a variety of management tools including:

(1) Designating an energy liaison for each administration and staff office;

(2) Designating an energy manager at each Veterans Integrated Service Network (VISN), Memorial Service Network (MSN), and Area Office;

(3) Establishing centralized and regional energy boards;

(4) Implementing an incentive program to reward measurable improvement;

(5) Establishing program performance measures;

(6) Establishing employee performance standards;

(7) Ensuring that all appropriate personnel receive training for implementing this directive;

(8) Requiring administrations and staff offices to purchase Energy Star and other energy-efficient products;

(9) Implementing energy conservation/demand side management; and

(10) Identifying showcase facilities.

### 3. RESPONSIBILITIES.

a. **Assistant Secretary for Management** is designated as the senior energy official for the Department of Veterans Affairs and is responsible for Department-wide energy policy and oversight of the VA ECP.

b. **Office of Asset Enterprise Management (OAEM)** provides program leadership and guidance associated with implementation of the VA ECP. OAEM's responsibilities include: establishing policies and procedures, devising appropriate business structures, reviewing financial and project applications, drafting or reviewing necessary documents in coordination with the administrations and staff offices, coordinating the establishment of energy boards, ensuring proper documentation, and coordinating with other federal and non-federal entities. OAEM is responsible for submitting annual federal energy reports to the Department of Energy, the President, Congress, and other entities.

c. **Administrations and staff offices** will be responsible for:

(1) Establishing and implementing energy conservation programs to ensure compliance with this directive, Executive orders and requirements of the National Energy Conservation Policy Act;

(2) Inputting energy data into approved data systems;

(3) Verifying energy data integrity;

(4) Developing operating procedures that support VA's energy goals;

(5) Implementing both short- and long-term goals which include:

(a) Establishing an energy consumption cost baseline;

(b) Implementing life-cycle cost-effective programs;

(c) Establishing water management plans;

(d) Conducting commodity acquisition assessments;

(e) Conducting energy assessments;

(f) Identifying energy deficiencies and needs; and

(g) Implementing corrective measures to address energy deficiencies and needs.

(6) Submitting annual energy conservation and strategy plans that will include pass/fail accomplishments compared to the previous year's plan, annual scorecards on annual energy conservation accomplishments, and implementation and strategy plans to meet and exceed VA energy goals and requirements through reporting, commodity acquisition, and energy investments;

- (7) Establishing regional energy boards;
- (8) Implementing short and long term energy conservation plans; and
- (9) Assessing and competitively procuring energy investments.

(10) For VHA, these responsibilities should be managed in each VISN by the Chief Asset Manager.

#### 4. REFERENCES.

- a. Executive Order 13123, "Greening the Government Through Efficient Energy Management."
- b. Executive Order 13148, "Greening the Government Through Leadership in Environmental Management."
- c. Executive Order 13149, "Greening the Government Through Federal Fleet and Transportation Efficiency."
- d. Executive Order 13211, "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution or Use."
- e. Executive Order 13212, "Actions to Expedite Energy Related Projects."
- f. Executive Order 13221, "Energy Efficient Standby Power Devices."
- g. Federal Acquisition Regulation – FAR part 41 Acquisition of Utility Services, FAR subpart 23.7 Contracting for Environmental Preferable Products and Services.
- h. Federal Energy Management and Planning Program Regulations (10 CFR 436).
- i. National Energy Conservation Policy Act (Public Law 95-619, 92 Stat.3206, 42 U.S.C. 8252 et seq.), as amended by the Energy Policy Act of 1992 (EPAAct)(Public Law 102-486, 106 Stat. 2776) and NECPA Title VIII, Section 546 Incentives for agencies (as amended by EPAAct), NECPA Title VIII, Section 801 to 804 Energy Savings Performance Contracts.
- j. Office of Federal Procurement Policy (OFPP), Policy Letter 92-4, "Procurement of Environmentally-Sound and Energy-Efficient Products and Services."
- k. Office of Management and Budget Circular A-11, "Preparation, Submission, and Execution of the Budget;" exhibit 55, "Energy and Transportation Efficiency Management."
- l. The President's National Energy Policy released in May 2001.

**5. DEFINITIONS.**

a. Central Energy Board. A board comprised of the designated energy liaisons for each administration and staff office. This board will be responsible for establishing policies, procedures, and guidelines for the regional energy boards.

b. Commodity. A purchasable unit of energy such as electricity, water, natural gas, steam, petroleum.

c. Energy Assessment. An energy audit to identify energy deficiencies and needs.

d. Energy Goals. Energy conservation goals mandated by the federal government.

e. Investment Decision Matrix. A VA document used for assessing an investment opportunity determining the most efficient funding vehicle to complete the energy investment.

f. Investment Option. The funding/procurement mechanism used to accomplish energy needs and deficiencies. This includes the use of appropriated funds (major, minor, non-recurring maintenance) and third-party alternative financing (enhanced-use leases, energy savings performance contracts, and utility energy savings contracts).

g. Regional Energy Boards. Boards comprised of administration and staff office personnel to manage commodity acquisition purchases and strategies, and other duties as assigned. The regional boards will be responsible for the administration and implementation of the policies, procedures, and guidelines set forth by the Central Energy Board.