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DOE Announces Contracts to Achieve \$140 Million in Energy Efficiency Improvements to DOE Facilities

TEAM Energy-Savings Projects to Have Energy Improvements Pay for Themselves

PHOENIX, Ariz. – U.S. Department of Energy (DOE) Deputy Assistant Secretary for Energy Efficiency David Rodgers today announced the first four Energy Savings Performance Contracts (ESPCs) to help the federal government save approximately \$13 million on energy and energy-related costs per year. The contracts will also enable \$140 million in energy efficiency improvements to DOE facilities, as part of the Department's Transformational Energy Action Management (TEAM) initiative. As part of the Bush Administration's comprehensive energy strategy to reduce energy waste and greenhouse gases, the TEAM initiative seeks to reduce energy intensity across DOE's nationwide complex by at least 30 percent and to reduce water consumption intensity by at least 16 percent, both by 2015, and to acquire at least 7.5 percent of all energy from renewable sources by 2010. By utilizing ESPCs, contracts that are paid for from cost savings resulting from improved energy efficiency, the TEAM initiative seeks to maximize energy system improvements.

"One year ago, Secretary Bodman challenged the entire U.S. Department of Energy to meet or exceed the President's goals for increasing energy efficiency, decreasing greenhouse gas emissions, and increasing the use of renewable energy in the Federal Government," Deputy Assistant Secretary David Rodgers said. "I'm proud to announce DOE is delivering with alternative financing methods that reduce the need for federal spending."

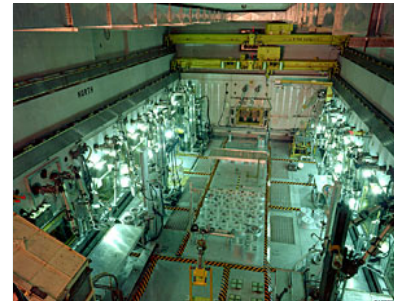
U.S. Energy Secretary Samuel W. Bodman launched the TEAM initiative August 8, 2007, in response to the President's goal of improving the energy performance of the federal government. President Bush's goals included substantially increasing the use of efficiency and renewable energy technologies, adopting sustainable design practices, and reducing petroleum use in federal fleets.

DOE partnered with private Energy Service Companies (ESCOs) to conduct energy system evaluations at all major DOE sites and to devise strategies for improving

performance. ESPCs are unique contracting vehicles that allow agencies to complete necessary energy savings projects for their facilities. Under these contract vehicles, ESCOs and utilities provide the private financing required for equipment purchases and systems enhancements and ESCOs are subsequently repaid from energy cost savings resulting from improved energy efficiency.

After exploring energy savings opportunities at the sites, ESCOs prepared initial proposals and ultimately final proposals highlighting proposed energy conservation measures, proposed project investment cost, and proposed energy savings. After careful review by the sites, four ESPCs were awarded to the ESCOs to implement the energy conservation measures described in their proposals at the following DOE sites:

- **Idaho National Laboratory (Idaho Falls, Idaho)** – The project includes switching the power source for the boilers, reducing fuel oil purchases from 600,000 gallons per year to zero, and dramatically reducing the site’s carbon emissions. The project will reduce energy consumption by approximately 53 billion Btu/yr. NORESCO (Westborough, Mass.) will perform this project. Implementing the project will cost approximately \$33 million and will yield an annual savings of approximately \$1.7 million.



A hot cell at the INL Materials and Fuels Complex. DOE has announced a plan that will dramatically reduce energy consumption at the MFC.

- **Lawrence Livermore National Laboratory (Livermore, Calif.)** – The bulk of the energy savings in this project is expected to come from a major upgrade of the Energy Management Control System, which will be a powerful tool in diagnosing and solving problems with the Heating, Ventilation and Air Conditioning (HVAC) systems and ensuring efficient HVAC systems operation. The project is estimated to save nearly 100 billion Btu/yr. Johnson Controls (Milwaukee, Wis.) will perform this project. The project will cost approximately \$11 million to implement, resulting in an annual savings of approximately \$1.3 million.
- **National Energy Technology Laboratory (Pittsburgh, Penn.)** – The project will provide a showcase of innovative technologies, including: biogas boilers, green roofs, hybrid lighting, advanced metering, solar lighting, rooftop wind turbines, and natural gas well dewatering, which will reduce energy consumption by more than 27 billion Btu/yr and reduce water use by over three million gallons. Constellation Energy (Baltimore, Md.) will perform this project. The implementation cost is approximately \$6 million, resulting in an annual savings of approximately \$800,000.
- **Oak Ridge National Laboratory (Oak Ridge, Tenn.)** – The project will result in the creation of a biomass steam plant, the expansion of the building management system, and the implementation of several other energy

conservation measures. The project will reduce energy consumption by 850 billion Btu/yr and decrease water consumption 170 million gallons. Johnson Controls (Milwaukee, Wis.) will perform this project. The approximate cost to implement the project is \$89 million and the annual savings will be approximately \$8.7 million.

DOE has several other potential projects in development, including additional ESPCs and renewable energy projects that will help DOE achieve over 50 percent of the President's goals for DOE. Over one billion pounds of carbon dioxide can be avoided by the potential ESPC projects currently in development. This is equivalent to the annual greenhouse gas emissions from over 83,000 vehicles.

The federal government is the largest single user of energy in the United States and has ESPC projects in development that have a total proposed project investment cost of more than \$1 billion. Federal agencies have already reduced the energy intensity of their facilities by over seven percent since fiscal year 2003. DOE's Federal Energy Management Program provides support for federal agencies to save energy, as well as to improve facilities through ESPCs, Utility Energy Savings Contracts and other mechanisms.

For more information, please visit the [Office of Energy Efficiency and Renewable Energy](http://www.eere.energy.gov/) <http://www.eere.energy.gov/>.

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By Brad Bugger