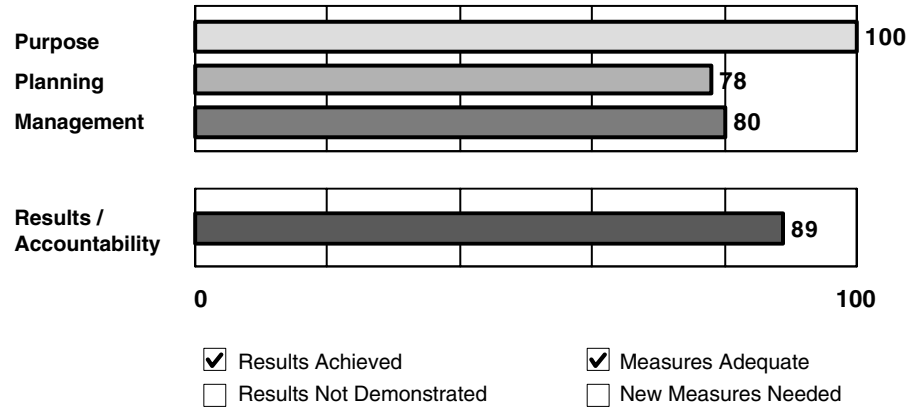


Program: Energy Conservation Improvement

Agency: Department of Defense--Military

Bureau: Military Construction



Key Performance Measures

Year Target Actual

Long-term Measure: Ratio of savings to investment Average annual energy savings exceeded average annual program costs by a 4/1 margin within five years of the program's expenditure for the 1997 to 2001 period.	2001	4/1	4/1
	2002	4/1	4/1
	2003	4/1	
	2004	4/1	
Annual Measure: Percentage of funding given to the program that DoD obligates. The program has had problems spending money in a timely manner. DoD has improved its obligation rate to 97% of the resources made available from 1999 through 2001.	2001	97%	97%
	2002	97%	
	2003	97%	
	2004	97%	
Annual Measure: DoD staff are developing a measure of BTU energy savings per dollar of funding, and this metric should be ready in 2003 to assist in developing even more aggressive targets. This program assists in meeting larger energy conservation goals that cannot be achieved with just ECIP projects.			

Rating: Effective

Program Type: Direct Federal

Program Summary:

The Department of Defense (DoD) consumes more than three-fourths of the Federal government's energy use. DoD spent \$6.8 billion in 2001 on energy use, including fuels. The Energy Conservation Improvement Program (ECIP) is designed to improve energy and water efficiency in existing DoD facilities to reduce energy costs.

1. The ECIP program scored well in the purpose and planning sections because the purpose is clear and DoD has established realistic, attainable goals. DoD manages this program well. It closely tracks program spending and results, and manages future budget allocations to the Military Services accordingly. DoD has corrected past obligation rate problems.
2. The program achieves results. From 1985 through 2001, energy consumption has been reduced in DoD's buildings by 23% and in industrial facilities by more than 20%. More importantly, this reduction was achieved at a net savings. Over the life of the program, ECIP projects have produced average savings of about four dollars for every dollar invested.
3. Overall, the program scored well because it is a small, well-targeted program which assists the Military Services and Defense Agencies.

In response to these findings, the Administration will:

1. Ensure that the program produces high returns on the investment.
2. Support DoD's efforts to develop new metrics to provide additional information about the program's results, and will allow DoD to develop even more aggressive targets.
3. Propose that this program be funded at \$70 million in 2004.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
27	35	70