

FOCUS

Modifications Ease Selection Process for DOE Energy Savings Performance Contracts

The Department of Energy (DOE) recently completed modifications to the energy savings performance contract (ESPC) indefinite delivery indefinite quantity (IDIQ) contracts in order to conform to the new National Defense Authorization Act of 2011 (NDAA 2011). Based on NDAA 2011, these modifications ease the process for contractor selection, creating fertile ground for growing the ESPC program and increasing the number of Federal ESPC projects in the pipeline.

The revised process, described in section H.3.1 of the contract, starts with the Notice of Opportunity and a down selection to two or more energy services companies (ESCO). Instead of having to choose between two distinct approaches to selecting an ESCO, agencies now send a notification to

all ESCOs on the DOE IDIQ contract. This notification includes information on facility energy use and solicits expressions of interest and qualifications from the ESCOs.

Based on information received, the agency selects two or more ESCOs to conduct discussions regarding qualifications. Next, the agency requests references, case studies and explanations from the ESCO's past or similar efforts. The agency then selects and authorizes one or more ESCOs to conduct site surveys. After selecting an ESCO, the agency debriefs the unselected ESCOs and negotiates and issues a task order.

The frequently asked questions described below give additional detail on specific aspects of this process.

In addition to the modifications in section H.3.1, the revised section H.3.2 of the IDIQ contracts clarifies the treatment of "unsolicited proposals." A Preliminary Assessment is not an unsolicited proposal since it is not a commitment. An agency wishing to respond to an unsolicited proposal would still need to initiate a notification to the IDIQ holders and follow the selection procedures described above.

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- Modifications to ESPC IDIQ Process
- Introduction to FEMP's New Technology Deployment Matrix

Frequently Asked Questions about Section H.3.1

Q: What is the advisable format for an ESCO debrief?

A: Debriefs should be one-on-one with the agency technical contact present (can be by phone). The agency should give strengths and weaknesses of the ESCO's proposal, but not compare with other submissions. It is important that ESCOs address significant evaluation factors from Notice of Opportunity (NOO) in their responses. Intermediate down select steps are allowed prior to Preliminary Assessment (PA) and can even occur prior to oral interviews or further steps.

Q: When should debriefs be performed?

A: DOE recommends that debriefs happen as soon as possible and at each down select step, but the agency has discretion on the timing.

Q: Does the agency have to notify the ESCOs as to whether it will be using the selection based on qualifications (SBQ) or selection based on preliminary assessment (SBPA) process?

A: The agency should indicate the intended process but "reserve the right to" change it, if necessary.

Q: The new process requires the ESCO to provide information on "projects." Is this for past projects or for the anticipated agency project?

A: The recommended information to gather from the ESCOs is the description of the ESCO's past projects as they apply to the agency's described project.

Q: Does the SBPA process require a site data package (SDP)?

A: This modification has nothing to do with SDPs. However, sufficient information will be needed so that ESCOs can submit similar preliminary assessments.

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*Cover Magnifying Glass Photo:
A 10.4-kW crystalline silicon
photovoltaic system on the
roof generates electricity for
the Universidad de Puerto Rico
Caribbean Affordable Solar
House (CASH) on the National
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*The Federal Energy Management Program
(FEMP) facilitates the Federal Government's
implementation of sound, cost-effective
energy management and investment
practices to enhance the nation's energy
security and environmental stewardship.*

FEMP Launches New Tool to Assist in Technology Deployment

A new tool on the FEMP website, the Technology Deployment Matrix, promotes energy efficient building technologies that are new or underused in the Federal sector. Accelerating the adoption of new and underused technologies is important because it helps Federal agencies meet the aggressive energy and greenhouse gas reduction goals in Executive Order 13514.

The Technology Deployment Matrix identifies and ranks technologies that have the most potential to reduce Federal energy use. Since most measures will take place in existing buildings, this tool focuses on retrofitting existing buildings. The Technology Deployment Matrix also provides contact information for experts in each technology as well as links to publications, studies, calculators and evaluation tools. Included technologies are ready for immediate deployment and have a high potential for incorporation into agency energy-use reduction programs.

FEMP experts selected technologies based on a comprehensive survey of energy technology evaluation and deployment programs run by Federal agencies, state energy programs and public utilities. The survey generated a list of over 300 technologies. Through research and review of available information including case studies, technology reviews and data briefs, the final list ranks the top 50 technologies.

Technologies were ranked based on three major categories:

- **Federal Impact**—a combination of a technology's energy savings potential and degree of applicability in the overall Federal market
- **Cost Effectiveness**—relative cost of the implementation and average expected return in energy cost savings
- **Probability of Success**—a combination of factors such as strength of the supply chain, overall knowledge base, implementation difficulty and owner/occupant acceptance

The Matrix is a tool for high level comparison, taking into account the energy and cost variance based on changes in region, climate and energy prices. Each technology requires further evaluation to account for specific site and building characteristics before inclusion in agency energy improvement projects. Furthermore, some technologies may only be cost effective if they are implemented during construction or major renovation.

*The Technology Deployment Matrix can be found on FEMP's Technology web site,
www.femp.energy.gov/technologies/newtechnologies_matrix.html.*

For more information, contact Peter Biermayer (pjbiermayer@lbl.gov, 510-486-5983) or Charles Williams (chwilliams@lbl.gov, 510-495-2892) of Lawrence Berkeley National Laboratory.

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Energy Advances at Eglin Air Force Base

Armed with Executive Order energy reduction mandates, the newly established Eglin Energy Management Center (EEMC) had its marching orders.

The overarching vision of the Eglin AFB Energy Initiative is to be the “Premier Installation for Energy Stewardship” across the Department of Defense and lead the way with innovative awareness and technologies that will sustain energy conservation and efficiency to reduce energy costs and enhance energy security. Beginning with no facility, no personnel, and no funding, the task was huge; but the EEMC jumped in with both feet to accept the challenge. With the vision of a new Energy Program Manager and the support of the 96th Air Base Wing leadership, within months the EEMC had a renovated facility and a workforce consisting of both permanent and temporary Civil Service personnel and a contracted Resource Efficiency Manager (REM).

Staffing a dedicated energy office has proven essential to a successful energy program. Eglin AFB is proud of their energy accomplishments and is leading the way into the future.

Eglin AFB took a three-pronged approach to energy:

Metering: the backbone

- Collect, store and report electric, gas and water usage on a monthly basis
- Monitor total building energy usage and major equipment loads
- Automatic reading and reporting to centralized database
- Reports included benchmark data, current usage, allocated use and forecasted energy use

Awareness Campaign and Contests: saved over \$375K in the first year

- Provide training for all uniformed and civilian personnel concerning Eglin’s energy conservation and reduction program
- Coordinate the Energy Awareness campaign through the leadership of Eglin’s Energy Management Steering Group (EMSG)
- Create a comprehensive set of activities for Energy Awareness Month (October) to kick off the awareness program
- Continue and expand this awareness campaign through the year by partnering with environmental, operations squadrons, recycling center and other related groups
- Change the energy culture through awareness and energy stewardship

Projects: bringing dollars to Eglin through energy conservation initiatives

- In FY2010, EEMC worked with the Air Force Civil Engineer Support Agency and Air Force Materiel Command to coordinate an energy audit of 53 high intensity energy use facilities on Eglin AFB and developed \$3 million worth of energy saving projects
- In FY2011, the energy team identified another \$11.4 million worth of energy projects to include: retro-commissioning of HVAC and electrical systems, upgrading lighting systems and converting multi-zone air handling units to variable air volume systems
- One of Eglin’s largest single energy initiatives is a \$6.7 million digital control and energy management project. This project will upgrade the Direct Digital Control and the Energy Management Systems to monitor energy use, alert operators to systems operating outside parameters and sustain savings and reductions in energy intensity into the future
- A water conservation project to detect leaks is underway and will save over 130 million gallons of water each year
- Eglin AFB is working with Gulf Power Company to install a biomass plant that would burn wood chips to generate electricity
- The Air Force Center for Engineering and the Environment has also funded a research project to use bacteria to digest garbage and generate a biogas that can be used to generate electricity while producing valuable compost
- Eglin also has a project to heat the base pool using the sun’s energy. This solar thermal pool heater will save 60% of the water heating cost



The original staff of Eglin AFB Energy Management Center

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Get regular updates on these and other exciting activities coming from I²SL in 2011. E-mail labs21@i2sl.org to receive I²SL's e-newsletter, the *Sustainable Laboratory Times*, or visit I²SL's website for more conference information: www.i2sl.org/labs21/conference.



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Ron Buckhalt on USDA BioPreferred Program: Do the Right Thing

Just as the Energy Star Label has helped develop a market for energy efficient products (EEP), USDA's recently launched BioPreferred Label is making it easier for Federal agencies to comply with regulations requiring the procurement of biobased products. The program encompasses a wide range of products including cleaning supplies, lubricants, carpets, cutlery and building materials.

USDA's BioPreferred Program was established by the Farm Security and Rural Investment Act of 2002 and enhanced by the Food, Conservation and Energy Act of 2008. Executive Order 13514 - *Federal Leadership in Environmental, Energy, and Economic Performance* (E.O. 13514) increased the compliance requirements by directing that 95 percent of all new contracts and contract modifications include the procurement of energy-efficient and biobased products.

The BioPreferred labeling program complements USDA's existing "Federally Preferred" ("FP") designation process, by which manufacturers can apply to have their products

put on a list to indicate they are compliant with biobased procurement mandates. Procurement officials government wide are taking advantage of the BioPreferred Program to comply with the E.O. 13514 requirement, but Mr. Buckhalt stresses another reason to mind the label: "It's the right thing to do! We've got to look at sustainable resources and try to source our industrial materials from places we can get them again tomorrow. And that's what this programs all about."

For more information, contact Ron Buckhalt at RonB.Buckhalt@dm.usda.gov.

Additional Resources:

BioPreferred Case Studies:
www.biopreferred.gov/CaseStudies.aspx

FEMP EEP requirements:
www.femp.energy.gov/technologies/procuring_eeproducts.html

GSA Green Products Compilation:
www.Gsa.gov/greenproductscompilation

NEW MODIFICATIONS EASE SELECTION PROCESS FOR DOE ESPC INDEFINITE DELIVERY INDEFINITE QUANTITY (IDIQ) (Continued from Front Cover)

Making the Contractor Selection Process Easier

In conjunction with the revised IDIQ, FEMP developed templates for the ESCO selection process. These are Microsoft Word and Excel files designed to make it easier for agencies to manage their contractor selection process. Agencies are not required to use the templates, but FEMP encourages agencies to use them to assist in the process and promote similar processes for all ESCOs and contracting officials. The ESPC Templates will provide a more standardized process for agencies. All of these templates are available on the FEMP website at: www.femp.energy.gov/financing/espcs_resources.html. Each of the templates comes with instructions and samples.

Recent Task Order Awards

In the first two quarters of FY 2011, four agencies have awarded projects under the DOE ESPC contract. Among them is the single largest project awarded under DOE's ESPC program since it began in 1998. This project will make the Food and Drug Administration (FDA) White Oak Federal Research Center in Silver Spring, Maryland a model of energy efficiency by saving over 5.5 trillion Btu over the life of the project—equivalent to the energy delivered to over 134,000 homes for a year.¹

The contract, awarded by the General Services Administration (GSA) to Honeywell International, features a combined heat and power plant that produces high quality electricity for critical laboratory needs of FDA and uses waste heat to

produce building heating and cooling. In addition to the combined heat and power plant, the project will include upgrades to the heating, ventilation, and air conditioning systems, lighting improvements—including the latest LED technology—and building envelope modifications. This is the fifth ESPC project that Honeywell International will carry out at the White Oak Federal Research Center.

Another ESPC highlight this year is the award of the first project in the Federal Government to combine an Energy Savings Performance Contract (ESPC) and an Energy Services Agreement (ESA). An ESA allows for third-party ownership of the project to take advantage of tax and other incentives. The energy efficiency and renewable energy technologies implemented at multiple Coast Guard facilities in Puerto Rico—including Rio Bayamon Housing, Air Station Borinquen and Air Station Borinquen Housing—will result in annual energy savings of at least 18 billion Btu; equivalent to more than 3,100 barrels of oil.²

The Coast Guard awarded the contract to Schneider Electric Buildings Americas, Inc. Under the ESA, the project will include the installation of a 2.89 MW solar photovoltaic system on over 240 cool roofs. The cool roofs and the PV systems combined will result in an overall reduction of utility-purchased electricity at the site by an estimated 40 percent.

Please contact William Raup at 202-586-2214 or William.raup@ee.doe.gov for more information on this article.

¹ Total electricity used by one average U.S. household in 2008 = 40.9 million Btu http://www.eia.gov/energy_in_brief/comparing_energy_consumption.cfm

² 1 barrel = 42 U.S. gallons = 5,800,000 Btu (based on U.S. production, 2009) http://www.eia.doe.gov/kids/energy.cfm?page=about_energy_conversion_calculator-basics

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For information on topics not listed here, call the EERE Information Center at 1-877-337-3463

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Federal On-Site Renewable Power Purchase Agreements Request for Information

A request for information (RFI) for on-site renewable power purchase agreements (PPA) was issued by the DOE Golden Field Office on March 2, 2011, with responses due April 11. The purpose of the RFI was to solicit industry input on certain contractual issues associated with Federal on-site renewable PPA projects. The RFI requested information on the following topics:

- Contract length limitations
- End of Contract, Disposition of Renewable Project
- Termination for Convenience
- Site Access/Land Use Agreement Options
- Creation of Special Purpose Entities for Project Development

A summary of the responses to the contract length limitations and termination for convenience topics was developed for the PPA Update presentation at the Federal Utility Partnership Working Group (FUPWG) Energy Lawyer and Contracting Officer Working Group meeting held in Portland, Oregon on April 21, 2011. A copy of the presentation is available at: www.femp.energy.gov/pdfs/ns/fupwg_spring11_shah.pdf

Based on the RFI responses, contract length and termination for convenience issues are key industry concerns. Respondents observed that financiers need a secure revenue stream to achieve their return on investment requirements – through longer term PPAs, higher PPA rates, and/or sufficient termination provisions to ensure that they will be “made whole” in the event of termination.

FEMP is conducting further evaluation of the RFI responses and additional information will be provided both at GovEnergy 2011 and in the forthcoming September 2011 FEMP Focus issue.

Information regarding on-site renewable PPAs is available on the FEMP web site at www.femp.energy.gov/financing/power_purchase_agreements.html. The web site includes contacts and information to assist Federal agencies interested in on-site renewable PPA projects.

For additional information on the on-site renewable Power Purchase Agreement Program, please contact Tracy Logan at tracy.logan@ee.doe.gov or 202-586-9973.