



Department of Energy
Washington, DC 20585

February 6, 2008

Transmittal Letter for Final Federal Renewable Energy Guidance

Dear Federal Energy Official:

The Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) is distributing the attached guidance in accordance with the Instructions for Implementing Executive Order 13423, *Strengthening Federal Environmental, Energy and Transportation Management*. DOE is providing the guidance for your use in complying with and reporting on the energy requirements of section 203, Federal Purchase Requirement of Renewable Energy, of the Energy Policy Act of 2005 (EPACT 2005) (42 U.S.C. 15852) and Executive Order (EO) 13423, *Strengthening Federal Environmental, Energy, and Transportation Management* (72 FR 3919; January 24, 2007). This guidance was developed with extensive input from Federal members of the Renewable Working Group, Senior Energy Officials, and Office of Management and Budget.

Summary of the Guidance

Section 1 explains the authority for the guidance and the renewable energy goal. It includes the mandate under EO 13423 that at least half of the requirement must be met with energy from renewable sources placed in service after January 1, 1999.

Section 2 defines the renewable energy technologies and products agencies can use to meet the goals. These include new opportunities to use specific types of hydropower, ocean power, renewable energy certificates (RECs), and on-site projects. Under section 203 of EPACT 2005, only electricity from renewable energy is acceptable for meeting the EPACT 2005 goal. However, in a change to the draft guidance circulated in August 2007, the EO 13423 requirement that an amount of energy equal to 50 percent of the EPACT 2005 goal come from new sources (i.e., sources installed after January 1, 1999), may now be met through both electric and non-electric sources of renewable energy.

Section 3 explains requirements for qualifying projects or purchases, including:

- That renewable energy must be consumed by a Federal agency;
- That double counting of renewable energy attributes is prohibited, thus requiring care when RECs or state renewable portfolio standards (RPS's) are involved;
- Key attributes and requirements agencies must consider when using or trading RECs to meet the goal;
- Grandfathering provisions to help agencies transition to the new requirements;
- Bonuses agencies can receive for consuming electricity from projects that produce renewable energy on Federal or Indian lands;
- Non-electric sources of renewable energy are not eligible for the bonus; and
- Provisions encouraging long-term contracts (10 years or longer).



Section 4 explains how the credit agencies currently receive toward their energy reduction goals from renewable energy purchases will gradually phase out.

Finally, section 5 discusses reporting.

An electronic copy of the guidance will be available in February 2008 on the DOE EERE website at http://www1.eere.energy.gov/femp/renewable_energy/renewable_fedrequire.html.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Karsner', with a long horizontal flourish extending to the right.

Alexander A. Karsner
Assistant Secretary
Energy Efficiency and Renewable Energy