



U.S. DEPARTMENT OF  
**ENERGY**

Energy Efficiency &  
Renewable Energy



Energy Services Coalition's Market  
Transformation Conference  
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## State of the Market

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# Mission

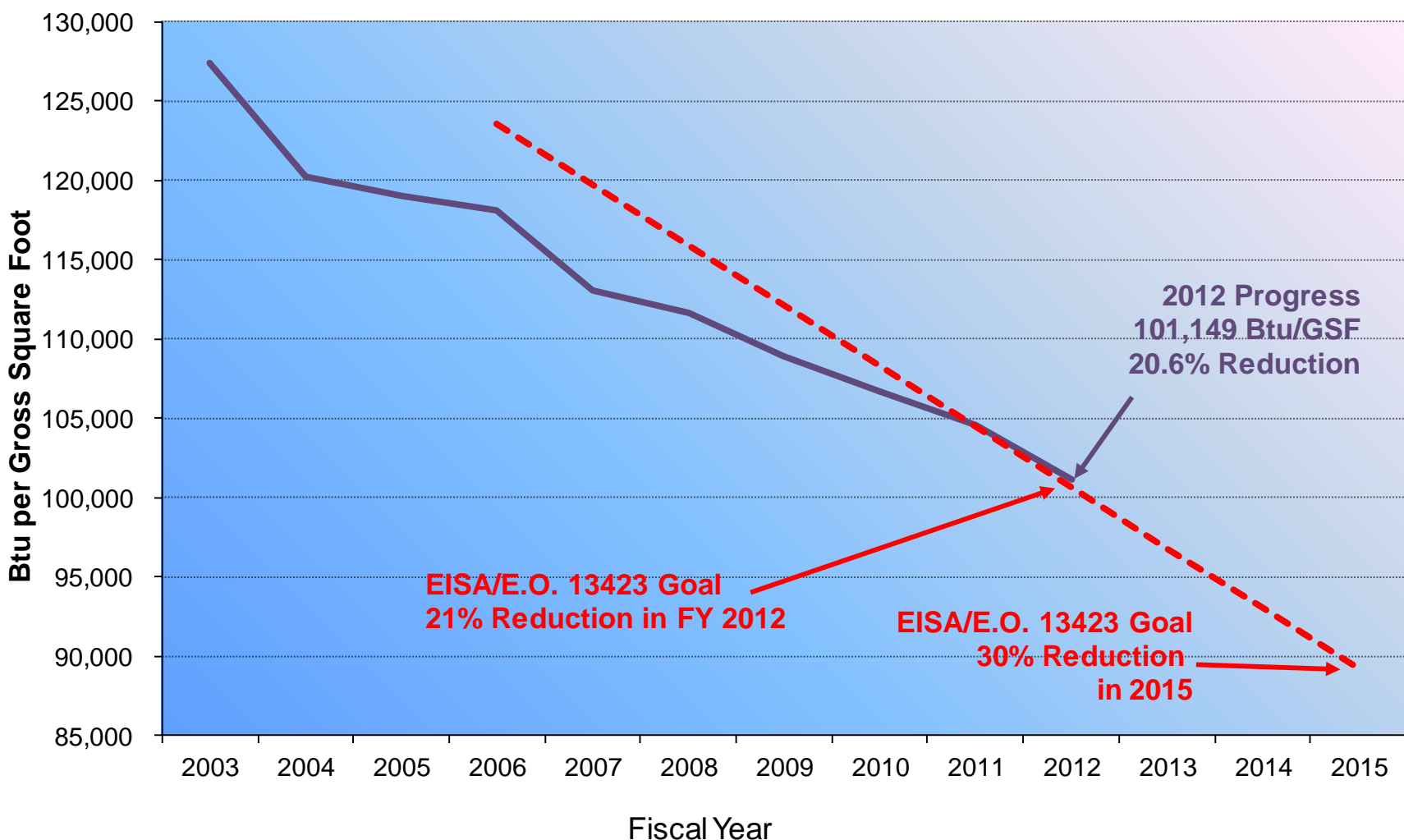
FEMP works with key individuals to accomplish energy change within organizations by bringing expertise from all levels of project and policy implementation to enable Federal Agencies to meet energy related goals and to provide energy leadership to the country.

# Update on our Progress

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# Federal Facilities: Energy Intensity (Btu/GSF) Reduction Goal

Overall Government Progress toward Facility Energy Efficiency Goals,  
FY 2003- FY 2012



PRELIMINARY DATA

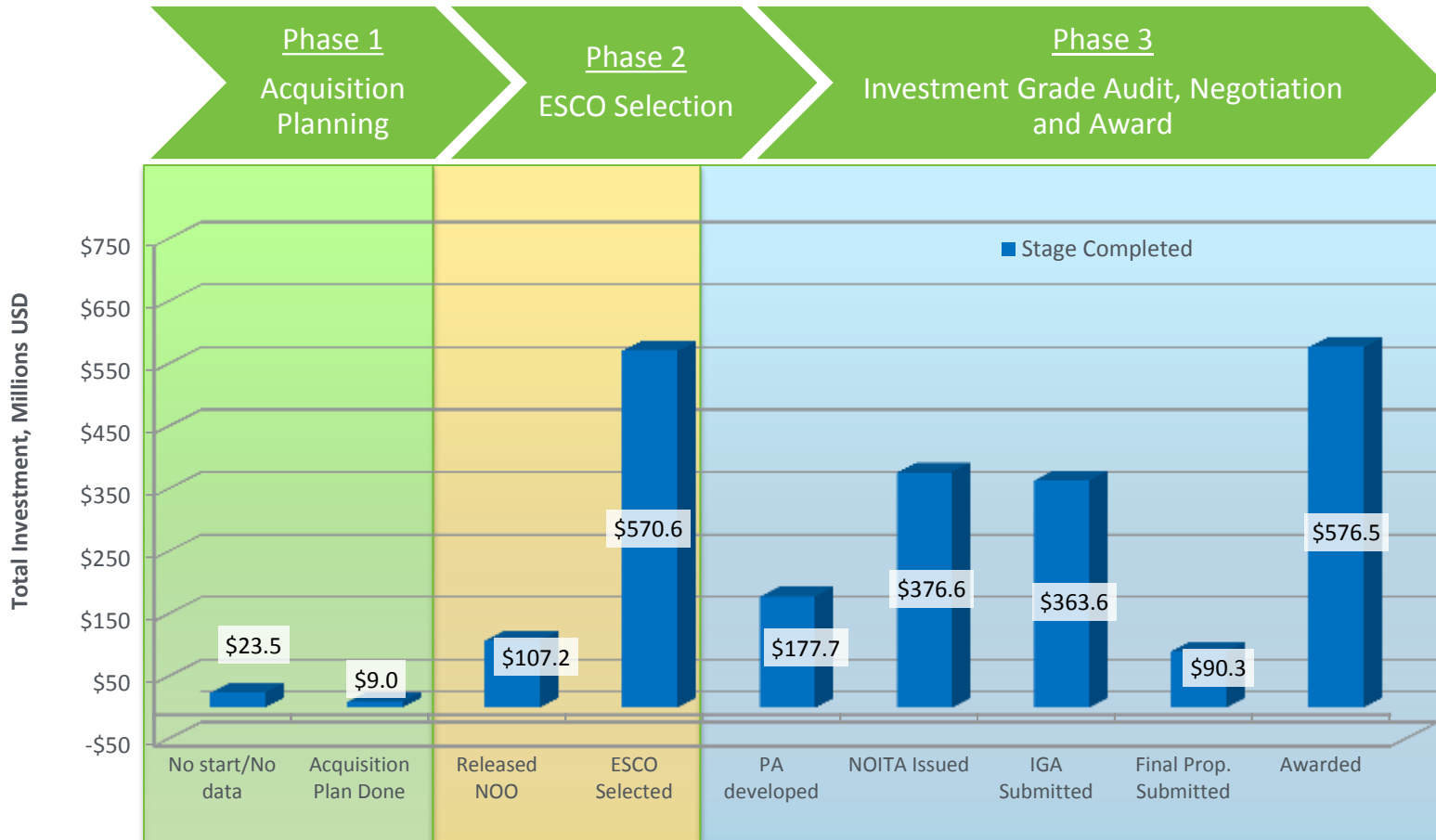
# President's Performance Contracting Challenge (PPCC)

## Progress to Date

### Highlights of Key Statistics (Preliminary Data)

Key Stat	Description
Investment \$	Agencies identified projects (in the pipeline or awarded) with an estimated \$2.3B investment value
Projects #	Agencies identified 301 projects Majority of projects proposed are DOE ESPC, 182
Awarded Investment \$	65 projects have been awarded with an investment value of \$576.5M
Next Phase	230 projects are in the development pipeline, with expectations of a project being awarded

# Tracking Milestones – Investment



Optimal Milestone Dates

Critical Milestone Dates

Sept. 2012

Dec. 2012

Nov. 2012

Feb. 2013

Feb. 2013

May 2013

December 2013

2013

Official Use Only – Draft Data 6/15/13



Energy Efficiency & Renewable Energy

# What Drives the Federal ESPC Market

- High Level Challenges
- Statutory Energy Intensity Goals
- Other Statutory, Regulatory, Executive Order or Presidential Memorandum Goals
- Motivation

# High Level Challenges

## President's Performance Contracting Challenge (PPCC)

- Requires the Federal Government to enter into a minimum of \$2 billion in performance bases contracts by Dec. 31, 2013
- DOE pipelines before and after (DOE IDIQ only for ESPCs):
  - ESPC pipeline prior to PPCC had approximately 100 projects with an estimated investment value of \$750M. Current pipeline includes approximately 130 projects with an estimated investment value of \$1.3B. (173% increase)
  - UESC pipeline prior to PPCC had 120 projects with an estimated capital cost of \$220M. Current pipeline includes 172 projects with the estimated capital cost of \$316M. (144% increase)



# High Level Challenges

- What might be coming next?
- **Energy Savings Through Public-Private Partnerships Act of 2013**  
Bill currently being reviewed by committee to amend the National Energy Conservation Policy Act. Extends the performance contracting goal - creates a goal for the federal government to enter into \$1 billion in energy savings contracts per year over the next five years.

# Statutory Energy Intensity Goals

## Energy Intensity Goals

- E.O. 13423/EISA
  - Reduce energy intensity (Btu/GSF) by 21% as of FY 2012 compared to 2003; 30% reduction required in FY 2015.
    - Government reduced energy intensity by 20.6% as of FY 2012 relative to FY 2003.
    - Of the Energy Efficiency and Renewable Energy investments since 2003 that likely impacted the FY2012 energy intensity progress, 39% are ESPC/UESC, which contribute ~8% reduction in Btu/sq-ft.
    - So 8% of the 20.6% came from ESPC/UESC, or just shy of 1/3 of the goal was fulfilled with ESPC/UESC.

# Statutory Energy Intensity Goals

How much goal reduction is left?

The FEMP database, the Compliance Tracking System (CTS) data shows ~\$8B in potential retrofit investments between 2010 and 2013 that are likely not yet impacting energy intensity metrics

- $(\$8B \times 6000 \text{ Btu/sq-ft}) / 3B \text{ sq-ft} = 16,000 \text{ Btu/sq-ft}$  reduction
- The 2003 Baseline = 127,398 Btu/sq-ft
- $127,398 - 16,000 = 111,398 \text{ Btu/sq-ft}$  (12.6% of 2003 baseline)

So this shows that about 12.6% of reduction is still available from currently identified projects.

# Other Goals

## Future Statute, Regulations, Executive Orders and Previous Memos

- **What might be coming next?**
- **All-Of-The-Above Federal Building Energy Conservation Act of 2013**  
Also referred to committee. Repeals Section 433 of the Energy Independence and Security Act of 2007 which mandated that Federal buildings reduce reliance on fossil fuels, with 100% reduction by 2030. Would also extend current energy efficiency targets from a 30% reduction by 2015 to a 45% reduction by 2020.

# Motivation

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- Likely the highest impact upon the potential ESPC/UESC market potential.
- How do we measure or improve this?

# Better Buildings Accelerators

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DOE is expanding the Better Buildings Initiative to engage leaders in a set of Better Buildings Accelerators designed to demonstrate specific innovative approaches, which upon successful demonstration will accelerate investment in energy efficiency.

- Performance Contracting Accelerator
- Energy Data Accelerator
- Strategic Energy Management Accelerator

# Performance Contracting Accelerator

**GOAL: \$2 billion in performance contracting, commensurate energy savings, and a suite of demonstrated performance contracting tools and resources for the public sector to use.**

DOE and Partners work together to:

- Demonstrate best practice approaches ; highlight road-tested examples for other public sector organizations to use
- Develop standardized methods for EMV reporting
- Develop approaches for tracking and benchmarking ESPC projects (aggregate national data from projects; improve collection of project data)
- Develop and share best practices for deep-energy retrofits in public buildings, energy retrofits at smaller buildings, and lowering the cost of capital

# Accelerator Partnership Details

## Accelerator Partner Commitment:

- *Pledge a financial commitment to implement energy savings performance contracts for the next three years;*
- *Identify barriers in performance contracting program; work with DOE and other Accelerator partners to develop one or more approaches to overcome barrier;*
- *Participate in technical assistance forums;*
- *Share materials, results, and lessons learned from their innovative approaches;*
- *Participate in the development of and provide data for national ESPC project database; and*
- *Report on progress towards the goal semi- annually*

## DOE Commitment:

- *Facilitate the development of best practice approaches in collaboration with Accelerator partners;*
- *Share information about federal, state and local government, K-12, and other performance contracting programs and approaches;*
- *Establish standardized data and contract forms in collaboration with partners, industry and stakeholders;*
- *Develop and provide online access to a national database of performance contracting projects; and*
- *Provide public recognition to Accelerator partners for achieving milestones and commitment.*

**Will announce initial Accelerator partners, Fall 2013**



# Questions?

## Contact Information

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