

# Cross Agency Priority Goal

## Quarterly Progress Update

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### Climate Change (Federal Actions)

*Federal Government energy consumption and energy efficiency*

Goal leaders: Michael Boots, Acting Chair, Council on Environmental Quality; Dan Tangherlini, Administrator, General Services Administration



FY2014 Quarter 3

## Goal Statement

More than double Federal government consumption of electricity from renewable sources to 20% by 2020 and improve energy efficiency at Federal facilities including \$4 billion in performance contracts by 2016 as part of the wider strategy to reduce the Federal Government's direct greenhouse gas emissions by 28 percent and indirect greenhouse gas emissions by 13 percent by 2020 (2008 baseline).

## Urgency

- On December 5, 2013 President Obama signed a Presidential Memorandum directing the federal government to consume at least 20 percent of its electricity from renewable sources by 2020.
- In May 2014, President Obama challenged federal agencies to enter into an additional \$2 billion in performance contracts for building energy efficiency for a total commitment of \$4 billion worth of performance contracts by the end of 2016.
- In 2010, President Obama announced a Federal Government-wide target of a 28 percent reduction by 2020 in direct GHG emissions, such as those from fuels and building energy use, and a target 13 percent reduction by 2020 in indirect GHG emissions.

## Vision

- The US government must lead by example. Experience shows that reductions in GHG emissions and increased consumption of renewable energy are both possible while continuing to deliver the mission and may increase mission readiness while saving money.

# Progress update

## Status – FY2013 data

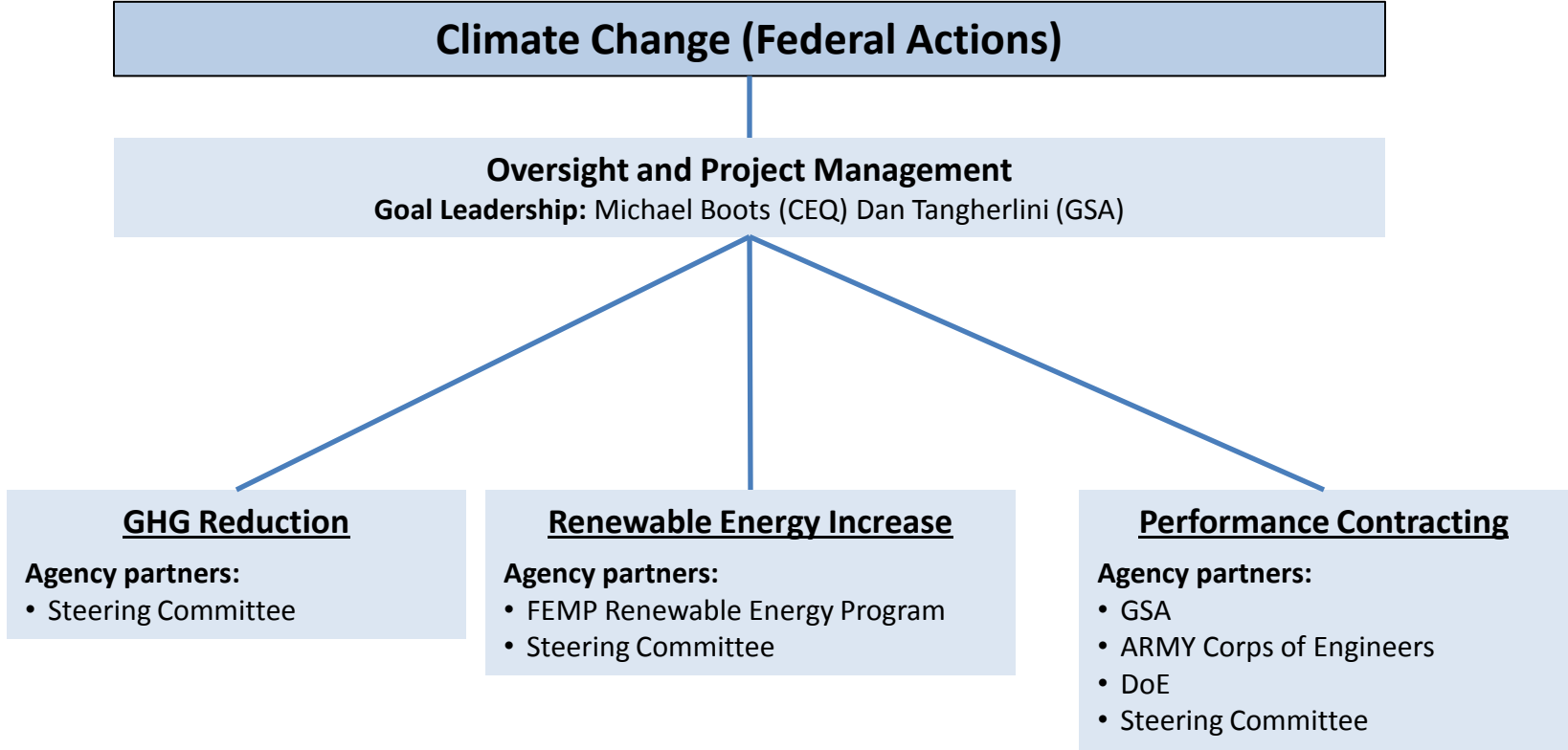
- Renewable Energy goal of 7.5% was exceeded (9.2% of total electricity use)
- Direct Greenhouse Gas (GHG) emissions declined 17.2% from FY08; Goal is 28% by 2020
- Measured indirect GHG emissions decreased 19.8% since FY08; Goal is 13% by 2020
- 2011 Performance Contracting Challenge resulted in \$2.7 billion in proposed projects with \$1.4 billion awarded by December, 2013. The 2016 challenge is \$4 billion total, including the \$2.7 billion. Agencies have awarded 18 additional projects since December 2013.

## Progress Q3, FY2014

- Renewable Energy Guidance and Renewable Energy Project Development Guide being drafted by DoE with broad comment and input from Federal agencies expected before issuance/publication.
- Meetings on Deep Energy Retrofits held with qualified Energy Savings Companies (ESCOs) on the DoE ESPC to review lessons learned and to develop recommendations to improve performance in the next phase of the performance contracting challenge.
- One-on-one meetings between CEQ, OMB and agencies are scheduled to identify and address challenges in achieving the performance contracting goals, with deep dive sessions for agencies behind schedule to help them get back on track.
- DOD and GSA jointly awarded the largest ever Federal renewable energy/solar installation in Georgia at 90MW, as well as a 30MW installation at Fort Huachuca, AZ.
- OMB Energy/Sustainability Scorecards on FY13 progress toward goals posted publicly.

# Action Plan Summary

Sub-goal	Major Actions to achieve Impact (lead agency)	Key indicators
<b>GHG emissions:</b> Reduce GHG emissions by the Federal government for Scope 1 and 2 by 28% by 2020, and Scope 3 by 8% by 2020	<ul style="list-style-type: none"> <li>• Reduce GHG direct and indirect emissions (all reporting agencies)</li> <li>• Track GHG emissions (DoE &amp; all reporting agencies)</li> <li>• Provide training for agencies in reduction techniques (DoE and GSA)</li> <li>• Provide training for facility managers (DoE &amp; GSA &amp; DoD)</li> <li>• Provide best practices for health care facilities (VA)</li> </ul>	GHG emissions inventory and agency annual reports
<b>Renewable Energy:</b> Increase renewable energy consumed by the Federal government to 20% by 2020	<ul style="list-style-type: none"> <li>• Implement renewable energy efforts at Federal facilities (all agencies)</li> <li>• Develop revised renewable energy guidance (DoE)</li> <li>• Provide procurement support for acquisition of renewable energy (GSA DLA)</li> <li>• Provide guidance and advice regarding potential renewable energy projects (DoE)</li> <li>• Develop a renewable energy project development guide for agencies focused on third-party financing approaches (DOE)</li> </ul>	New renewable energy (kWh) as a percent of total electrical consumption
<b>Performance Contracting:</b> Improve energy/water efficiency in Federal buildings through the use of Energy Savings Performance Contracts (ESPCs) or Utility Energy Service Contracts (UESCs)	<ul style="list-style-type: none"> <li>• Provide models/templates for on deep retrofits using ESPCs and UESCs (GSA DoE)</li> <li>• Provide procurement support to agencies (GSA DOE DLA)</li> <li>• Stand up interagency tiger team to support and review agency performance contracting processes, make procurement and technical resources and assistance available (CEQ)</li> <li>• Improve data quality and availability on contract process and performance</li> <li>• Support Strategic Sourcing Initiative to streamline and improve ESPC contracting process (OFPP)</li> </ul>	Public indicator: Number and value of federal investment and guaranteed energy savings of implemented projects



**Governance:** The overarching governance is the same for all three sub-goals, and the participation at the team lead and agency partner level represents the varying specific tasks in the work plan. The co-leads will utilize the Interagency Steering Committee on Federal Sustainability to support and provide additional feedback for this goal.

# Work plan

## Purpose

- Mitigate the effects of Federal government operations on climate change

## Barriers/Challenges

- As GHG reductions are achieved, identifying and pursuing additional reductions will require continued interagency coordination and effort. Performance contracting efforts will require interagency focus to identify and resolve common process barriers and increase energy savings.
- Renewable energy production on Federal property may be limited by the location of existing property.

## Milestone Summary

Key Milestones	Milestone Due Date	Milestone status	Owner	Comments
Extend and expand initial ESPC/UESC challenge to Federal agencies	May 2014	Complete	CEQ	Action complete
Provide guidance on agency treatment of Renewable Energy Certificates in support of PM goals	October 2014	On track	CEQ	Draft preparation
Provide guidance and assistance as needed to agencies based on their performance in monthly reports on President's Performance Contracting Challenge (PPCC)	Monthly	On track	DoE/CEQ/OMB	First meetings with agencies
Provide deep energy retrofit guidance for use with ESPCs and UESCs	May 2014	Missed	GSA (w/FEMP)	Draft complete, final expected by 9/15/14
Provide updated training on energy reduction	As needed	On track	DoE/FEMP	See <a href="http://apps1.eere.energy.gov/femp/training/">http://apps1.eere.energy.gov/femp/training/</a>
Issue revised guidance for renewable energy goals based on the Presidential Memorandum	June 5, 2014	Missed	DoE/FEMP	In final review

# Work plan (cont.)

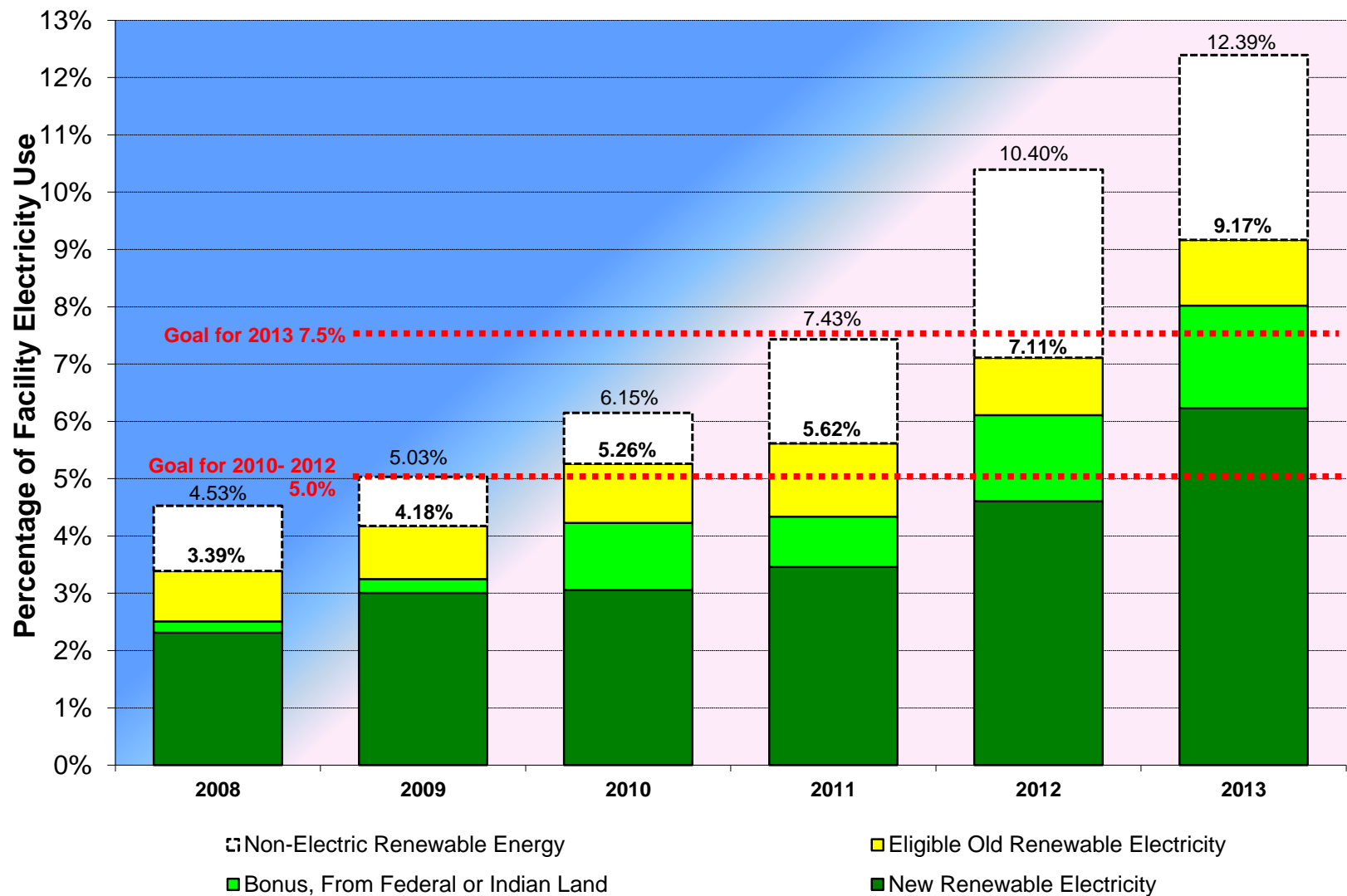
Milestone Summary				
Key Milestones	Milestone Due Date	Milestone status	Owner	Comments
Pilot tiger team support of procurement and technical assistance for ESPC/UESC implementation efforts	June, 2014 and ongoing	On track	GSA (with DoE/FEMP + CEQ	Met with requesting agencies
Increase pilot for use of the Facility Management Institute (FMI) in facility manager training	September, 2014	On track	GSA	Pilot training scheduled
Provide agency support for renewable energy projects that utilize GSA procurement authority and contract personnel	Ongoing	On track	GSA	Discussed opportunities with agencies
Provide best practices FAQ sheet for GHG reduction in health care facilities	February, 2015	On track	VA	Outlined areas to be covered
Provide advice and guidance about potential renewable energy projects	Ongoing	On track	DoE/FEMP	Discussed opportunities with agencies
Implement Federal Acquisition Regulation changes to reflect HFC use reduction efforts	March, 2015	On Track	CEQ/OMB	Developed draft FAR case

# Key indicators

Key Implementation Data						
Indicator	Source	Baseline	Target	Frequency	Latest data	Trend
GHG emissions	DoE/FEMP	2008 (see attached chart)	-28% by 2020	Annual	-17.2% (2013)	Down
Renewable Energy Consumed as % of total electricity consumed	DOE/FEMP	2008 (see attached chart)	+20% by 2020	Annual	9.2% (2013)	Up
Contract award amounts for Presidents Performance Contracting Challenge	OMB	\$2 billion (see attached chart)	<u>additional</u> \$2 billion by 2016	Annual	\$2.7bn (6/2014)	Up

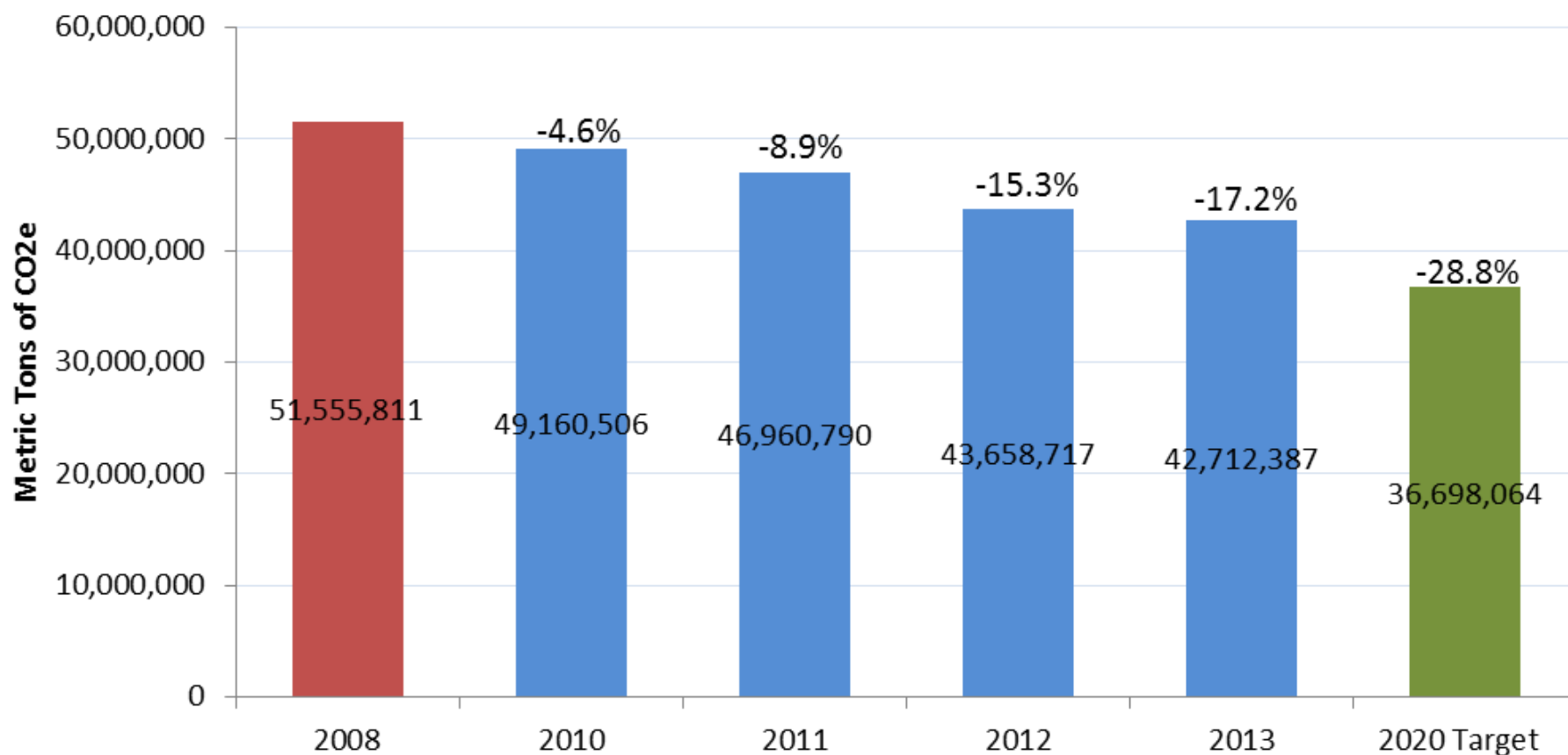


# Renewable Energy Use, FY 2008 to FY 2013



# Targeted Scope 1&2 GHG Emissions, FY 2008 - FY 2013

Federal Agency Progress toward Scope 1 & 2 Greenhouse Gas Goals



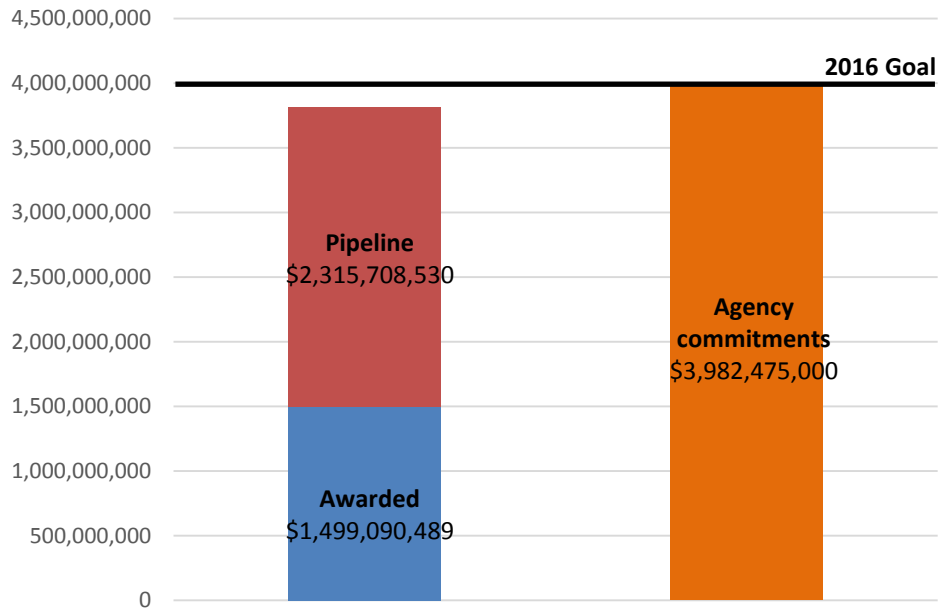
# Federal Commitments to the President's Performance Contracting Challenge

Agency	Total Commitment (\$Millions)
Department of Agriculture	37.5
Department of Commerce	12.0
Department of Defense	2,200.0
Department of Energy	275.0
Department of Homeland Security	73.2
Department of the Interior	20.0
Department of Justice	367.0
Department of Labor	3.0
Department of State	10.9
Department of Transportation	40.6
Environmental Protection Agency	5.6
General Services Administration	344.5
Department Health and Human Services	92.6
National Archives and Records Administration	15.6
National Aeronautics and Space Administration	73.9
Office of Personnel Management	2.0
Smithsonian Institution	14.6
Social Security Administration	20.0
Department of Treasury	27.6
Tennessee Valley Authority	22.5
Army Corps of Engineers	5.0
Department of Veterans Affairs	320.0

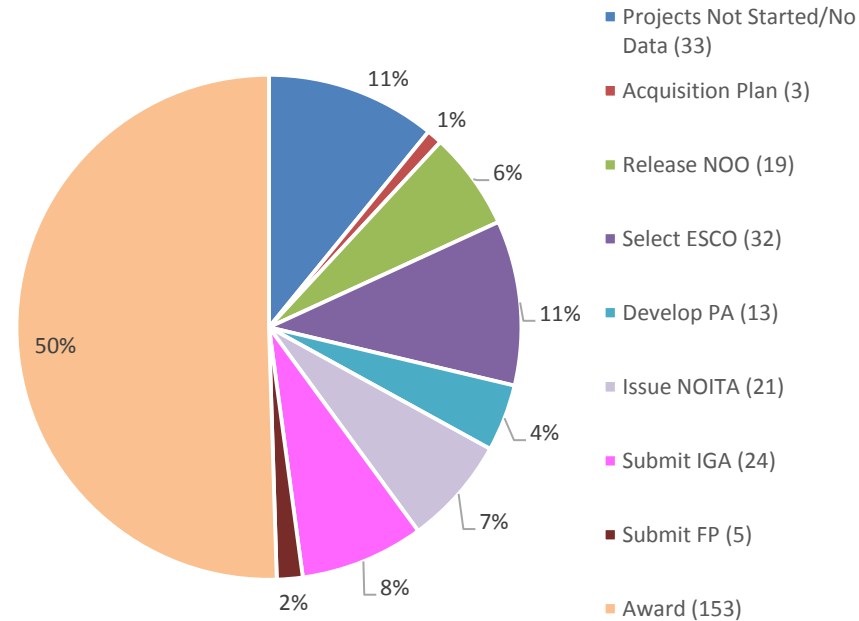
*Additional background  
on these commitments  
may be found at  
[OFEE.gov](https://www.ofee.gov)*

# President's Performance Contracting Challenge Status (July 15, 2014)

PPCC Award Status



PPCC Project Status



**Pipeline:** Amount in dollars of project costs that are in procurement and are expected to award.

**Awarded:** Amount in dollars of project costs that have been awarded under the President's Performance Contracting Challenge.

**Agency Commitments:** Amount in dollars of project costs that agencies have committed to awarding.

**Acquisition Plan:**

**Release NOO:** Release of the Notice of Opportunity to perform a performance contract.

**Select ESCO:** Selection of the Energy Service Company that will perform the work.

**Develop PA:** Development of the Preliminary Assessment outlining the work to be done.

**Issue NOITA:** Issuance of the Notice of Intent to Award the contract

**Submit IGA:** Submission of the Investment Grade Audit to account for energy/cost savings.

**Submit FP:** Submission of the Final Proposal

**Award:** Awarding of the contract to the energy service company