

**ENERGY EFFICIENCY WORKING GROUP(EEWG)
CY 00 ANNUAL REPORT TO THE DIRECTORS
April 20, 2001**

Purpose

EEWG is a working committee of energy management professionals from various DOE/HQ, field, operations and support offices, national laboratories and M&O contractors throughout the DOE complex.

Our goal is to promote excellence in energy management through the active exchange of management and technical information, timely and effective communication, and facilitate the application of information and techniques.

A key vehicle we use to further this goal are periodic working meetings. We normally conduct working meetings 2 to 3 times a year lasting 1-2 days. We encourage DOE/HQ and local DOE office attendance at each working meetings. We don't require EFCOG membership to attend our working meetings. Interested energy management professionals from other federal agencies and organizations are welcome to participate. There is no fee for working meeting participants. Working meetings are normally scheduled to coincide with other energy related conferences and technical seminars. This strategy leverages the limited travel budgets of members and participants.

Membership

Primary sponsor:

DOE's Federal Energy Management Program (FEMP)

Elizabeth Shearer, FEMP Director

Vic Petrolati, DOE's Energy Management Team Leader

Executive Sponsor: John Lee, WIPP

EEWG Chair: Mike Holda, LBNL

EEWG Steering Committee:

John Hail, PNNL

James Hedin, WIPP

Mike Ginder Allied Signal Kansas City Plant

Wilson Reynolds, Energy Management Engineering

Carter Ward, Energy Information Systems

Vic Petrolati, DOE's Energy Management Team Leader

Ralph Wrons, Sandia National Labs

Tom Brand, DOE/OAK

Membership: Over 50 members and regular participants representing national laboratories, M&O contractors, energy management firms, DOE/HQ, field, operations and support offices.

Status

The primary funding source (direct appropriations) for energy efficiency activities at DOE sites have been eliminated resulting in an accelerating loss of talented energy efficiency professionals at sites and operations offices. Additionally alternative options for financing energy efficiency project are being pursued.

A top priority for FEMP and EEWG continues to be assisting DOE and other federal agencies in securing private sector financing to fund energy efficiency and infrastructure improvement projects at their facilities using innovative financing mechanisms.

This initiative supports FEMP's overall goal of helping agencies increase energy efficiency, conserve water, promote renewable energy technology use and manage energy costs.

One of FEMP's primary alternative financing procurement vehicles are Super Energy Savings Performance Contracts (ESPC's). These regional indefinite delivery indefinite quantity (IDIQ) contracts cover each of the six DOE geographical regions, with \$750 million contracting capacity each (\$4.5 billion total). Any federal agency can issue delivery order projects under these IDIQ contracts. This procurement vehicle provides a mechanism for sites to increase the energy efficiency of their facilities, improve infrastructure, while reducing their energy and related operations and maintenance costs.

Energy Savings Performance Contracting (ESPC) is a contracting method whereby a contractor incurs the upfront cost of implementing energy cost savings and infrastructure improvement projects, in exchange for repayment through energy and related operations and maintenance cost savings resulting from implementation of the project.

Another contracting mechanism, Utility Energy Services Contracts (UESC) are also available to DOE and other Federal agencies. This vehicle can provide similar services as ESPCs but these services are provided by the local regulated serving utility.

EEWG is providing support to the Super ESPC and UESC initiatives by utilizing the pool of the energy efficiency expertise that exists at the national laboratories to assist DOE and other federal agency sites to issue delivery order projects utilizing these innovative procurement vehicles.

The following is a list DOE sites which have developed or are in the process of developing Energy Savings Performance Contracts and Utility Energy Services Contracts that have benefited as a result of information and lessons learned shared through EEWG over the past year:

Idaho National Engineering and Environmental Laboratory
Argonne National Laboratory
Oak Ridge National Laboratory

Pantex Plant
Y-12 Plant
Nevada Operations Office
Fermi National Accelerator Laboratory
Hanford
DOE/HQ Forrestal & Germantown
National Energy Technology Lab

Alternatively financed projects being developed at these sites represents over \$86 million of private sector investment and \$9.3 million of annual energy and related operations and maintenance costs .

According to DOE, EEWG has been instrumental in accelerating the process, directly associated with the number of alternatively financed projects within the Department of Energy and a substantial portion of the savings associated with these efforts is directly attributable to EEWG.

Summary of other Energy Efficiency Working Group (EEWG) activities during CY2000:

Conducted an EEWG working meeting in conjunction with the FEMP sponsored Federal Utility Partnership Working Group (FUPWG) meeting sponsored by FEMP and The Edison Electric Institute in New Orleans April 17-19, 2000. Agenda include: Utility Energy Services Contracts(UESC), energy supply-side options, electric utility deregulation and restructuring. Fifteen members participated representing DOE/HQ, field offices and sites.

Conducted an EEWG working meeting in Conjunction with the DOE/FEMP sponsored Energy 2000 Exposition and Conference August 24, 2000. Agenda included updates of DOE/HQ energy initiatives, an overview of Utility Energy Services Contracts, energy benchmarking and DOE site ESPC project status/lessons learned discussions. Twenty seven attendees from DOE/HQ, field offices and laboratory sites participated in the discussions.

Participated in the Laboratories of the 21st Century Workshop, September 6, 2000 in San Francisco, CA. The goal is to continue to develop a broader federal agency and private sector information exchange and forum for laboratory facility energy managers.

Assisted DOE/HQ in developing a review process and guidelines for Energy Savings Performance Contracts (ESPCs) at DOE sites to address OMB's concerns on technical and financial appropriateness of projects.

CY2001 plans:

Our next EEWG working meeting is scheduled for June 6-7, 2001 in conjunction with the DOE/FEMP sponsored Energy 2001 Exposition and Conference June 4-6, 2001 in Kansas City, MO. Tentative agenda includes discussions on the new energy management order, energy management performance agreements and new and

emerging technology applications. On 6/7 attendees will participate in a Labs21 High Performance, Low-Energy Design Course sponsored by EPA and DOE.

Travel restrictions are expected to continue to impact participation in working meetings. We will attempt to video conference/tape future working meetings when practical.

In CY 2001 we will continue to assist DOE FEMP with marketing and implementation of alternative financing mechanisms for energy efficiency and infrastructure improvements projects at DOE sites.

EEWG will also continue to take a comprehensive customer focused approach responsive to FEMP's vision to assist DOE and federal agency sites increase energy efficiency, conserve water, promote renewable energy technology use and manage energy costs.

EEWG will continue to assist DOE's Federal Energy Management Program with timely and effective communication between sites, field and operations offices and HQ.

We will also continue to increase communication and participation of energy management professionals from other federal agencies at workshops to extend the pool of knowledge available to support DOE's energy management initiatives.

Recommendations

Recommend that the Energy Efficiency Working Group (EEWG) be continued. No subgroups are recommended to be formed at this time.