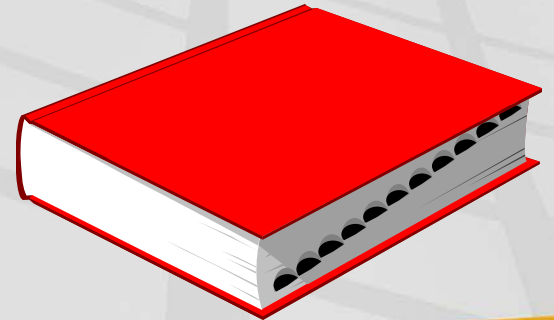


# UESC Project Assistance for Garrisons

Doug Dixon  
Pacific Northwest National Laboratory  
[doug.dixon@pnl.gov](mailto:doug.dixon@pnl.gov)  
(509) 372-4253

# Utility Energy Service Contracts (UESCs)

- ▶ Definition: Specific contracts that allow utilities to provide their federal customers with comprehensive energy and water efficiency improvements and demand reduction services. Utilities front the capital costs and are paid out of savings.



# Utility Energy Services Contract (UESC) - Authority

- ▶ Authority to participate in utility incentive programs is contained in Section 152(f) of the Energy Policy Act of 1992 (EPAAct)
- ▶ National Defense Authorization Act of 2007 repealed the old enabling legislation (10 USC 2865), and provided new authority for UESC through 10 USC 2911-2918. Clarifies and expands the authority for the Department of Defense to enter into agreements with gas or electric utilities to:
  - “design and implement cost-effective demand and conservation incentive programs (including energy management services, facilities alterations, and the installation and maintenance of energy saving devices and technologies by the utilities) to address the requirements and circumstances of the installation.”
  - “advance financing costs for the design or implementation of a program.”
- ▶ Can be accessed directly through the GSA Areawide contract for “utility services”
- ▶ Agreement to perform UESC can be undertaken through a “master agreement” or Attachment C to GSA Areawide. Each is acceptable as “sole-source” services

# UESC Contract Vehicles

- ▶ GSA Areawide contract (AWC) - Establishes terms and conditions for energy management services. Task orders placed under AWC.
- ▶ Basic Ordering Agreement (BOA) or Master agreement - Establishes T & C's in absence of AWC.
- ▶ Site Specific Contract - Specific contract for a single task order.
- ▶ Interagency agreement - Agreements with Federally owned Power Marketing Authorities (BPA, WAPA, etc.)

# Typical UESC Offerings

## Technical Services

Audits

Feasibility  
Studies

Engineering &  
Design

Construction &  
Installation

Performance  
Guarantees

Training

O&M Services

Project  
Management

## Financial Services

Rebates

Project  
Financing

# UESCs Reallocate the Government's Utility Budget



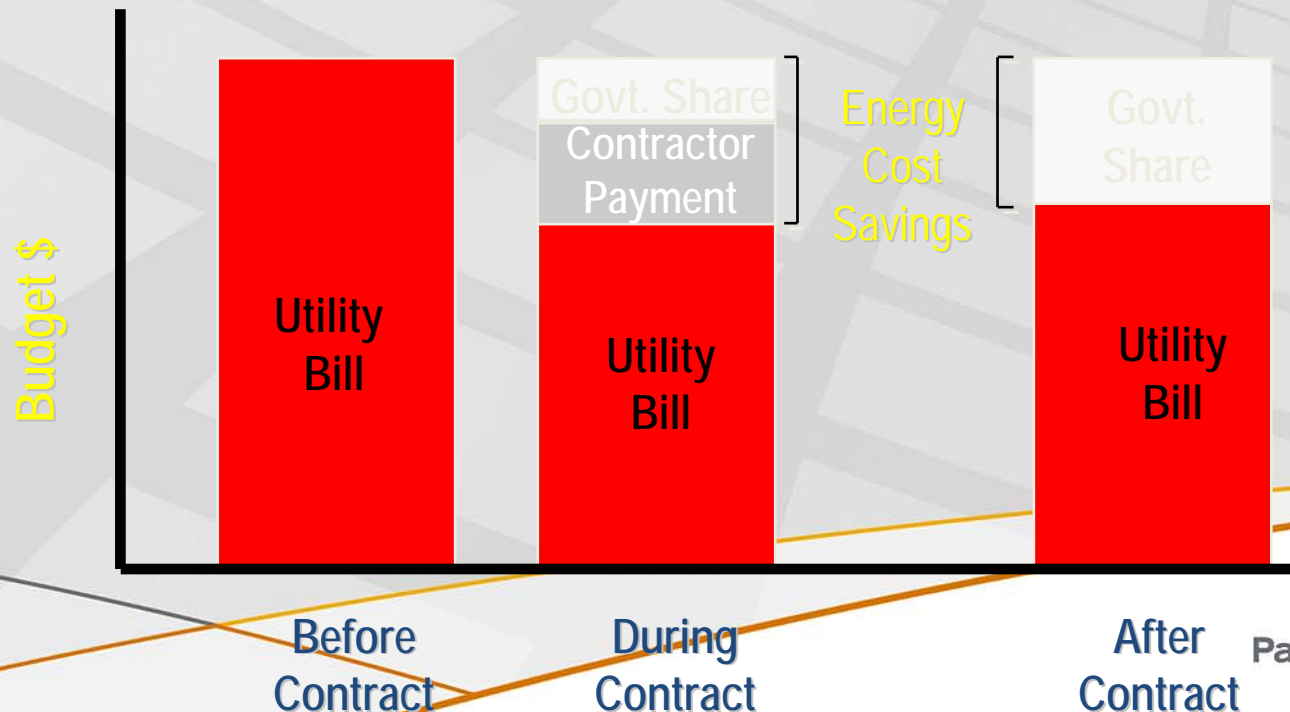
Decrease energy costs



Pay for project



Achieve energy cost savings for the government



# Technical Assistance to Garrisons

Pacific Northwest National Laboratory (PNNL) will assist IMCOM installations with the development of UESC agreements with local utilities and co-ops. This assistance will include, but not be limited to:

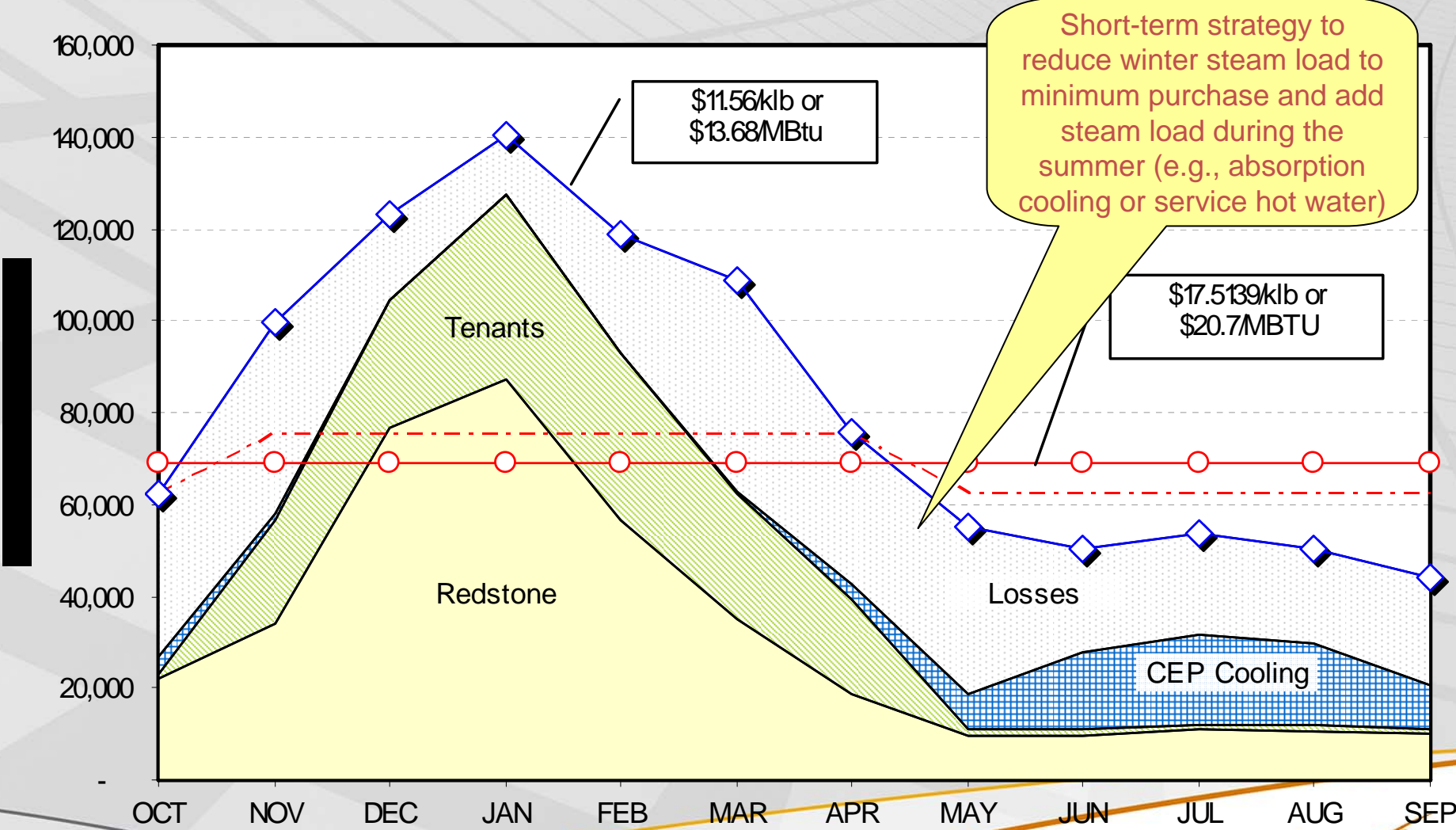
- ▶ Work with selected installations and their servicing utilities in the development of UESC agreements. Specifically, assist installation with the selection of an appropriate UESC contracting vehicle, and customize for site-specific requirements.
- ▶ Review proposed projects to be implemented under UESC. Review would include an assessment of the project as well as the M&V or performance verification plan. Intent of PNNL review is to ensure all Army policies and guidance are met, and projects have adequate savings and payback.
- ▶ Develop Independent Government cost estimate

# Redstone UESC Example

- ▶ Energy Conservation Measures
  - Remove 44 buildings from central steam distribution system,
  - Lighting retrofits,
  - Building automation,
  - HVAC improvements, and
  - Wall insulation
- ▶ Financing Utility: Tennessee Valley Authority
- ▶ Contract type: Basic Ordering Agreement
- ▶ Construction cost: \$9.8 M, payback 7 years
- ▶ Amount Financed: \$9.8 M over 10 years
- ▶ Most of the savings from elimination of steam system distribution losses, and high capacity steam costs
- ▶ Many of the ECMs identified from FEDS audits conducted in 2003

# Redstone Purchased Steam

Steam Consumption FY2003



# Fort Lewis UESC Example

- ▶ Energy Conservation Measures
  - Steam distribution upgrades,
  - Lighting retrofits and controls,
  - HVAC improvements,
  - Energy management system upgrades, and Utility meters
- ▶ Financing Utility: Bonneville Power Administration
- ▶ Contract type: Interagency agreement
- ▶ Estimated construction costs - \$39 M, payback 9.2 years
- ▶ Potential rebates - Over \$21 M
- ▶ Amount Financed - \$18 M over 10 years, payback 3.6 years
- ▶ BPA to provide 2 on-site project managers, and a third-party contractor to operate the EMS
- ▶ Fuel neutral, most of the savings from natural gas reduction
- ▶ Third-party M&V included in the contract
- ▶ Many of the ECMs identified from EEAP study

# UESC Support for Alaska

Pacific Northwest National Laboratory (PNNL) will:

- Research contracting options (GSA area wide, BOA, MOU, modified UP) at Ft. Wainwright/Greely:
  - For Doyon (UP contractor) to provide UESC services,
  - And/or Golden Valley Cooperative, the municipal utility.
- Review proposed task orders to be implemented under the UESC agreement for energy efficiency and/or renewable energy projects. This review could include:
  - A technical assessment of the project feasibility and economics,
  - Assessment of the M&V or performance verification plan,
  - Independent government estimate (IGE) of project costs

# Questions?

Doug Dixon  
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