

FEDERAL UTILITY PARTNERSHIP WORKING GROUP MEETING  
MAY 1-2, 2007  
CAPE CANAVERAL, FLORIDA  
HOSTED BY: FLORIDA POWER AND LIGHT

**INTRODUCTION**

The Federal Utility Partnership Working Group (FUPWG) held its Spring 2007 meeting in Cape Canaveral, Florida on May 1-2. The meeting was hosted by Florida Power and Light (FPL) and was held at the Doubletree Oceanfront Cocoa Beach Hotel. A total of 86 individuals attended the meeting, including at least 11 new members. Organizations represented included 36 utility officials, 3 Federal Energy Management Program (FEMP) representatives, 19 Federal agency representatives, 5 National Laboratory representatives, and 24 representatives from energy-related organizations (see attached list of participants and corresponding organizations). The working group is a joint effort between FEMP and the utility industry to stimulate the exchange of information among participants and foster energy efficiency projects in Federal facilities nationwide.

The agenda included the following presentations:

- FPL Welcome
- FEMP Welcome and Washington Update
- Renewable Energy Guidance Overview and Nellis Air Force Base Solar Project
- FPL Success Story: Patrick Air Force Base
- FUPWG Challenge Update: Strategic Action Plan
- Navy TechVal Update
- Facilitated Group Discussions
  - Launching Agency and Utility Participation and Projects (UESC), Lessons Learned, and Breaking Down the Barriers
  - Obtaining Feedback and Input for the Strategic Action Plan
- Enabling Documents Update
- Agency updates – Department of Homeland Security and Veteran's Affairs

All presentations from the FUPWG Cape Canaveral meeting are available on the FEMP website at: [http://www.eere.energy.gov/femp/financing/uescs\\_capecanaveralagenda.html](http://www.eere.energy.gov/femp/financing/uescs_capecanaveralagenda.html).

## **DAY 1 – TUESDAY, MAY 1, 2007**

### **WELCOMING REMARKS**

#### ***Marlene Santos, Florida Power and Light (FPL)***

As Vice President of Customer Service, Marlene Santos welcomed FUPWG attendees. FPL is one of the largest and fastest-growing electric utilities in the United States, serving nearly 8 million people or half the State of Florida.

Ms. Santos emphasized FPL's commitment to providing reliable service amidst growing demand in Florida. In order to respond to increased demand and ensure reliable service, FPL is focusing on energy efficiency and load control, building new generation, and increasing emphasis on renewable energy. For more on FPL's energy efficiency program, please visit <http://www.fpl.com>.

### **FEMP WELCOME AND WASHINGTON UPDATE**

#### ***David McAndrew, Chair of the Federal Utility Partnership Working Group, FEMP, Department of Energy (DOE)***

David McAndrew welcomed new and current members to the FUPWG meeting. He is FEMP's Project Lead for Utility Energy Service Contracts (UESC) and state energy efficiency incentive programs and is responsible for technical review and approval of energy contracts and regulatory actions at DOE facilities.

Mr. McAndrew provided participants with an update on Administration policy and Congressional initiatives.

- FEMP Personnel Changes
  - Rick Khan is no longer the FEMP Program Manager
  - David Rodgers is currently serving as acting FEMP Program Manager
  - Shelley Fidler is serving as Senior Advisor to FEMP
- Focus on Increasing Renewables in Federal Facilities
  - Need input on how we can work together to implement more renewable energy projects
  - Utilities and Federal agencies need to work together to increase the procurement of renewable power for government facilities
  - Third-party financing is still a significant component
- Private Sector Financing
  - During FY 2007, third-party financing increased by 50 percent
  - UESCs will play a major role in project financing
- Status of Pending FUPWG Activities
  - FUPWG News – this electronic newsletter is prepared to keep working group members better informed and involved in FUPWG meetings and activities

- UESC Video Case Study – the video is in the development stage and will focus on the planning and implementation of a typical UESC facility project and the role of the contracting officer, facility engineer, utility representative, etc.
- Utility Survey – it is important that each FUPWG utility member complete the survey; the results will be shared with Federal agencies to encourage them to access the range of available utility services
- UESC Data Collection – FEMP is revising the data collection process to make it easier for Federal agencies and utilities to provide input and to collect, analyze, and report the data for efficiently.
- New Executive Order 13423 – Strengthening Federal Environmental, Energy, and Transportation Management
  - E.O. 13423 revokes previous orders
  - Directs agencies to include renewables when planning ESPC and UESC projects
  - Allows savings to be captured for reinvestment in energy and water efficiency projects
  - For more information, please visit:  
[http://www.gsa.gov/Portal/gsa/ep/contentView.do?P=MTL&contentId=22395&contentType=GSA\\_BASIC](http://www.gsa.gov/Portal/gsa/ep/contentView.do?P=MTL&contentId=22395&contentType=GSA_BASIC)
- National Defense Authorization Act of 2007
  - Repeals 10 USC 2865 (previous enabling UESC legislation)
  - Reaffirms Congressional and Presidential support for UESCs
  - Clarifies and expands authority of DOD facilities to work with utilities
  - Section 2911 requires DOD facilities to establish energy performance goals
  - Section 2912 requires that half of the savings at each DOD facility be implemented for additional environmental conservation measures (ECMs) and retained by the installation
  - Section 2913 removed the 10 year payback requirement for UESCs.
  - For more information, please visit:  
<http://www.govtrack.us/congress/bill.xpd?tab=summary&bill=h109-5122>
- GSA Area-Wide Contract (AWC) Guidance
  - GSA should be notified when a delivery order is issued
  - All delivery orders must comply with the GSA definition of an ECM

To view Mr. McAndrew's presentation, please visit:

[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_washingtonupdate.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_washingtonupdate.pdf).

## **RENEWABLE ENERGY GUIDANCE OVERVIEW**

### ***Chandra Shah, National Renewable Energy Laboratory (NREL)***

Chandra Shah is a Senior Project Leader with the NREL and FEMP Technical Assistance Team. Her presentation highlighted:

- EPACT 2005 Federal renewable goal
- New Executive Order 13423 and the Instructions to E.O. 13423

- Please visit:  
[http://www.gsa.gov/Portal/gsa/ep/contentView.do?P=MTL&contentId=22395&contentType=GSA\\_BASIC](http://www.gsa.gov/Portal/gsa/ep/contentView.do?P=MTL&contentId=22395&contentType=GSA_BASIC)
- EPACK and E.O. 13423 renewable goal guidance
  - Final guidance will be issued on June 27
- Federal renewable use update
  - As of September 2006, the Air Force, GSA, EPA, and DOE comprise approximately 75 percent of the Federal agencies buying renewable power/RECs.

To view Ms. Shah's presentation, please visit:

[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_shah.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_shah.pdf).

### ***Frank Hollifield, United States Air Force***

Coupled with Ms. Shah's Renewable Energy Guidance Overview, Captain Frank Hollifield presented an example of an innovative renewable energy project: Nellis Air Force Base Photovoltaic Power Project in Nevada. This project:

- Provides renewable utility service from a contractor-owned photovoltaic array to the Nellis AFB electrical distribution system.
- Utilizes a UESC.
- Supports the renewable energy goals as outlined in EPACK.
- Provides opportunity for sale of RECs to Nevada Power Company.

To view Captain Hollifield's presentation, please visit:

[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_hollifield.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_hollifield.pdf).

## **SUCCESS STORY: FLORIDA POWER AND LIGHT**

### ***Ed Anderson, P.E., Florida Power and Light***

Ed Anderson described a partnership between FPL and Patrick Air Force Base for a Base-Wide Comprehensive Energy Program (CEP). They completed a comprehensive site-wide audit and have divided the construction into a five phased projects. This project:

- Utilizes a comprehensive systematic program to implement a series of energy, demand, and water savings projects over the entire base with a holistic view instead of a building-by-building approach.
- Began execution of Phase One in September 2006, which utilizes:
  - Central chillers
  - An expansion of the EMCS
  - Decommission of the central steam plant.

To view Mr. Anderson's presentation, please visit:

[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_anderson.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_anderson.pdf).

## **FUPWG CHALLENGE UPDATE: STRATEGIC ACTION PLAN**

***David McAndrew, Chair of the Federal Utility Partnership Working Group, FEMP, Department of Energy (DOE)***

Mr. McAndrew presented the Draft of the FUPWG Strategic Action Plan (SAP) that was created from feedback and recommendations from the November 2006 FUPWG Meeting in San Francisco. The objective of the SAP is to present a strategy to help overcome the barriers in UESC project implementation with overarching goals to:

- Increase UESC project investment
- Increase the number of utilities engaging in UESCs with their federal customers

FUPWG meeting participants were given homework to read the entire SAP and make comments on a specified/assigned portion for discussion during facilitated group discussion on Day 2 of this meeting.

### **FACILITATED GROUP DISCUSSION**

#### **“LAUNCHING AGENCY AND UTILITY PARTICIPATION AND PROJECTS (UESC), LESSONS LEARNED, AND BREAKING DOWN THE BARRIERS”**

***Karen Thomas and Deb Beattie, National Renewable Energy Laboratory (NREL)***

Karen Thomas and Deb Beattie first presented an overview of Direct Assistance, then led the facilitated group discussion to provide a forum for individual discussion as well as explore issues and ideas for improving the effectiveness of FUPWG Direct Assistance. The following questions were discussed:

#### 1. What should FEMP change about direct assistance to streamline projects?

- Work state-by-state with PUCs to help utilities gain funding to provide feasibility study audits on Federal sites (for the benefit of EPACT and the E.O.)
- Play role in helping market programs to Federal customers if utilities are having general customer meetings
- DOE/FEMP road show that sends representatives to key utility management meetings
- Help utilities work more with civilian agencies
- Have Ed Anderson or Nellis presentations delivered to the Inter-Agency Task Force
- Top-down and bottom-up approach to help agencies' top management send out information on UESCs, available guidance, and services
- Public recognition for UESC awards

#### 2. What should utilities do?

- Help agencies and sites build the energy management plans

### 3. What should agencies do?

- Agencies need to get more involved
- More agency-wide briefings
- Agency-facility strategic plans

To view Ms. Thomas' and Ms. Beattie's presentation, please visit:  
[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_workingsession.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_workingsession.pdf).

## **NAVY TECHVAL UPDATE**

### **Paul Kistler, Department of the Navy**

Paul Kistler of the Navy provided an update of the Navy's TechVal Program, which is operated out of the Naval Facilities Engineering Service Center in Port Hueneme, California. This program was created by the Navy to assess the effectiveness and viability of technologies that have potential to reduce energy consumption, pursuant to the goals set forth in Energy Policy Act 2005 (EPACT05). He discussed the following technologies at various sites throughout the country:

- Vending Machine Occupancy Sensor
- LED Airfield Lighting
- Thermal Destratifiers
- Magnetic Bearing Chiller Compressor

**DAY 2 – WEDNESDAY, MAY 2, 2007**

## **ENABLING DOCUMENTS UPDATE**

### ***Karen Thomas and Deb Beattie, National Renewable Energy Laboratory (NREL)***

Ms. Thomas presented an update to the Enabling Documents. Modifications have been made to the document to reflect impacts of new legislative and executive actions and to reflect the current environment of financed energy projects. She provided an overview of modifications that include:

- Insertion of key text from 42 and 10 USC, and E.O. 13423
- Agency guidance modifications
- UESC contract types
- Sample documents and lessons learned documents

NREL plans to circulate the Draft of Enabling Documents to Subcommittee around July 16, 2007 and to post the Final Draft of Enabling Documents for comments around September 30, 2007.

## **AGENCY ENERGY PLANS AND AGENCY SCORE CARDS**

### ***Steve White, Department of Homeland Security (DHS)***

Steve White discussed the DHS's Energy Program, managed through the Energy Management Council. This program attempts to:

- Comply with requirements of Laws, Regulations and Executive Orders
- Apply sound business practices
  - Application of life-cycle costing methodologies
  - Program/project prioritization
- Coordinate programmatic efforts
- Leverage volume for better pricing

DHS received a "Green" score for status and "Green" score for progress on the FY2006 OMB Scorecard evaluation.

To view Mr. White's presentation, please visit:

[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_white.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_white.pdf).

### ***Ken Demers, Department of Veteran's Affairs (VA)***

Ken Demers presented the VA's Energy Management Action Plan. This energy conservation policy and action plan includes acquisition, investment, and conservation strategies to comply with Federal energy mandates as well as achieve internal energy initiatives and goals. The plan provides for:

- External energy management oversight
- The formation of a Energy Management Task Force to address five key energy challenges:
  - Optimally manage energy systems
  - Purchase energy wisely
  - Make prudent energy investments
  - Implement renewable and alternative energy purchasing projects
  - Understand what the VA is using and how much it costs

To view Mr. Demers' presentation, please visit:  
[http://www1.eere.energy.gov/femp/pdfs/fupwg\\_cc\\_demers.pdf](http://www1.eere.energy.gov/femp/pdfs/fupwg_cc_demers.pdf).

## **FACILITATED GROUP DISCUSSION**

### **“OBTAINING FEEDBACK AND INPUT FOR THE STRATEGIC ACTION PLAN”**

Participants were divided into four working groups of 15-20 people to discuss the following sections of the Strategic Action Plan (SAP): partnerships, marketing, direct assistance, and data collection. Each working group was led by a FUPWG Steering Committee member, who moderated and facilitated the session. The working groups provided valuable input into how to improve and streamline the SAP. The following outlines the key points from each discussion group:

#### 1. Partnerships

- Review the FUPWG charter, which establishes the relationship between FUPWG and EEI
- Draft and transmit a FUPWG letter to DOE Assistant Secretary Andy Karsner requesting that he address an upcoming EEI board meeting
- Work with Atlanta Gas and Light to obtain an entrée to AGA
- Include in the draft SAP, draft text mention of some additional existing partners – GSA, DOD, AGA
- Determine if other states have organizations similar to the New York State Energy Research and Development Authority (e.g. the Florida Solar Energy Center)
- Recommend that Assistant Karsner and the FEMP Program Manager meet with utility CEOs directly to describe the importance of offering UESCs to Federal customers
- Recommend that FUPWG draft a letter from GSA and FEMP to every utility CEO asking how their company can help Federal agencies achieve mandated energy management goals
- FEMP should get on the agenda for the EEI annual conference, which is attended by CEOs (this is different from the board meeting)
- FEMP should secure an invitation to be placed on the agenda of key utility industry (e.g. muni's, rec's, and gas utility) meetings
- Check out the “GasMart” meeting and determine if this is an appropriate venue for FEMP participation

- Develop a “welcome packet” providing information on Federal energy management and send to utility companies not involved in Federal programs. The package could include information from utilities describing how they developed their own UESC programs
- Encourage more partnerships between Federal agencies and participation in the FUPWG Steering Committee.
- Consider conducting a workshop for contracting officers
- Draft and transmit a FUPWG letter to Mark Ewing requesting that the GSA resume the agency’s “Get it Right” campaign - utility contracting workshops that were open to all Federal officials).
- Reestablish GSA’s public utility office
- Accept Jim Paton’s offer to encourage all U.S. Army installations to promote UESCs; he will use the chain of command to exert pressure and get the results.
- Investigate the opportunity for DOE to talk to the appropriate officials responsible for intervening on rate issues about Federal facilities’ special needs regarding incentives. GSA, DOD, and DOE should arrange this initiative and Linda Collins of GSA said she would discuss this idea with Mark Ewing of GSA’s Center of Excellence.
- Explore the opportunity to partner with the California Energy Commission.
- Identify and focus on UESC champions for each Federal agency. Ed Thibodo made a commitment to identify someone from the Northwest, foster them, and bring them to the next FUPWG meeting. He challenges others to do the same.
- Provide a clarification in the draft SAP (page 11, number 7) regarding the statement, “Provide” financing options – it is unclear who is supposed to do what to whom?
- Convene “Partnerships” working group meetings.

## 2. Marketing

- Conduct an analysis of current utility FUPWG members to determine the utilities’ Federal customer base
  - Examine and determine why some members have dropped their FUPWG membership
  - Welcome co-op, municipality, and gas company participation
  - Improve the FUPWG website and utilize and market the utility service survey
- Identify leading facilities that have used UESCs and their utility providers that are actively involved in project financing
  - Contact the utilities to determine what project-financing services they provide
- Target agencies and utilities not currently offering project financing to market this service
  - Encourage former FUPWG members to rejoin the working group
  - Encourage agencies to request that their utility providers join FUPWG

- Encourage FUPWG members to increase their participation in the SAP activities
  - Improve accessibility of the FUPWG website and online resources
  - Attempt to enlist Assistant Secretary Karsner's assistance and support
  - Reach out to relevant organizations and conferences for "cross-fertilization" activities
  - Prepare and publish marketing/promotional materials

### 3. Direct Assistance

- Share FEMP's Strategic Action Plan with the utilities; include the utilities in long-term strategic planning; start with a broad plan to avoid cherry-picking
- Obtain the Federal Government's commitment – everyone, including decision makers need to be involved in discussions; the government needs to understand that the utility is taking a risk; if the project is cost-effective, the customer should be pre-committed.
- Ensure that the virtual Center of Expertise is accessible; people want to learn about what others know/experience
- Recommendations for changes to the Direct Assistance workshops include:
  - Include slides used for other UESC training workshops
  - Encourage participation in utility training programs
  - Secure funding for participation in briefings and trainings in order to make it feel more local
  - Consider conducting utility-focused workshops
- Work with marketing group to attract new utility participation; prepare a business case for selling the Utility Program
- If utilities hear from agencies, this will generate the interest of upper management – Assistant Secretary Karsner should speak to utility CEOs (utilities are extremely risk adverse and could benefit from his encouragement)
- Travel resources and funding are low; recommendation of web-casting

### 4. Data collection

- Obtain "real-time" data – project-level information is needed on an ongoing basis to track current and future project implementation trends
- Develop template for data collection
- Determine if additional data should be collected that would be useful for case studies
- Recommend that FEMP serve as the designated collection point for project data
- Recommend that if above task is not possible, ask agencies to centralize their data collection and provide data to FEMP; a centralized system for data management by each agency would be helpful to FEMP, similar to the current way the Navy manages their data
- Utilities and subcontracted ESCOs continue to hold the best source of data because they develop the feasibility studies, which contain the key pieces of data

- Agencies may be a key source of data – but there is a significant lag time for agencies to receive project-level data from their regions/installations
- FEMP can play a major role in helping to obtain project level data from the agencies through working with the Interagency Energy Management Task Force

## **CLOSING REMARKS**

***David McAndrew, Chair of the Federal Utility Partnership Working Group, FEMP, Department of Energy (DOE)***

Mr. McAndrew provided closing remarks and requested the submittal of meeting evaluations from participants. He thanked key staff that assisted with meeting implementation. Finally, he formally thanked Mike Philo of FPL and FPL for their instrumental help as host of the Spring 2007 FUPWG Meeting.