

Federal Performance Contracting Coalition (FPCC)
Comments on
“Proposed OFPP Policy Letter”
February 26, 2008

The Federal Performance Contracting Coalition (FPCC) is a group of Energy Services Companies (ESCO) advocating for increased federal use of Energy Savings Performance Contracts (ESPCs). The FPCC is the primary organization representing the ESPC industry. Our members, who represent 90% of the Federal ESPCs, include: Ameresco, Chevron, Constellation Energy, Honeywell, Johnson Controls, Noresco, Siemens Building Technology and the Trane Company.

Our comments pertain to Section F(2) of the OFPP Policy letter “Service Contracts, Energy Efficiency”.

First, the FPCC appreciates that the policy letter both authorizes and encourages the use of Energy Savings Performance Contracts in reducing energy use across Federal facilities. This is consistent with the Energy Policy Act of 2005, EISA of 2007, recent executive orders, and directives by this Administration.

We are also glad to see reiteration in the OFPP Policy Paper on agency ability to use a combination of appropriations and private financing to carry out their energy efficiency goals. We would, however, prefer language on financing flexibility that is consistent with the Executive Order 13423. That language specifically reads:

- “Appropriated funds may be combined with ESPCs and UESC to leverage government funding and optimize project scope and reductions in energy use and cost of facility operations”.

Therefore, our suggested changes to the Policy Paper are as follows:

- 1) Add “water management” to first sentence after “energy efficiency” and before “sustainable building”
- 2) Insert as a second sentence the following:

“When using the ESPC and UESC programs, agencies should implement projects with Energy Conservation Measures (ECMs) having long- and short-term payback periods that can be incorporated into life-cycle cost effective contracts.”

Note: This language mirrors the language in the Instructions for Implementing E.O. 13423, page 12, March 2007

- 3) Delete the phrase which ends the paragraph: “by covering its up front costs, as long as the entire project’s future cost savings exceed the amounts required over time to repay the private financing.”

This phrase does not reflect the Instructions for Implementing E.O. 13423. In fact, it contradicts the instructions by adding a new restriction to the program.

Replace this phrase with the following to end the sentence and paragraph:

“to leverage government funding and optimize project scope and reductions in energy use and cost of facility operations.”

Note: This language mirrors the language in the Instructions for Implementing E.O. 13423, page 12, March 2007