



Energy Legislation and Mandates

The Energy Bill



STALLED

Energy Bill



- **Title I – Energy Efficiency**
 - Energy and Water Saving Measures in Congressional Buildings
 - New Energy Reduction Goals for Federal Facilities
 - Metering Requirement for All Federal Buildings
 - Energy Star Products Procurement
 - ESPC Reauthorization: Permanent + Water
 - Pilot Program for Non-Buildings
 - Advanced Building Efficiency Test Bed
- **Title II – Renewable Energy**

Why Stalled?



- **Conference Report**
- **Passed by House**
- **Senate was 2 votes short for Cloture to end debate (60 votes needed)**
- **Issues: MTBE liability & ethanol subsidies**
- **Regional differences – not just political**

Stalled ESPC Projects



- **60 Projects Nationwide**
- **\$400 Million in Investment**
- **4000 Jobs**

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ESPC Stalled Projects Nationwide

Anniston Army Depot, AL	McNamara Federal Building, MI	Fort Sam Houston, TX
Barstow MC Logistics Base, CA	Fort Leonard Wood, MO	Lackland Air Force Base, TX
Federal Courthouse, CA	Whiteman Air Force Base, MO	LBJ Presidential Library, TX
Fort Irwin, CA	Columbus Air Force Base, MS	Naval Region South, TX
Hagel Federal Building, CA	Gulfport Naval Center, MS	Pantex Plant, TX
Lawrence Livermore National Labs, CA	Keesler Air Force Base, MS	William Beaumont Army Medical Center, TX
Twentynine Palms, CA	Stennis Space Center, MS	Dugway Proving Grounds, UT
NASA Jet Propulsion Lab, CA	EPA Research Triangle Park, NC	Abingdon Federal Building, VA
Vandenberg Air Force Base, CA	Camden US Post Office, Courthouse & Annex, NJ	Harrisonburg US Courthouse, VA
Fort Carson, CO	Southwest Indian Polytechnic Institute, NM	Poff Federal Building, VA
Jacksonville Naval Air Station, FL	White Sands Missile Range, NM	Bangor US Naval Sub Base, WA
Key West Naval Air Station, FL	National Nuclear Safety Administration, NV	Fort Lewis, WA
Mayport Naval Station, FL	Nellis Air Force Base, NV	GSA Jackson Federal Building, WA
Kings Bay Naval Submarine Base, GA	Fort Drum, NY	McChord Air Force Base, WA
Pearl Harbor Naval Complex, HI	US Military Academy at West Point, NY	US Coast Guard Facilities, Various Sites in WA
Argonne National Lab, IL	HIS Lawton Indian Hospital, OK	GSA Border Stations, Various Sites in US
Harold Washington Social Security Center, IL	Corpus Christi Army Depot, TX	
Railroad Retirement Board, IL	Darnall Medical Center, TX	
Barksdale Air Force Base, LA	Fort Bliss, TX	
White Oak Federal Building, MD	Fort Hood, TX	
Detroit Arsenal, MI		

ESPC Reauthorization Alternative



- **FY05 Defense Authorization Bill**
- **Senate Amendment to reauthorize ESPC until October 2005**
 - All Agencies – not just DOD
 - Includes Water
 - Wide bi-partisan support
- **House version of bill does NOT contain this provision**
- **Must be worked out in House-Senate Conference Committee**

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ESPC Reauthorization CBO Scoring Problem



- **Congressional Budget Office (CBO) is scoring ESPC legislation for the first time**
- **The total anticipated investment is scored up-front**
 - 1 year extension = \$267 million
 - Permanent extension = \$3 billion
- **CBO views ESPC authority as a new obligation to pay and therefore, scores it**
 - No offset for savings
- **This has been a BIG Problem**

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ESPC Reauthorization Outlook



- Conferees back to work in September
- Industry is lobbying hard
- Congress may have a “lame duck” session after the election to complete the Defense bill

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The Washington Post

AN INDEPENDENT NEWSPAPER



Silver Lining

AT A TIME when many are deploring the disappearance of bipartisanship and civility from the Senate floor (see above), it's worth noting that a stunning range of senators, from Hillary Rodham Clinton (D-N.Y.) to Dianne Feinstein (D-Calif.) to James M. Inhofe (R-Okla.) are supporting a substantive and valuable program, which is also backed by the Teamsters, the secretary of energy and the Sierra Club. The program in question is known by the unwieldy name of Energy Savings Performance Contracting (ESPC). In essence, it allows the federal government—the largest energy consumer in the country—to use private financing in order to upgrade buildings and military facilities and make them more energy-efficient. Contractors are paid afterward, out of savings generated by their work, and indeed must actually guarantee that there will be more money saved than spent. Over time, the savings may be substantial. The Department of Energy estimates that ESPC projects already completed or underway in 46 states will conserve enough energy to heat and

light 200 million American homes for a year, and save taxpayers some \$4 billion by cutting the federal government's energy bills.

Unfortunately, the program, originally set up in 1992, expired in October of last year, after Congress failed to pass any of several energy bills that would have reauthorized it. In the meantime, the Congressional Budget Office changed its accounting rules and decided to score the program—meaning that it technically counts as a budget expenditure—even though it saves money in the long term. For that reason, Congress has found it hard to move on the issue. Some 50 energy-saving projects across the country are stalled as a result, and several thousand jobs are at risk.

Now, however, in a grand and welcome show of civility, the Senate has passed an amendment to the defense reauthorization bill that would bring this small program back to life. **Senators and their counterparts in the House should make sure that it remains part of the bill through the conference process.** A little bit of goodwill would be a sad thing to waste.