



Evaluating Alternatively Financed Energy Project Proposals



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Governing Legislation

Utility Energy Services Contracts

Authority derived from 42 USC 8256

(a)(1) Each agency shall establish a program of incentives for conserving, and otherwise making more efficient use of, energy as a result of entering into contracts under subchapter VII of this chapter.

(c)(1) Agencies are authorized and encouraged to participate in programs to increase energy efficiency and for water conservation or the management of electricity demand conducted by gas, water, or electric utilities and generally available to customers of such utilities.

(c)(2) Each agency may accept any financial incentive, goods, or services generally available from any such utility, to increase energy efficiency or to conserve water or manage electricity demand.

(c)(3) Each agency is encouraged to enter into negotiations with electric, water, and gas utilities to design cost-effective demand management and conservation incentive programs to address the unique needs of facilities utilized by such agency.



Governing Legislation

10 USC 2865 required “ECPs shall be limited to those projects with a positive net present value over a period of 10 years or less.”

10 USC 2865 has been repealed and replaced by 10 USC 2911 that states “...achieve energy savings over the life-cycle of the equipment or system...”



UESC Evaluation Criteria

Each agreement with the serving utility may be and probably is unique to that utility.

The Navy typically uses Basic Ordering Agreements and they vary from region to region.

Best practice is to become very familiar with the agreement and follow it's terms and conditions.



UESC Evaluation Criteria

There is no substitute for common sense, at the very least:

Make sure the project will not save more energy than the facility consumes.

Take a look at the technology being proposed e.g. the manufacturer, other customers, other installations, FEMP, etc.

Ensure the project has financing priced to Government Credit, not to the Utility Company's Credit.



Would you like to know more about this session?

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- Don't forget to fill out and drop off your session evaluations.



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