

# **Strengthening Federal Environmental, Energy, and Transportation Management**

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# Why the 1/24/2007 EO?

## Existing executive orders:

- Did not include all current Federal stewardship efforts (i.e., sustainable buildings, electronics stewardship).
- Needed to be updated to address EPA Act 2005, Farm Bill, outdated elements of prior orders, and other legislation and technology developments.

# **Why a new EO and why now? (cont.)**

## **Existing executive orders:**

- **Were not integrated into a cohesive environmental and energy management strategy.**
- **Had redundant reporting requirements.**

# **What is the new Executive Order?**

- Moving forward by consolidating and updating the goals, practices, and reporting requirements of several existing environmental, energy, and transportation executive orders.**
- Provides a holistic approach to integrating energy, environment, human health considerations into mission implementation.**
- Consolidates five prior orders and two Memoranda of Understanding into one order, 85 pages down to 7 plus instructions.**

# What is the new Executive Order?

- **More aggressive goals for energy efficiency, renewable energy, water conservation, acquisition, pollution prevention/recycling, high performance buildings, fleet management, and electronics stewardship**
- **Clarifies and strengthens role of EMS as the foundation management framework to meet the goals of the order (including compliance management).**
- **Clarifies roles of CEQ, OMB, FEE, Heads of Agencies, and Senior Officials.**
- **More closely aligns environmental and energy requirements with performance scorecards approach.**

# Structure of New EO

- **Overarching policy and commitment statement.**
- **Performance goals in areas of environment, energy, and transportation.**
- **Roles and Responsibilities, including clarifying roles of CEQ, OMB, and FEE.**
- **Updated Limitations, Definitions, Exemptions, and General Provisions.**

# Implementation Requirements

- **Complementary instructions define implementation requirements to meet agencies' goals.**
- **Each practice and goal defined in the EO has a corresponding implementation requirements section.**
- **Instructions are mandatory and conform to EO.**

# What Happens Next

- Current activities stay in effect until modified.
- Senior Officials were named .
- All current working groups stay in effect with current leadership until further notice.
- Implementation Instructions were issued.

# Performance Goals

- **Energy Efficiency**: reduce energy intensity by (i) 3 percent annually through FY 2015, or (ii) 30 percent by FY 2015, relative to the FY 2003 agency's energy use baseline.
- **Renewable Energy**: (i) at least half of an Agency's statutorily required renewable energy consumed comes from new renewable sources, and (ii) the agency implements renewable energy generation projects on agency property.
- **Water Conservation**: reduce water consumption intensity, through life-cycle cost-effective measures by 2 percent annually through FY 2015 or 16 percent by FY 2015 relative to the agency's FY 2007 water consumption baseline.

## Performance Goals (cont.)

- **Sustainable Acquisition**: acquisition of goods and services must use: (i) sustainable environmental practices, and (ii) paper of at least 30 percent post-consumer fiber content.
- **Prevention of Pollution and Management of Toxic and Hazardous Materials**: agency must: (i) reduce the quantity of toxic and hazardous chemicals and materials, (ii) increase diversion of solid waste, and (iii) maintain cost-effective waste prevention and recycling programs in its facilities.

# Performance Goals (cont.)

- **Sustainable Buildings**: ensure: (i) new building construction and major renovation comply with “Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings” and (ii) 15 percent of Agency’s FY 2015 capital asset building inventory incorporates the sustainable practices in the “Guiding Principles.”

## Performance Goals (cont.)

- **Fleet Management**: an agency : (i) reduces the fleet's total consumption of petroleum products by 2 percent annually through FY 2015, (ii) increases non-petroleum-based fuel consumption by 10 percent annually, and (iii) uses plug-in hybrid vehicles when available at a reasonable life-cycle cost.
- **Electronics Stewardship**: an agency: (i) meets at least 95 percent of electronic product requirements with “Electronic Product Environmental Assessment Tools (EPEAT)” (ii) enables the Energy Star feature on agency computers and monitors, (iii) extends the useful life of agency electronic equipment, and (iv) uses environmentally sound disposition practices for electronic equipment.

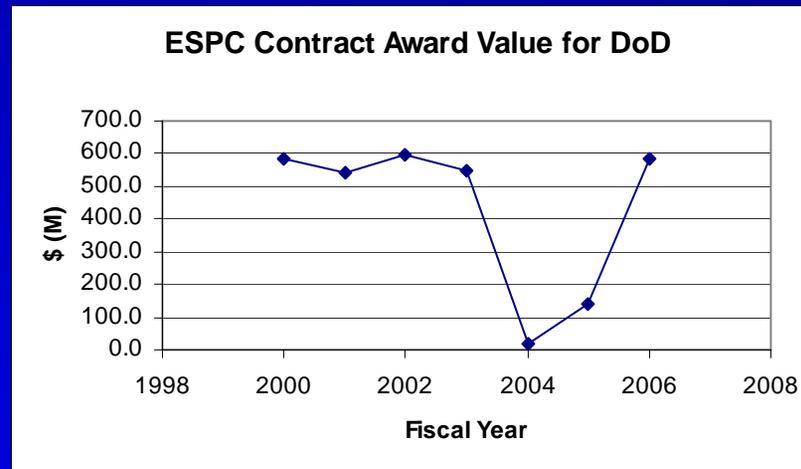
# DoD's Energy Savings Performance Contracts (ESPC)

- The Energy Policy Act of 2005 authorized ESPCs which have terms of up to 25-years and contain contractor-guaranteed cost savings to repay contractor's investment in the energy savings equipment installed.
- ESPC comprises the largest source of energy conservation investment, approximately 50%, for DoD. The EPAct 2005 extended authority until FY 2016.

# ESPC and Renewable Energy

- With DOE, DoD works with commercial sector partners on alternate financing for renewable energy projects.
- Defense Energy Support Center is generating a mass replication ESPC contract to deliver renewable energy applications to multiple installations.

# Historical ESPC Awards



Cumulative ESPC accounts for 3.5 percent of the DoD 5.5 percent reduction from FY 2003 – FY 2006. (63.6 percent of the total reduction.) DoD could not have met the reduction requirement without the use of ESPC.

FY	2003	2004	2005	2006
# Contracts	34	5	15	18
\$M Awarded	549.9	16.2	140.9	588.4
Annual MMBtu	1,619,000	149,000	457,000	1,326,000
Annual % of DoD electrical consumption (2003 baseline)	1.6 %	0.15 %	0.45 %	1.3 %
Cumulative % of DoD electrical consumption	1.6 %	1.8 %	2.2 %	3.5 %

# Energy Conservation Investment Program

- Energy Conservation Investment Program (ECIP) – An OSD-managed project-oriented, Defense-wide MILCON account with \$70M being authorized in FY 08 ramping up to \$120M in FY 13.
- ECIP represents the only direct DoD investment in conservation, and has strong OMB support!
- DoD uses ECIP to fund projects with the best savings-to-investment ratio, but is increasing renewable energy development.
- The FY 07 program includes \$19.6M in renewable energy projects and \$3.3M in hydrogen fuel cell projects.