



Federal Clean Energy Leadership:

*Bridging the Gap Between
Policy and Practice*

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Federal Agency Energy/Environmental Policy Can Scale Clean Energy Deployment

- Federal Government is the nation's largest energy consumer
- Federal Government must “lead by example” to “create a clean energy economy” (Executive Order 13514)
- But, the gap between policy goals and practicalities of procurement persists.

Agency Power Procurement: *Bottom Line*

- Clean energy deployment goals...
 - *Use “life-cycle costing and innovative procurement methods...to accelerate the growth of a commercially viable photovoltaic industry.” 40 U.S.C. 3177(a)(2).*
- ...at odds with practicalities of procurement
 - *Most agencies rely on RECs to meet renewables requirements*
 - *Many agencies not on target to use 7.5% renewables by 2013*
- Project risks, budgetary pressures lead to lowest hanging fruit, not market-driving purchases
 - *E.g. low-cost RECs vs. long-term solar PV PPAs*

BRIDGING THE GAP

POLICY

- Deploy renewables
- Commercialize Cleantech
- Reduce GHGs
- Save Energy

Procurement Leadership

- Shared goals btw. policy officials and contracting officers
- Long-term PPAs
- Innovative ESPCs

PRACTICE

- Limited Budgets
- Reliability
- Project Risk
- Constraints on contracting officers

State Law: *Constraints and Conflicts*

- In States without renewable portfolio standards, generating/swapping RECs can be challenging
- Some States do not allow 3rd party PPAs
 - Considered a violation of utility's assigned service territories
 - But, some states expressly allow "retail access" to non-utility renewable electricity generators (e.g. OR, CA)

Leadership at State Department

- Last month, issued an RFI soliciting 20-year PPA for 120,000 MWh of renewable energy at \$ 0.12/kWh



PPA for Dept of State through Federal Prison Industries
RECOVERY
Solicitation Number: EP2648-10
Agency: Department of Justice
Office: Federal Prison Industries/UNICOR
Location: Procurement Branch

- Includes firm transmission, capacity, ancillary services and environmental attributes (RECs), plus natural gas generation firming capacity
- To serve buildings in Washington DC and Maryland (PJM territory)

Opportunity Abounds

- Renewable electricity and energy conservation measures available at increasingly lower costs
- Innovative project structures offer new sources of third party capital (e.g. Sec. 1603 tax credits)
- Double Credit opportunity on Federal/Indian lands remain untapped
- Wholesale solution to “retail access” barriers for Federal PPAs with 3rd parties (not utilities)?
- Need to unify priorities for policy officials and contracting officers



For more information

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