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What's New in Federal Energy Management

Program Overview

"The bottom line is this: energy efficiency is good politics and good business. It creates jobs here in the U.S. And we're simultaneously saving the taxpayer's money."

—Vice President Gore, Press conference,
Executive Order 12902: Energy-Efficiency
and Water Conservation at Federal Facilities.
Washington, D.C., March 9, 1994.

Energy Efficiency and Resource Conservation Challenge

Federal purchasing practices lower costs and conserve resources

Each year, the Federal Government purchases an estimated \$10–20 billion in energy-related products. As the world's largest customer, the Federal Government can greatly affect the availability and cost of products and technologies that save energy and conserve our natural resources.

What is the Challenge?

The Energy Efficiency and Resource Conservation Challenge is a voluntary, government-wide commitment that uses the buying power of the Federal Government to

- Support and expand markets for today's "best-practice," energy-efficient, renewable, and water-conserving products
- Create new entry markets for advanced, energy-saving technologies and products

- Lower the costs of efficient products for all consumers by providing a large, reliable market
- Reduce operating costs for Federal agencies, saving taxpayers' money
- Reduce Federal energy use and greenhouse gas emissions
- Provide a model for other levels of government, corporate, and institutional purchasers.

The Challenge was initiated by the U.S. Department of Energy (DOE) Federal Energy Management Program (FEMP) and cosponsored by the Council on Environmental Quality and the Office of Management and Budget Office of Federal Procurement Policy. The purpose of the Challenge is to assist agencies in meeting the energy and water conservation goals of the Energy Policy Act of 1992 (EPACT) and Executive Order 12902.

EPACT and the Executive Order direct agencies to buy products in the upper 25% of energy and water efficiency for comparable products or at least 10% more efficient than the DOE-issued national standards. In addition, DOE is directed to work with Federal agencies to assess use of Federal buying power to create entry markets for new technologies that are fully developed but not yet available.

More than 21 agencies, representing about 95% of the buying power of the Federal Government, have agreed to participate in the Challenge.

How does Challenge participation benefit Federal agencies?

Federal agencies participating in the Challenge can reduce operating costs significantly by buying and installing energy-efficient and resource-conserving equipment.

Photo courtesy of General Services Administration/PIX#1499

The General Services Administration is working with FEMP to make it easy for procurement officials to locate energy-efficient products.

U.S. Department of Energy

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Photo courtesy of Defense Logistics Agency/PIX#1500

Defense Logistics Agency assists FEMP by publishing catalogs of energy-efficient products for its Federal customers.

For example, selecting best-practice products often saves 25% in energy use. Best-practice models are typically the better choice when selection is based on life-cycle cost, which considers the operating cost of the product over its lifetime. For example, energy savings from a difference in purchase price of \$229 between a standard-efficiency, 25-horsepower motor and a high-efficiency model may be recovered in 18 months. For some products, such as fluorescent lamp ballasts, high-volume buying of best-practice products achieves energy savings with little or no premium in purchase price.

As supply agencies to the Federal Government, the General Services Administration and Defense Logistics Agency are working with FEMP to develop a system to identify best-practice products available from Federal supply services. This will make it easy for procurement officials to find such products, both electronically and through catalogs and schedules.

The FEMP Products Working Group provides agency representatives with a forum for exchanging ideas on agency implementation programs. FEMP also provides a link to activities at the state level through the Energy-Efficient Procurement Collaborative.

Participation in the Challenge also brings recognition. A public signing ceremony in September 1995 recognized the leadership and contributions of the initial 21 participating agencies and departments in the Challenge. Outstanding individuals or teams are also recognized for their contributions to energy-efficient procurement through the FEMP Federal Energy and Water Management Awards.

How does the Challenge assist commercialization of new technologies?

The Challenge provides Federal agencies with a coordinated approach to help bring to market new technologies that are not yet widely available. FEMP brings together industry and Federal procurement officials to share their views on innovative solutions. This knowledge will be shared with other agencies through a series of fact sheets.

FEMP is also working with industry and Federal procurement officials to determine which products and technologies would have the greatest potential for market entry through Federal buying practices.

The study will include a model for proposed improvements to existing methods of providing this market entry. The results will provide the groundwork for agencies to take advantage of new technologies that have the most potential benefit with the least amount of administrative investment.

How does the Challenge benefit taxpayers and consumers?

Consumers benefit from greater availability and lower prices for best-practice products and from the quicker and more reliable market entry of innovative products and technologies. Citizens and taxpayers benefit from Federal cost savings by as much as \$900 million per year, and from reduced greenhouse gas emissions by as much as 11 million metric tons of carbon dioxide.

How do Challenge participants get started?

FEMP provides Challenge participants with technical support and a variety of tools to assist them in achieving Challenge goals. FEMP publishes *Product Recommendations*, which identifies energy efficiency criteria for best-practice products. These recommendations are available for a variety of products in an easy-to-use format for Federal procurement officials and product specifiers.

To request copies of *Product Recommendations*, call the FEMP Help Desk number listed below.

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