

Cross Agency Priority Goal Quarterly Progress Update

Climate Change (Federal Actions)

Federal Government Energy Consumption and Energy Efficiency

Goal Leaders:

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FY 2016 Quarter 4

Goal Statement (revised in response to EO 13693)

Increase Federal government consumption of electricity from renewable sources to 30% by 2025 and improve energy efficiency at Federal facilities including \$4 billion in performance contracts by the end of 2016 as part of the wider strategy to reduce the Federal government's direct greenhouse gas emissions by at least 40 percent from a 2008 baseline.

Urgency (revised in response to EO 13693)

On March 19, 2015, President Obama issued [Executive Order 13693](#) (EO), "*Planning for Federal Sustainability in the Next Decade*," which expanded this cross-agency priority goal to include the following:

- **Greenhouse Gas Emissions:** Reduce direct greenhouse gas emissions by at least 40 percent by 2025 from a 2008 baseline.
- **Renewable Electricity:**
 - 10 percent in fiscal years 2016 and 2017
 - 15 percent in fiscal years 2018 and 2019
 - 20 percent in fiscal years 2020 and 2021
 - 25 percent in fiscal years 2022 and 2023
 - 30 percent by fiscal year 2025 and each year thereafter
- **Performance Contracting:** \$4 billion in Federal performance-based contracts awarded to improve energy and water efficiency in Federal buildings by the end of calendar year 2016. Beginning in 2017 and each year thereafter, agency Strategic Sustainability Performance Plans will include agency performance contracting goals for the following two fiscal years.

Vision

- The U.S. government must lead by example. Experience shows that reductions in GHG emissions and increased consumption of renewable energy are both possible while continuing to deliver the mission and may increase mission readiness while saving money.

Progress update

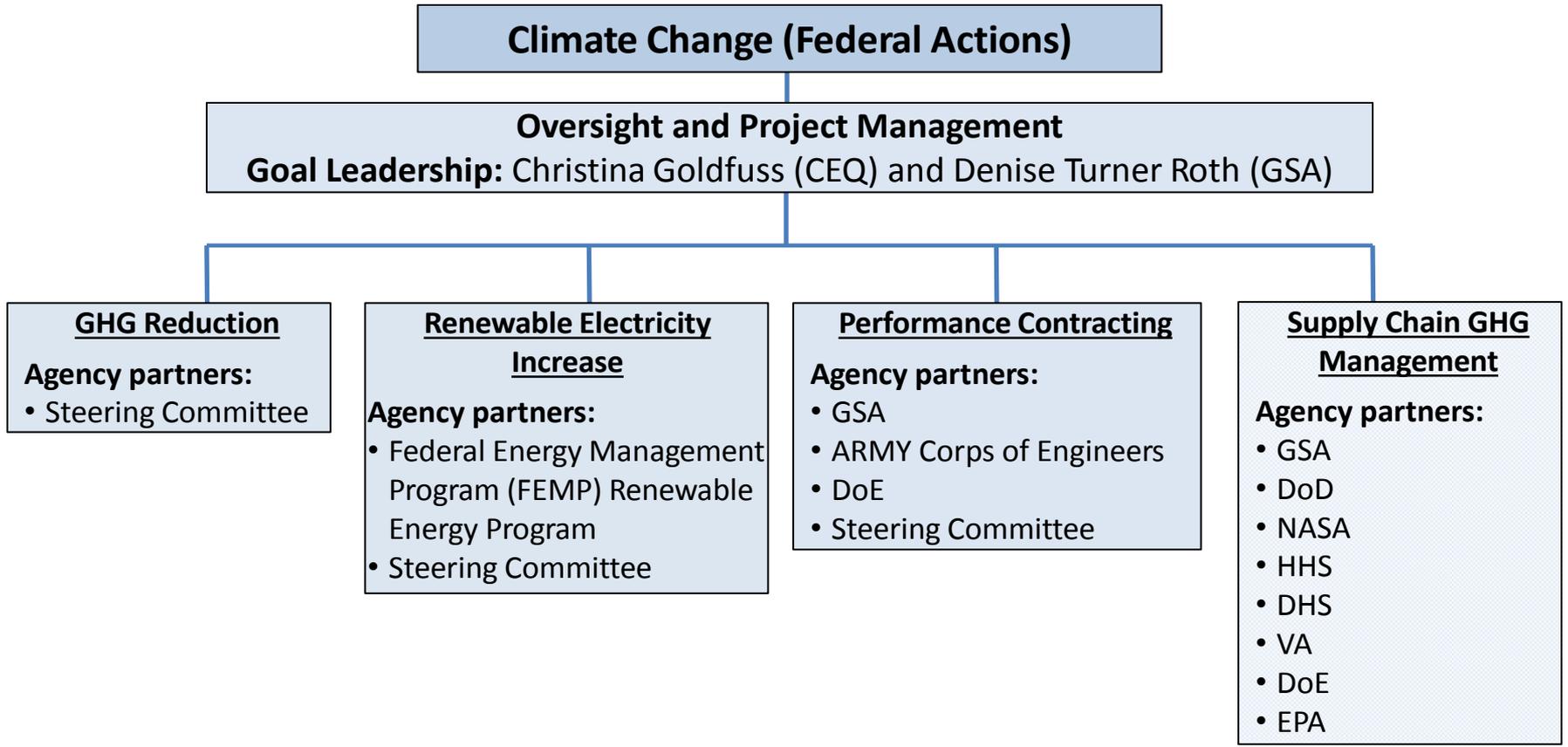
Status

- By the end of FY 2015, direct GHG emissions declined 17.6% and estimated Indirect GHG emissions decreased 17.5%, both from an FY 2008 baseline. The reduction goal for direct GHG emissions is 40% by 2025, and the reduction goal for Indirect GHG emissions is 13% by 2020, which has already been exceeded.
- At the close of FY 2015, the Renewable Electricity goal of 7.5% in FY 2014 was exceeded as the Federal community reached a level of 8.3% of total electricity use. The new goal under E.O. 13693 is 30% by 2025.
- The President's Performance Contracting Challenge (PPCC) goal is for Federal agencies to commit \$4 billion to performance contracts by December 2016. As of September 2016, agencies have awarded contracts for projects valued at \$3.391 billion with agency identified projects totaling \$6.21 billion (awarded + pipeline).

Progress Q4, FY 2016

- In August, the U.S. Army announced that it had achieved \$1 billion in energy-saving projects in response to the Administration's Presidential Performance Contracting Challenge. In less than five years, the Army has engaged in 127 energy-efficiency-focused projects with the private sector, aimed at making energy saving upgrades to Federal buildings. These upgrades will use long-term energy savings to pay for up-front costs, at no cost to taxpayers. The Army's achievement represents 33 percent of the Federal government's current contribution toward the President's \$4 billion dollar goal.
- During this quarter, Federal agencies made further progress towards the President's Performance Contracting Challenge. Agencies awarded 18 new projects worth \$220 million.

Governance (revised in response to EO 13693)



Governance: The overarching governance is the same for all four sub-goals, and the participation at the team lead and agency partner level represents the varying specific tasks in the work plan. The co-leads will utilize the Interagency Steering Committee on Federal Sustainability to support and provide additional feedback for this goal.

Action Plan Summary

| Sub-goal | Major Actions to Achieve Impact (Lead Agency) | Key Indicators |
|--|--|---|
| <p>GHG Emissions: Reduce GHG emissions by the Federal government for Scope 1 and 2 by 40% by 2025</p> | <ul style="list-style-type: none"> • Reduce GHG direct and indirect emissions (all reporting agencies)(ongoing) • Track GHG emissions (Department of Energy (DoE) & all reporting agencies) • Provide training for agencies in reduction techniques (DoE and GSA)(completed) • Provide training for facility managers (DoE, GSA & Department of Defense (DoD)) | <p>GHG emissions inventory and agency annual reports</p> |
| <p>Renewable Electricity: Increase renewable electricity consumed by the Federal government to 30% by 2025</p> | <ul style="list-style-type: none"> • Implement renewable energy efforts at Federal facilities (all agencies) • Provide procurement support for acquisition of renewable energy (GSA, Defense Logistics Agency (DLA)) • Provide technical support regarding potential renewable energy projects (DoE) | <p>New renewable electricity (kWh) as a percent of total electrical consumption</p> |
| <p>Performance Contracting: Improve energy/water efficiency in Federal buildings through the use of Energy Savings Performance Contracts (ESPCs) or Utility Energy Service Contracts (UESCs)</p> | <ul style="list-style-type: none"> • Provide models/templates for deep retrofits using ESPCs and UESCs (GSA, DoE) • Provide procurement support to agencies (GSA, DoE, DLA, USACE) • Convene quarterly check in meetings with agency Chief Sustainability Officers (CEQ) • Improve data quality and availability (DoE) | <p>Public indicator: Number and value of Federal investment and guaranteed energy savings of implemented projects</p> |
| <p>Supply Chain GHG Emissions: managing and reporting contractor emissions associated with government contracts. This new subgoal was added after an internal review to align with emerging practices that support the sustainability objectives of E.O. 13693.</p> | <ul style="list-style-type: none"> • Expand tracking of contractor GHG management practices via the CDP Supply Chain annual survey (GSA) • Build and publish a dashboard linking survey data to contract data, allowing agencies to easily track contractors' GHG disclosures and targets (GSA) | <p>Percent of Federal (and per-agency) spend going to contractors who have publicly declared a GHG reduction target</p> |

Work plan

Purpose

- Mitigate the effects of Federal government operations on climate change

Barriers/Challenges

- As GHG reductions are achieved, identifying and pursuing additional reductions will require continued interagency coordination and effort.
- Performance contracting efforts will require interagency focus to identify and resolve common process barriers and increase energy savings.
- Onsite production of renewable energy may be limited by the location of the Federal property.

Milestone Summary

| Key Milestones (FY16 and beyond) | Owner | Milestone Due Date | Milestone Status | Comments |
|--|----------|--------------------|------------------|---|
| Provide advice and guidance about potential renewable energy projects (upon demand) | DoE/FEMP | Ongoing | On track | Ongoing discussions with agencies |
| Provide agency support for renewable energy projects that utilize GSA procurement authority and contract personnel (upon demand) | GSA | Ongoing | On track | Ongoing discussions with agencies |
| Provide updated training on energy reduction (upon demand) | DoE/FEMP | Ongoing | On Track | See http://apps1.eere.energy.gov/femp/training/ |
| Provide assistance to agencies based on their performance in monthly reports on President's Performance Contracting Challenge (PPCC) (upon demand) | DoE | Ongoing | On track | Ongoing discussions with agencies |

Work plan (cont.)

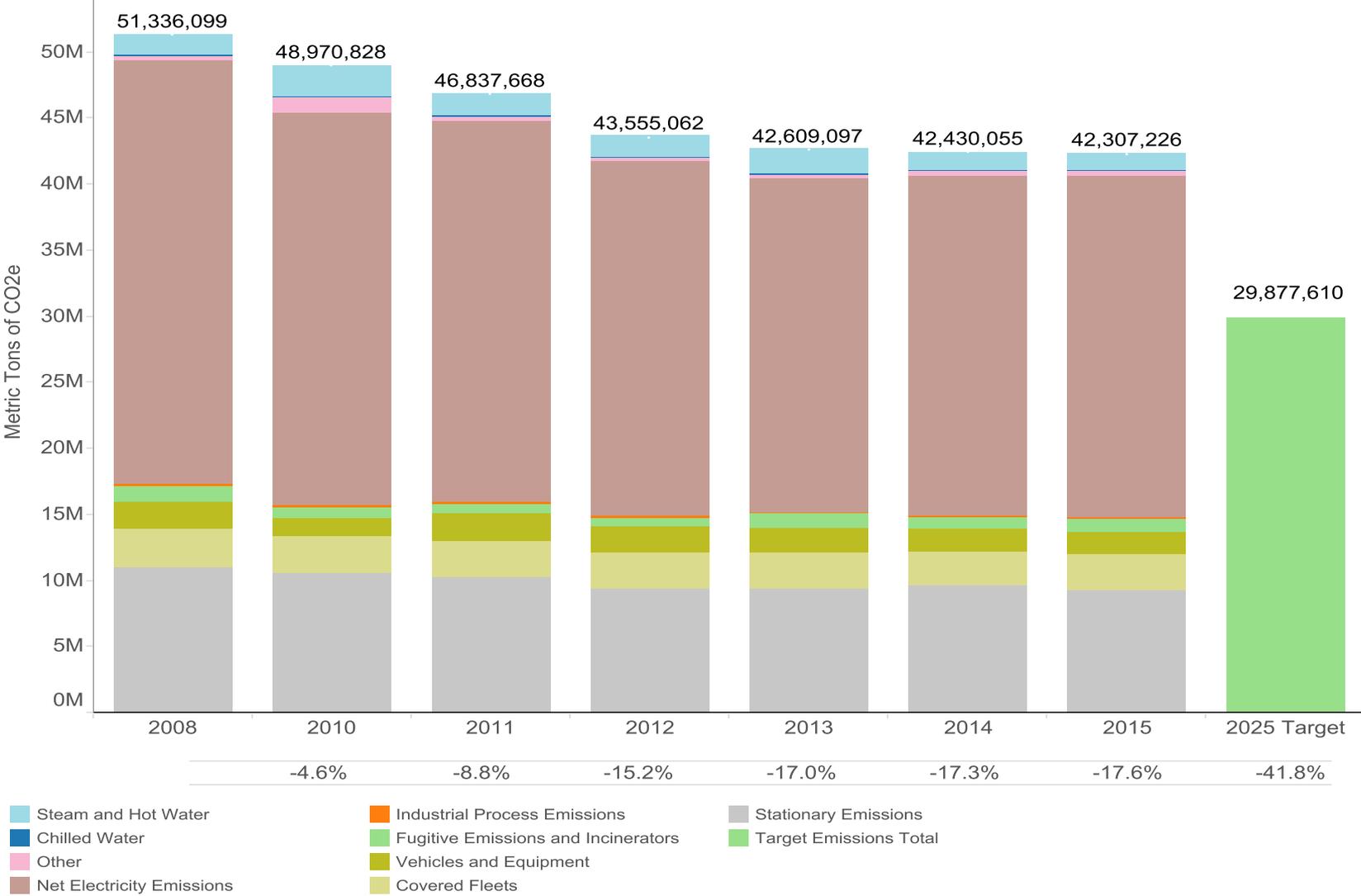
| Milestone Summary | | | | |
|--|-------------|--------------------|------------------|---|
| Key Milestones (FY16 and FY17) | Owner | Milestone Due Date | Milestone Status | Comments |
| Provide best practices FAQ sheet for GHG reduction in health care facilities | VA | September, 2015 | Completed | Distributed to VA health facilities |
| Federal agencies publicly release 2015 Strategic Sustainability Performance Plans in support of E.O. 13693 goals | OMB and CEQ | Q1 FY 2016 | Completed | Links posted on Performance.gov here |
| Issue Guidance for Measuring Waste Diversion in Federal Facilities to reduce GHG emissions associated with waste handling activities | CEQ | Q2 FY 2016 | Missed | Plans are now for Q1 FY 2017 |
| Issue Guiding Principles for Green Buildings for Federal agencies to facilitate reducing the energy intensity of buildings | CEQ | Q2 FY 2016 | Completed | |
| Federal agencies publicly release FY 2015 Agency Sustainability and Energy Scorecards | OMB and CEQ | Q3 FY 2016 | Completed | Links posted on Performance.gov here |
| Issue updated Renewable Energy Credit (REC) Guide to reinforce priority activities under E.O. 13693 | CEQ | Q3 FY 2016 | Completed | |
| Expand tracking of contractor GHG management practices via the CDP Supply Chain annual survey, and build and publish a dashboard linking survey data to contract data for agency use | GSA | Q4 FY 2016 | Missed | First version of dashboard to be published Q1 FY 2017 |
| Federal agencies publicly release 2016 Strategic Sustainability Performance Plans in support of E.O. 13693 goals | OMB and CEQ | Q1 FY 2017 | Completed | Links posted on Performance.gov here |
| Issue revised Federal Greenhouse Gas Accounting and Reporting Guidance, last issued in June 2012 | CEQ | Q1 FY 2017 | On track | |
| Federal agencies publicly release FY 2016 Agency Sustainability and Energy Scorecards | OMB and CEQ | Q3 2017 | On track | Links posted on Performance.gov here |

Key indicators

| Key Implementation Data | | | | | | |
|--|----------|--|--|-----------|-------------------------------------|--------------------------------------|
| Indicator | Source | Baseline | Target | Frequency | Latest data | Trend |
| GHG emissions | DoE/FEMP | 51.4 million metric tons of carbon equivalent (FY 2008 baseline) | Down 40% by 2025 | Annual | 17.6% FY 2015 | Down |
| Renewable electricity consumed as % of total electricity consumed | DoE/FEMP | 3.39% (FY 2008 level of use) | Up to 30% by 2025 | Annual | 8.3% FY 2015 | Down (<1% but FY 2015 goal exceeded) |
| Contract award amounts for Presidents Performance Contracting Challenge (PPCC) | OMB | \$2 billion (May 2014 baseline) | <u>additional</u> \$2 billion by Dec. 2016 | Monthly | \$6.21 billion (awarded + pipeline) | Up (awards) |

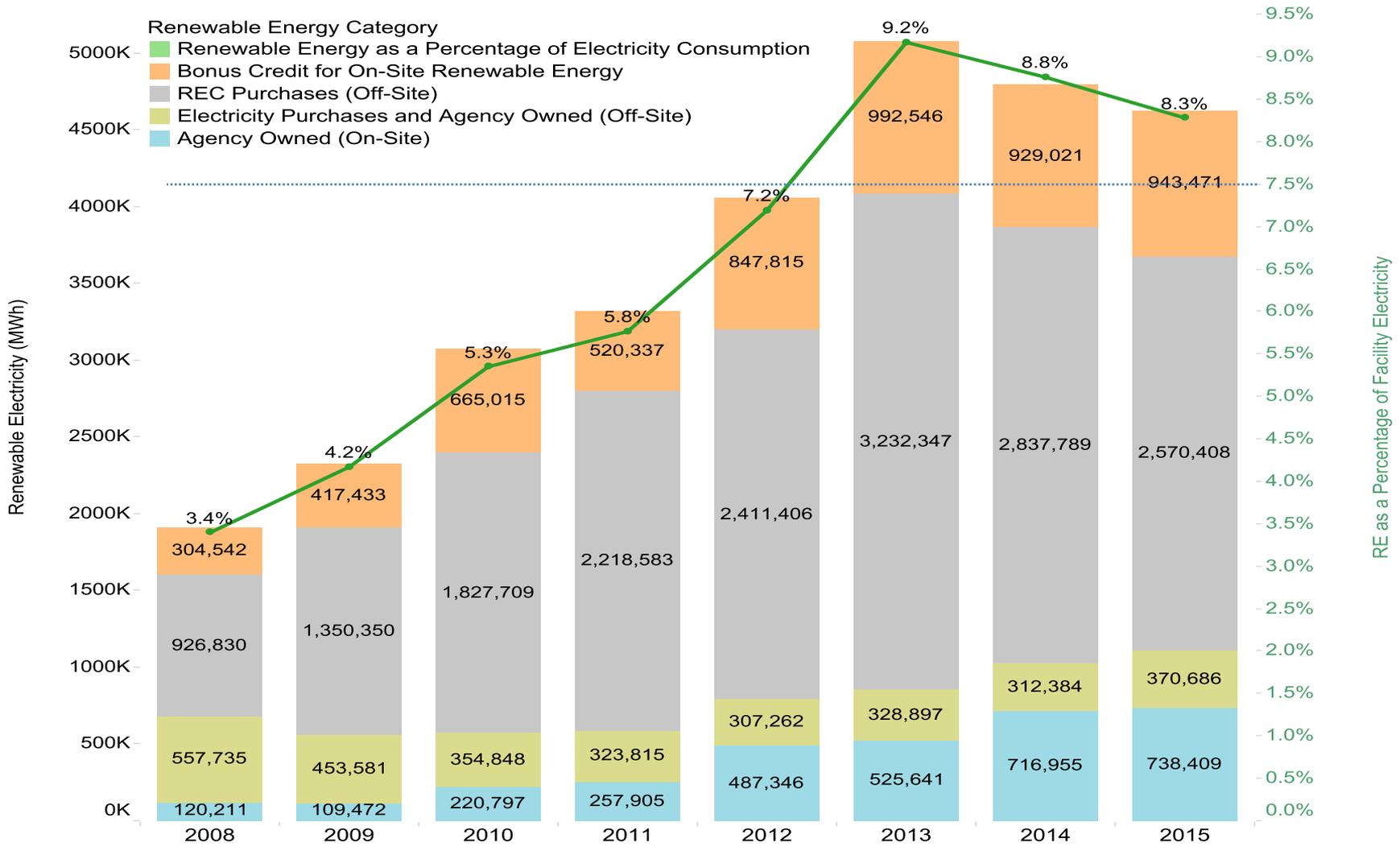
Targeted Scope 1&2 GHG Emissions Reductions, FY 2008 - FY 2015 (million metric tons CO₂e; M = 1,000,000)

Federal Government Progress toward Scope 1 and 2 Greenhouse Gas Reduction Goal



Renewable Energy Use, FY 2008 to FY 2015

Total Government Use of Renewable Energy as a Percentage of Total Electric Energy

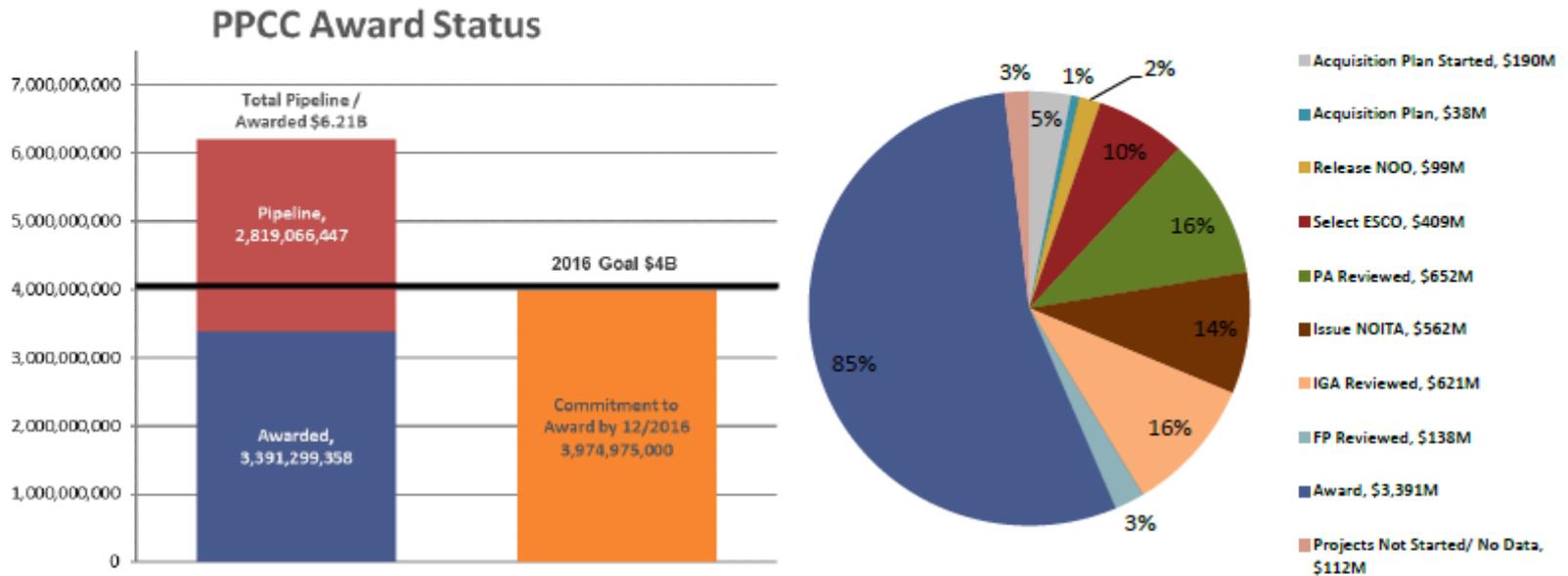


Federal Commitments to the President's Performance Contracting Challenge

| Agency | Total Commitment (\$Millions) |
|---|-------------------------------|
| Department of Agriculture | 37.5 |
| Department of Commerce | 12.0 |
| Department of Defense | 2,183.0 |
| Department of Energy | 275.0 |
| Department of Homeland Security | 73.2 |
| Department of the Interior | 20.0 |
| Department of Justice | 367.0 |
| Department of Labor | 3.0 |
| Department of State | 10.9 |
| Department of Transportation | 40.6 |
| Environmental Protection Agency | 5.0 |
| General Services Administration | 344.5 |
| Department Health and Human Services | 92.6 |
| National Archives and Records Administration | 15.6 |
| National Aeronautics and Space Administration | 73.9 |
| Office of Personnel Management | 2.0 |
| Smithsonian Institution | 14.6 |
| Social Security Administration | 20.0 |
| Department of Treasury | 27.6 |
| Tennessee Valley Authority | 22.5 |
| Army Corps of Engineers | 12.5 |
| Department of Veterans Affairs | 320.0 |

President's Performance Contracting Challenge (PPCC) Status

(Sept. 15, 2016 – Monthly Updates Are Available Through [DOE's Website](#))



Pipeline: Amount of project costs in procurement process and expected to award.
Awarded: Amount of project costs awarded.
Agency Commitments: Amount in project costs committed to. Total of pipeline and awarded values may exceed commitment value due to additional projects beyond original agency baselines.

Note: Sum of percentages equals 156% due to agency pipeline development exceeding \$4B PPCC goal.

Acquisition Plan Started: Projects in the process of acquisition
Acquisition Plan: Completion of agency's acquisition
Release NOO: Release of the Notice of Opportunity to perform a performance contract.
Select ESCO: Selection of the Energy Service Company that will perform the work.
PA Reviewed: Review of the Preliminary Assessment outlining the work to be completed.
Issue NOITA: Issuance of the Notice of Intent to Award the contract
IGA Reviewed: Review of the Investment Grade Audit and cost/savings proposal.
FP Reviewed: Review of the Final Proposal
Award: Awarding of the contract to the energy service company

Contributing Programs

- A significant number of Federal agencies contribute to the Climate Change Cross Agency Priority Goal.
- Progress towards the goals* is listed for 25 major Federal agencies in the [Supporting Information](#) section for this CAP Goal under the OMB Energy/Sustainability Scorecard area.
- Planning documents that outline Federal agency strategies to achieve the goals are also provided in the [Supporting Information](#) section under the Strategic Sustainability Performance Plan and Climate Adaptation Plan areas.
- Progress towards the Federal government consumption of electricity from renewable sources to 30% by 2025, implementing \$4 billion in energy savings performance contracts at Federal facilities by the end of 2016 can also be found in the [Supporting Information](#) section.

* Including reducing the Federal government's direct greenhouse gas emissions by 40 percent by 2025 and reducing indirect GHG emissions by 13% by 2020 (2008 baseline), doubling the Federal government consumption of electricity from renewable sources to 30% by 2025, and implementing \$4 billion in performance contracts at Federal facilities by 2016

Acronyms

- **CAP – Cross Agency Priority**
- **CDP – Carbon Disclosure Project**
- **CEQ – Council on Environmental Quality**
- **CO₂e – Carbon Dioxide Equivalent**
- **DLA – Defense Logistics Agency**
- **DoD – Department of Defense**
- **DoE – Department of Energy**
- **EO – Executive Order**
- **ESCO – Energy Service Company**
- **ESPC – Energy Saving Performance Contract**
- **FAQ – Frequently Asked Questions**
- **FAR – Federal Acquisition Regulation**
- **FEMP – Federal Energy Management Program**
- **FMI – Facility Management Institute**
- **FP – Final Proposal**
- **FY – Fiscal Year (Oct. 1 thru Sept. 30)**
- **GHG – Greenhouse Gas**
- **GSA – General Services Administration**
- **HFC - Hydrofluorocarbon**
- **IGA – Investment Grade Audit**
- **kWh – Kilowatt Hour**
- **MW -- Megawatt**
- **NOITA –Notice of Intent to Award**
- **NOO – Notice of Release of Opportunity**
- **OMB – Office of Management and Budget**
- **OFPP – Office of Federal Procedure**
- **PA – Preliminary Assessment**
- **Performance Contract – ESPCs or UESCs used to improve energy/water efficiency in Federal buildings**
- **PPCC – President’s Performance Contracting Challenge**
- **PV -- photovoltaic**
- **Q (Q1) – Quarter (1-4)**
- **UESC – Utility Energy Service Contracts**
- **USACE – United States Army Corps of Engineers**
- **USDA – United States Department of Agriculture**
- **VA – Department of Veterans Affairs**