FEDERAL UTILITY PARTNERSHIP WORKING GROUP SEMINAR

November 3-4, 2015
Houston, TX

DoD Update
CDR Matt McCann
Office of Assistant Secretary of Defense (EI&E)

Hosted by:

FEMP
Federal Energy Management Program

CenterPoint Energy
UESC Term Limit: Current Situation

- UESCs authorized for Federal Agencies under 42 U.S.C. § 8256
- DoD has specific authority under 10 U.S.C § 2913:
  - Authorizes “Agreements With Gas or Electric Utilities”
  - Does not indicate a term limit
  - Directs SecDef to “accelerate the use of these contracts”
- Default term limit applies to utility services contracts
  - Not to exceed 10 years per DFARS § 241.103
- DoD also eligible to use GSA Area-wide Contracts
UESC Term Limit

Desired End State: **The contracting officer may enter into a shared energy savings contract under 10 U.S.C. 2913 for a period not to exceed 25 years.**

- **Justification**
  - ESPC authority NTE 25 years for all agencies
  - GSA’s legal determination for Federal Agencies – no 10-year limitation
  - Uniformity among similar contract vehicles
  - Can be paid back “under terms no less favorable than those applicable to its most favored customer.” (10 U.S.C. § 2913)
  - Strong support from
    - DoD Components
    - CEQ
    - EEI

- **Benefits**
  - Accelerate identification and incorporation of ECMs
  - Consistency of guidance
  - Deeper retrofits possible
  - Greater volume and variety of ECMs possible
  - Eliminates “cream skimming”
  - More effectively leverage private sector funding
  - Longer term partnerships with servicing utilities
  - Faster accomplishment of PPCC goals

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UESC Term Limit: Proposed Solution

DFARS Case Standard Timeline

Expected in November ‘15
OSD Policy/Guidance
Development Underway

• Installation Energy Master Plan Policy/Guidance
• Demand Response Policy/Guidance
• Energy Efficiency Strategy
• Energy Manager Toolbox
• DoD Master Plan
• Energy Management Policy
• DODI 4170.11 Update
• Energy Manager Handbook Update
Questions?
# UESC Term Limit DFARS Rule Change: Current Status

<table>
<thead>
<tr>
<th>Date</th>
<th>Status</th>
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<tbody>
<tr>
<td>10/26/2015</td>
<td>OIRA cleared the subject proposed rule. The editors will prepare for publication on 6 Nov. DARMIS has been updated.</td>
</tr>
<tr>
<td>10/23/2015</td>
<td>The subject rule was submitted to OMB/OIRA.</td>
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<tr>
<td>10/22/2015</td>
<td>DAR editor notified OASD(LA) of planned publication of draft proposed DFARS rule.</td>
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<tr>
<td>10/21/2015</td>
<td>DAR editor received DoD approval to publish draft proposed DFARS rule.</td>
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<tr>
<td>10/14/2015</td>
<td>DAR editor requested DoD approval to publish draft proposed DFARS rule.</td>
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<tr>
<td>8/18/2015</td>
<td>Case manager forwarded draft proposed rule to DAR editor. DAR editor reviewing.</td>
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<tr>
<td>8/12/2015</td>
<td>DARC agreed to draft proposed DFARS rule. Case manager processing.</td>
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<tr>
<td>7/15/2015</td>
<td>DARC received Ad Hoc Cmte draft proposed DFARS rule from DARS staff. Discuss on 8/12/2015.</td>
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<tr>
<td>3/11/2015</td>
<td>DARS opened case, proposed DFARS rule. DAR staff processing.</td>
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