

## **Notice To Federal Agency ESPC Auditors:**

The Federal Energy Management Program (FEMP), Department of Energy, is finalizing a written guide to assist auditors tasked with reviewing one or more ESPC projects done by their agency. We hope to have the full guide available to auditors by September 2022. FEMP has reviewed many audits and found that these audits would have benefited from FEMP technical guidance for the subject project and FEMP assistance in interpreting the many ESPC documents produced by FEMP over multiple decades. Things change constantly as FEMP engages in continual improvements, adjusts to statutory changes, changes in technologies, etc. While even a ten-year old documents can be very useful, even a one-year old document may need FEMP guidance to know if elements have been superseded since its publication. FEMP has found some audits have misinterpreted one of our documents as they pertain to the current ESPC program. One of the challenges of assessing a project implemented under this long-term authority (up to 25 years) is to determine the laws, rules and guidance at the time of implementation.

A principal element of the guide under current development is that we strongly recommend auditors engage FEMP when commencing and conducting an audit. ESPC is highly complex. Its complexity is exacerbated by the variabilities from one project to another and the changes over time, as discussed above. Understanding ESPC concepts, rules and guidances, is most often insufficient to fairly assess the details of an actual project.

FEMP has extensive resources to provide technical assistance to an auditor. Please feel free to contact FEMP at any stage. When possible, it would be best to engage FEMP at the beginning of the audit process. Please contact the FEMP ESPC program manager, Kurmit Rockwell:

Kurmit Rockwell

[Kurmit.rockwell@ee.doe.gov](mailto:Kurmit.rockwell@ee.doe.gov)

202-586-2078