The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, DC  20510

Dear Mr. President:

This letter report on Federal Government energy management for FY 2014\(^1\) provides information on energy consumption in Federal buildings, operations, and vehicles.\(^2\) It summarizes the findings contained in data tables with agency-specific details located online at http://energy.gov/eere/femp/federal-facility-annual-energy-reports-and-performance.

This report includes historical data tables of agency energy use and costs by facility and mobility sectors by energy type for FY 1975 through FY 2014. Detailed annual comprehensive greenhouse gas (GHG) inventories by Federal agency are presented along with progress toward achieving scope 1 and 2 direct GHG emissions reductions and scope 3 indirect GHG emissions reductions. Hyperlinked text to specific data tables detailing the findings discussed is located throughout this letter.

Total Federal energy consumption and costs are summarized below by end-use sector:

<table>
<thead>
<tr>
<th>Energy Use</th>
<th>Trillion Btu</th>
<th>Percentage of Energy</th>
<th>$Billion</th>
<th>Percentage of Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Buildings</td>
<td>320.8</td>
<td>34.1%</td>
<td>$6.2</td>
<td>26.9%</td>
</tr>
<tr>
<td>Excluded Facilities</td>
<td>45.0</td>
<td>4.8%</td>
<td>$0.9</td>
<td>3.7%</td>
</tr>
<tr>
<td>Vehicles &amp; Equipment</td>
<td>575.7</td>
<td>61.1%</td>
<td>$16.0</td>
<td>69.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>941.5</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$23.1</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Federal agencies reported that buildings subject to the National Energy Conservation Policy Act energy reduction goals collectively decreased energy use per gross square foot (Btu/GSF) by 21.0 percent in FY 2014 relative to FY 2003. The FY 2014 requirement was a 27 percent reduction.

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\(^{2}\) As required by section 548(b) of the National Energy Conservation Policy Act (NECPA), Pub. L. No. 95-619, as amended. See 42 U.S.C. § 8258(b).
Energy intensity was relatively flat for the Federal Government overall from FY12 to FY14. However, national heating degree-days during the period actually increased by 25.5 percent (2012 to 2014)\(^3\). Approximately half of the Government’s site-delivered facility energy is comprised of electricity, and most of the other half is comprised of heating fuels (natural gas, coal, heating oil, steam). Electricity use declined by four percent in 2014 from 2012, while nonelectric fuel use increased 4.4 percent. This indicates that weather played a significant role in the Government’s flat Btu/GSF performance.

Federal agencies reported purchasing or producing 4,796.1 gigawatt-hours of renewable electric energy in FY 2014, equivalent to 8.8 percent of the Federal Government’s FY 2014 electricity use. The FY 2014 requirement was 7.5 percent of electricity use. In terms of total use of Federal goal-eligible renewable electricity, the Department of Defense consumed 21.5 percent of all renewable electricity utilized by Federal agencies, followed by Department of Energy with 20.5 percent; General Services Administration with 16.5 percent; Department of Veterans Affairs with 15.4 percent; Department of Transportation with 4.1 percent; and the Environmental Protection Agency with 2.8 percent.

As reported by the agencies, the Federal Government as a whole used 131.1 billion gallons of water in FY 2014 at a cost of $515.2 million, for an average price of $3.93 per 1,000 gallons. Overall, the Federal Government’s water intensity in FY 2014 was 42.1 gallons per gross square foot, a reduction of 20.8 percent from the 53.2 gallons per gross square foot reported in FY 2007. Agencies began reporting Industrial, Landscaping and Agricultural (ILA) water use for the first time in 2010. In FY 2014, agencies reported using 102.3 billion gallons of non-potable ILA water, a 23.3 percent reduction from the 134.1 billion gallons consumed in FY 2010.

During FY 2014, Federal agencies had three primary options for financing energy efficiency, water conservation, and renewable energy projects in buildings: 1) direct appropriated funding; 2) energy savings performance contracts (ESPCs); and 3) utility energy service contracts (UESCs). Known funding from the three sources totaled approximately $1,712.5 million in FY 2014.

- Direct appropriations accounted for approximately $900.6 million.
- ESPC contract awards by agencies resulted in approximately $706.6 million in project investment in FY 2014.
- Approximately $105.2 million in project investment came from UESCs.

Section 109 of EPACT 2005, “Federal Building Performance Standards,” requires that, if lifecycle cost-effective, all new Federal buildings must be designed to achieve energy consumption levels 30 percent below those of the current version of the applicable ASHRAE standard or the International Energy Conservation Code.\(^4\) Overall, agencies reported over 91.0 percent of buildings designed since 2007 are 30 percent more efficient than the relevant code. Agencies also have an opportunity to revisit designs to bring them into compliance.

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\(^4\) 42 U.S.C. § 6834(a)(3)(A)
If you need additional information concerning the report, please contact me or Mr. Brad Crowell, Assistant Secretary for Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

Dr. David T. Danielson
Assistant Secretary
Energy Efficiency and Renewable Energy