



**AMERICA'S ARMY:**

Globally Responsive, Regionally Engaged

# **NAESCO Federal Market Workshop: Army ESPC Best Practices from Beginning to End**

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Energy and Sustainability

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## Army Energy Resilience Initiatives



**Forts Knox, Stewart, Greely, and Bragg initiated “lights out” exercises to test energy resilience capabilities during a power grid outage.**

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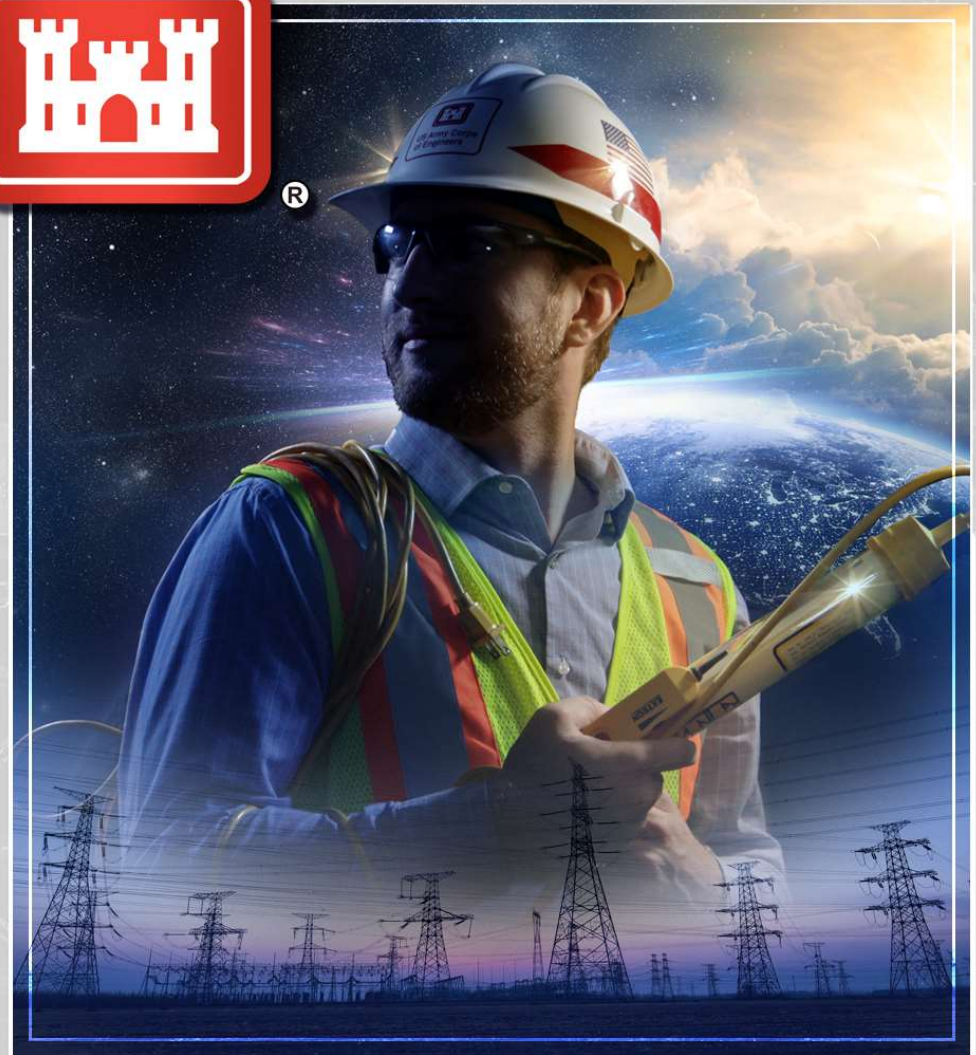
## DEVELOPING ENERGY SAVINGS PERFORMANCE CONTRACTING (ESPC) PROJECTS THAT MEET STAKEHOLDER NEEDS

**Michael Norton**

U.S. Army Engineering & Support Center

Huntsville, Alabama

12 March 2020



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## AGENDA



- Changed Energy Battlefield
- Near Peer Adversaries
- Competing Requirements
- Third Party Financed Project Current Challenges (ESPC, UESC, PPA)
- Huntsville Center ESPC Program Savings Statistics
- Way ahead in the current environment





## CHANGED ENERGY BATTLEFIELD



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**WAS:**

PRESIDENT'S  
PERFORMANCE  
CONTRACTING  
CHALLENGE

# ENERGY

DIFFERENT LINE OF  
EFFORT BUT...  
**SAME** CONSTRAINED  
RESOURCE  
ENVIRONMENT

**IS:**  
SUPPORT  
JOINT  
ALL-DOMAIN  
FORCE

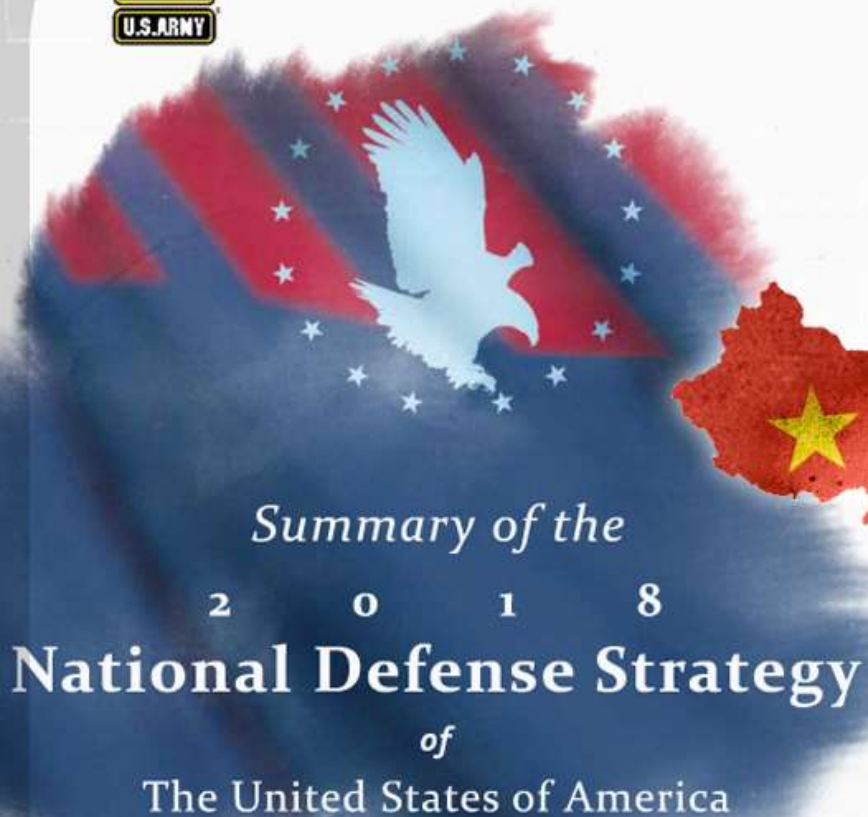




## NEAR PEER ADVERSARIES



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### U.S. Army Priorities

- Readiness
- Modernization
- Reform
- People

### Results

- New Commands
- Enhanced cyber security
- Protection from space threats
- Research & Development
- Weapons Modernization





# COMPETING REQUIREMENTS



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REPLY TO  
ATTENTION OF

## Executive Order 13834

Each agency shall prioritize actions that... **enhance the resilience of Federal infrastructure and operations...**, **implement energy efficiency measures**, **reduce potable and non-potable water consumption**, **utilize performance contracting** to achieve energy, water, building modernization and infrastructure goals

Secretary of Defense shall include energy

goals in 10 USC 2911

standards for the

ization Act 2019

Requirement to  
**REDUCE**  
utility budgets

It is now undeniable that the homeland is no longer a sanctuary... attacks against our critical defense, government, and economic infrastructure must be anticipated

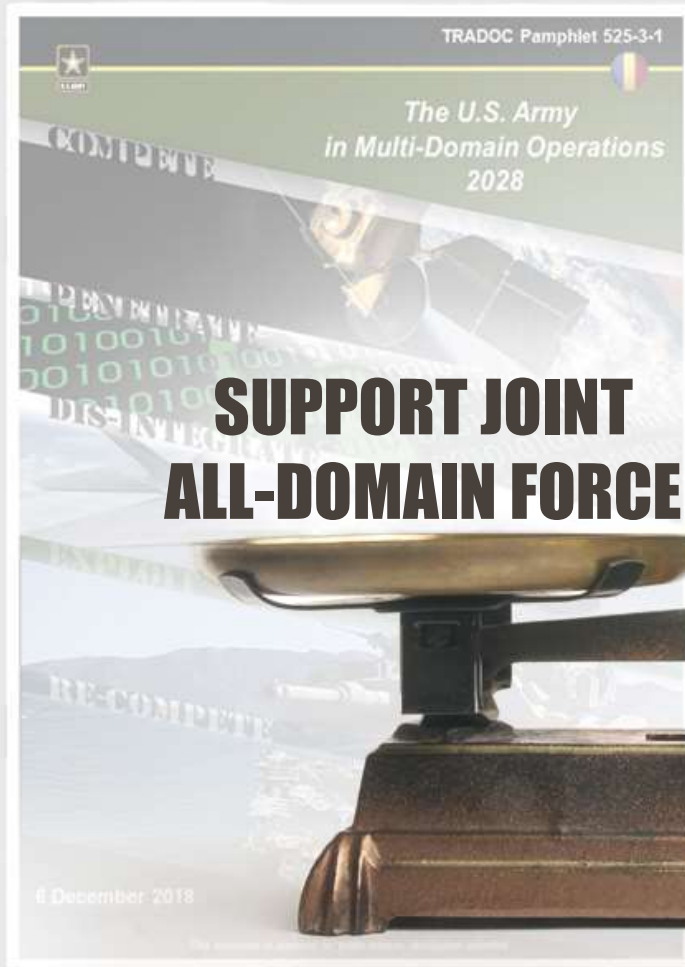
- National Defense Strategy 2018



## CHALLENGES



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**SUPPORT JOINT  
ALL-DOMAIN FORCE**

**APPETITE FOR  
3<sup>rd</sup> PARTY ACQUISITIONS  
ESPC UESC PPA  
FUNDING FOR FAILING INFRASTRUCTURE**







## HUNTSVILLE CENTER ESPC PROGRAM SAVINGS STATISTICS



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<b>Total Projects in Performance Period</b>	61
Army	52
All other	9
<b>Total Guaranteed Savings</b>	\$98.65M
<b>Total Verified Actual Savings (M&amp;V)</b>	\$112.51M
<b>Total Excess Savings</b>	\$13.86M
<b>Total Actual compared to Guaranteed</b>	114%
<b>Total Projects meeting Guaranteed Savings</b>	53



# NEW LOOK FOR ENERGY



- Training
- Maintaining
- Deploying



- Fix It Faster
- Fix It Cheaper
- Modernize Existing Equipment

- Save Money
- Save Time
- Save Manpower
- Create Efficiencies

- Improve Quality of Life
- Industrial Age to Information Age

\* Must show how ESPC, UESC and PPA projects and energy conservation measures support the joint domain war fighter force



## GENERAL TAKEAWAYS



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- Energy environment has dramatically changed
- Army and the Department of Defense is now being challenged by near peer adversaries that have significantly changed our National Defense Strategy and priorities
- The energy industry must transform themselves to demonstrate how they support and enable a joint all-domain war fighting force as a result of infrastructure modernization and new efficiencies. The second and third order effects are energy and water reduction, energy resilience and security.
- The energy industry must face these challenges with new innovation, better communications, collaboration and coordination within the industry and their Department of Defense partners.
- Continue to ***develop and expand strategic partnerships*** to better support the Army and nation





THANK YOU!



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# PARTNERSHIP





# Army ESPC Program – Performance Period

## NAESCO Federal Markets Workshop

### G-9 Mission

The DCS, G-9 develops regulatory guidance, administers the II PEG and provides expertise and advocacy for all Army infrastructure and installation services, worldwide, to enable Total Army readiness.



### G-9 Vision

Recognized expert and champion for the world's most capable and efficient installations.

**Randy Smidt**

**General Engineer –ESPC/UESC Program Manager**

**DAIN - ODF**

**March 12, 2020**

Unclassified

*Deputy Chief of Staff, G-9*



## Army ESPC Program – Performance Period



- Identify any Issues with Performance**
  - Don't wait until Annual M&V report to communicate it
  - ESCO performance issues
  - Government impacts
  
- Communicate Plan to Resolve/Reconcile Performance**
  - How do you intend to resolve issues
  - How long will it take
  
- Measurement & Verification (M&V) Witnessing**
  - ESCO coordinate with Government POC
  - Must have Government representative participate in annual M&V activities
  
- Additional Requirements/Opportunities**
  - Installation Energy and Water Plans (IEWPs)
  - Energy Awareness and Conservation Assessment (EACA)
  - Comprehensive Energy and Water Evaluations (CEWEs)
  - Unfunded Requirements List (UFR List)





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