



DEPARTMENT OF THE ARMY
ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, ENERGY AND ENVIRONMENT)
110 ARMY PENTAGON
WASHINGTON, DC 20310-0110

JUN 28 2011

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Supplemental Guidance for Proper Use of Energy Savings Performance Contract (ESPC) Authorities

1. References.

a. 42 U.S.C. § 8287 Authority to enter into Contracts (a) Payment of Costs (b) Reports (c) Definitions (d) Assistance to Federal Agencies in Achieving Energy Efficiency in Federal Facilities and Operations.

b. 10 U.S.C. § 2913 Energy Savings Contracts and Activities.

c. 10 U.S.C. § 2802 Military Construction Projects.

d. 42 U.S.C. § 8253 Energy Management Requirements.

2. An ESPC is a contract that provides for the design, acquisition, installation, testing, and, where appropriate, operation, maintenance, and repair, of an identified energy or water conservation measure or series of measures at one or more locations. The term of an ESPC may be for a period that does not exceed 25 years.

3. The FY11 National Defense Authorization Act provided clarification that ESPCs shall not be used for the construction of new buildings or facilities.

4. If construction of a building or facility is ancillary to and necessary for achieving the purpose of, the energy savings performance (for example, constructing a covered facility to house HVAC equipment for protection from inclement weather), the ESPC vehicle may be considered.

5. Questions regarding this policy should be directed to Mr. Randy Shed, ASA(IE&E), (703) 692-9860 or via email randy.j.shed@us.army.mil.

A handwritten signature in black ink, appearing to read "Katherine Hammack", written over a horizontal line.

Katherine Hammack

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