EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MEMORANDUM TO AGENCY SENIOR ENERGY OFFICIALS

FROM: Marcus Peacock, Associate Director
Natural Resource Programs

SUBJECT: Improved Energy Efficiency and Conservation

Improved energy efficiency and conservation at federal facilities is an important component of this Administration's commitment to the economical use of public dollars and protection of the environment. Historically low natural gas inventories, high prices for natural gas, and an increasing demand for electricity produced from natural gas may lead to increased costs for electricity this summer. Therefore, it is particularly important that federal agencies take appropriate measures to improve their energy efficiency and conservation.

As your agency's Senior Energy Official, I urge you to redouble efforts to reduce energy consumption. Among the tools available to do this are Energy Savings Performance Contracts (ESPCs) and Utility Energy Savings Contracts (UESCs). These alternative financing mechanisms enable your agency to obtain new capital equipment, reduce energy costs, improve indoor environments, and reduce pollution without increasing budgetary outlays. Such actions will help achieve the goal of improving energy efficiency in federal facilities by 30 percent by 2005 compared with a 1985 baseline (we've already achieved a 23 percent improvement). Guidance on how to use these tools is available from the Department of Energy at www.eere.energy.gov/femp/financing/esp.html.

As you may be aware, ESPC statutory authority is scheduled to lapse on September 30, 2003. Both House and Senate versions of the Energy bill now being considered by the Congress will extend this authority. The Administration supports extension of ESPC authority and is confident it will be reauthorized this year.

Thank you for your attention to this matter and your assistance in meeting the President's objective to improve the energy efficiency and conservation of federal facilities.