

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE U.S. DEPARTMENT OF ENERGY FEDERAL ENERGY MANAGEMENT PROGRAM
AND
THE U.S. DEPARTMENT OF STATE BUREAU OF OVERSEAS BUILDINGS OPERATIONS

I. Purpose

By this Memorandum of Understanding (MOU) the Department of State's Bureau of Overseas Buildings Operations (OBO) and the U.S. Department of Energy's (DOE) Federal Energy Management Program (FEMP) agree to parameters intended to result in a fundamental and sustained transformation in the way in which the Department of State practices energy management at diplomatic and consular missions overseas.

It is recognized that OBO is embarking on a program to fulfill its obligations under Executive Order 13423 and the Energy Independence and Security Act (EISA) of 2007. In doing so, it plans to fully utilize third-party financing opportunities to maximize energy efficiency opportunities, consistent with direction from the White House Council on Environmental Quality. It is further recognized that OBO's facilities, being located in overseas locations with stringent security requirements, represent an opportunity to address unique challenges to performance contracting in similar facilities, which will benefit the Federal government as a whole.

II. Background

Executive Order 13423 and EISA require Federal agencies to adopt effective measures to meet eight energy and environmental management goals, including reductions in energy intensity, use of renewable energy, water conservation, transportation management, sustainable buildings, and environmental stewardship.

In 2007, the Department of Energy announced the Secretary's Transformational Energy Action Management (TEAM) Initiative, a program to utilize Energy Savings Performance Contracts (ESPCs) and other third-party financing opportunities on a widespread basis across the DOE complex to effect dramatic energy savings. In developing this model, DOE intends to provide other Federal agencies with guidance and lessons learned in large-scale utilization of third-party financing opportunities.

OBO, in fulfilling its requirements under Executive Order 13423 and EISA, intends to conduct its own large-scale energy management improvement effort in its overseas facilities. This effort will include cooperation with the League of Green U.S. Embassies as well as other initiatives including OBO's Green Team, the GreenGuide for Embassy and Consulate Operations, and LEED standards for all new construction. To meet these requirements, it is estimated that approximately 40 to 50 facilities per year will undergo energy audits to find energy and water conservation and renewable energy opportunities. OBO has asked FEMP for assistance in developing and managing this crucial effort.

III. Collaboration

(A) FEMP

FEMP, in its role of promoting energy efficiency and renewable energy across the Federal government, accepts the opportunity to assist OBO in meeting its needs. Specifically, FEMP will endeavor to:

1. Provide OBO staff with necessary levels of training in energy savings performance contracting, utility energy savings contracting, or other areas provided under FEMP's suite of Federal services;
2. Utilize its Laboratory Core Team in providing technical analysis and feedback on energy savings design proposals received by OBO to help ensure proposals meet the interests of OBO and the government. Specialized technical analysis by the DOE National Laboratories on specific energy conservation or renewable energy measures may also be offered as resources allow;
3. Provide the services of one or more Federal Finance Specialists (FFS) to OBO as necessary to provide alternative finance support. FFSs are specialists in the area of alternative finance mechanisms, provided at no charge to FEMP's Federal clientele;
4. Provide access to DOE's Center of Excellence, a service developed in support of DOE's TEAM Initiative. OBO can access the Center of Excellence through the Federal Finance Specialist to obtain answers on a variety of alternative financing questions that pertain to legal, technical, and contracting issues;
5. Arrange the contracted services of Project Facilitators for OBO. Project Facilitators are contracted by government agencies, as needed, to help agencies implement alternatively financed projects. In this role, FEMP will provide information concerning FEMP-contracted project facilitation service providers;
6. Provide OBO with contacts and history of cooperation with the National Business Center, a Federal provider of contracting services;
7. Include OBO input in the development of the TEAM Initiative Federal Franchise Model (currently in draft form), which is designed to help Federal agencies institute large-scale, agency-wide energy management improvements at an accelerated pace;
8. Provide additional consultative services as needed by OBO in keeping with FEMP's Federal service mission.

(B) OBO

To help FEMP encourage implementation of improved energy practices across the Federal government, OBO will make best-faith efforts to demonstrate the efficacy of FEMP's products and services. OBO will strive to:

1. Pilot the use of performance contracting by conducting initial facility audits at a select number of OBO facilities overseas;
2. Continue to increase the number of facilities audited as successes are demonstrated in the initial pilot activities;
3. Assist DOE in promoting energy efficiency and renewable energy at Federal facilities, including participation at the GovEnergy 2009 conference or other interagency forums to promote FEMP's mission;
4. Assist, through feedback and comment, the development of the TEAM Initiative Federal Franchise Model;
5. Demonstrate leadership among Federal agencies by encouraging the implementation of transformative and comprehensive energy management improvements across the Federal government.

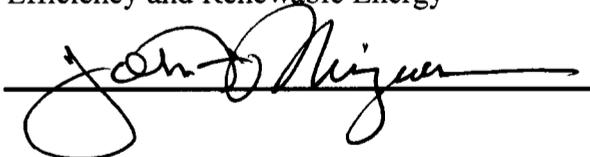
IV. General

1. This MOU is strictly for internal management use of each of the parties. It is not legally enforceable and shall not be construed to create any legal obligation on the part of either party. This MOU shall not be construed to provide a private right or cause of action for or by any person or entity.
2. This MOU can be terminated by either party at any time by providing 30 days written notice to the other party.
3. This MOU in no way restricts either of the parties from participating in any activity with other public or private agencies, organizations or individuals.
4. This MOU is neither a fiscal nor funds obligation document. Nothing in this MOU authorizes or is intended to obligate the parties to expend, exchange, or reimburse funds, services, or supplies, or transfer or receive anything of value. In addition, this MOU does not obligate DOE FEMP to provide at no charge services otherwise reimbursable under existing Federal assistance practices.
5. All services offered in this MOU will be provided as financial resources allow, without obligating either party to exceed its budgetary authority.
6. This MOU shall not be construed to impact procurement or financial assistance activities of either DOE or the Department of State.

All agreements herein are subject to, and will be carried out in compliance with, all applicable laws, regulations and other legal requirements.

DEPARTMENT OF ENERGY

John Mizroch
Acting Assistant Secretary of Energy
Efficiency and Renewable Energy



David Rodgers
Deputy Assistant Secretary for Energy
Efficiency

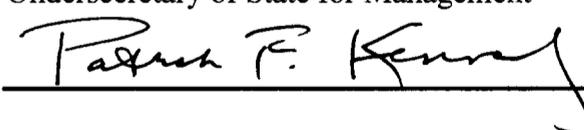


Richard Kidd
Program Manager, Federal Energy
Management Program



DEPARTMENT OF STATE

Patrick F. Kennedy
Undersecretary of State for Management



Bradford R. Higgins
Assistant Secretary for Resource
Management and CFO



Richard Shinnick
Director, Ad Interim, Bureau of Overseas
Buildings Operations

