



Energy Savings Performance Contracting

Program Manager 256-895-1886

U.S. ARMY CORPS OF ENGINEERS

BUILDING STRONG®

The U.S. Army Engineering and Support Center, Huntsville is considered the Army's expert in Energy Savings Performance Contracts. ESPCs utilize private capital to make infrastructure improvements and new efficiencies without tapping into the capital budget to support and enable the warfighter and meet energy and environmental mandates.

An ESPC is a tool used to support the Army's Installation Energy and Water Resilience Policy as reflected in Army Directive 2020-03. ESPCs can be implemented and paid for from energy savings within the maximum 25-year contract term. The long-term partnership between Huntsville Center, Army installations, ESCO and Army stakeholders requires a high degree of commitment and work in good faith to enable successful outcomes.



The Energy Conservation Measure shown above includes 2,380 kWdc of solar Photovoltaic electricity generation, 2 MW/3 MWh lithium-ion battery Energy Storage System and microgrid control system on the island of Meck, in the Marshall Islands. This reduces the island's dependence on diesel fuel electricity generation by an average of 55 percent throughout the ESPC performance period and provides energy resilience to critical missions located in the region.

ESPC Benefits

ESPCs assist installations in providing energy resilience and energy cybersecurity; reducing energy and water use, as well as improving readiness and quality of life. Actual energy cost savings pay for the ESPC efforts on a yearly basis. An ESPC project provides many key benefits to the installation including the following:

- Mandatory savings guarantee that ensures savings must exceed payments each year
- Mandatory Measurement and Verification of savings, and of equipment performance
- Infrastructure system upgrades
- Infrastructure improvements that pay for themselves over time, no up-front funding is required for capital improvements
- Ability to purchase long-payback equipment by bundling with short-payback Energy Conservation Measures
- ESCO-guaranteed equipment performance, maintenance, repair and replacement

Advantages of implementing ESPC projects through Huntsville Center include the following:

- Greater breadth and depth of experience with ESPC project execution than any other acquisition organization
- Centralized project management, which enables a standardized and streamlined process
- We are a "one-stop shop"
- Dedicated and experienced project development team to provide comprehensive program support including engineering technical expertise, project management expertise, cost analysis, legal review and M&V services through a third-party for CONUS projects and through PMs for OCONUS projects
- Easier to monitor a portfolio of projects vs a single project at garrison level
- Third-party M&V contract support
- Ensures DOW compliance with all policies and regulations of third-party financing

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Distribution A - Approved for Public Release - Unlimited Distribution - Release 1910

The ESPC PDT executed 311 contract actions totaling more than \$205 million in FY24 obligations. This included project performance payment modifications, task order modifications, and new project awards. ESPC currently is supporting 15 projects in implementation valued at \$364 million and 70 projects in the performance phase valued at \$1.2 billion. Additionally, performance projects exceeded \$130 million in verified cost savings. The ESPC program and PDT was able to award 10 Deep Energy Retrofit Assessments, DERAs, valued at \$40 million. The PDT also continued the \$3 billion ESPC MATOC IV acquisition process by awarding the contract in June 2025, to 18 qualified ESCOs.

The ESCO performs operations and maintenance on major systems, allowing limited Department of Public Works maintenance resources to be spent on other activities. These third-party financed agreements allow the garrisons to focus appropriated funds on mission critical requirements.

ESPC project savings are cumulative, creating savings year after year throughout the project contract period and often replacing equipment near the end of its service life with higher efficiency energy solutions.

ESPC Services

ESPC provides several types of Energy Conservation Measures for government facilities.

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| <ul style="list-style-type: none">• Boiler Improvements• Air Handling Equipment• High Efficiency Motors• Lighting Retrofits<ul style="list-style-type: none">- T5- T8- LED• Building Envelopes<ul style="list-style-type: none">- Windows- Doors- Weather Proofing- Spray-On Insulation• Water and Steam Distribution<ul style="list-style-type: none">- Water Wells- Retention Ponds• Ground Source Heat Pumps• Variable Frequency Drives• Metering and Energy Information Systems | <ul style="list-style-type: none">• Primary/Secondary Pumping Systems• Decentralization of Power Plants• Chiller Plant Improvements• Controls• Upgrade to HVAC Systems• Renewable Energy Systems• Solar, Photovoltaic<ul style="list-style-type: none">- Water Heaters- Swimming Pools- Power Generation• Electrical Peak Sharing<ul style="list-style-type: none">- Combined Heat and Power Generators• Generators• Upgrade of Central Power Plants• Gas-fired Infrared Heaters• Decentralization of domestic hot water systems• Propane to Natural Gas Conversions• Energy Storage Systems |
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ESPC’s documented performance, validated through our robust annual M&V process, continues to provide verified annual savings that exceed contractor payments year after year. These energy projects will continue to produce cost savings far into the future.

ESPC Hotline — For more information about ESPC services, call 256-895-1886 or 256-895-8232.