



# Utility Energy Services Contracting

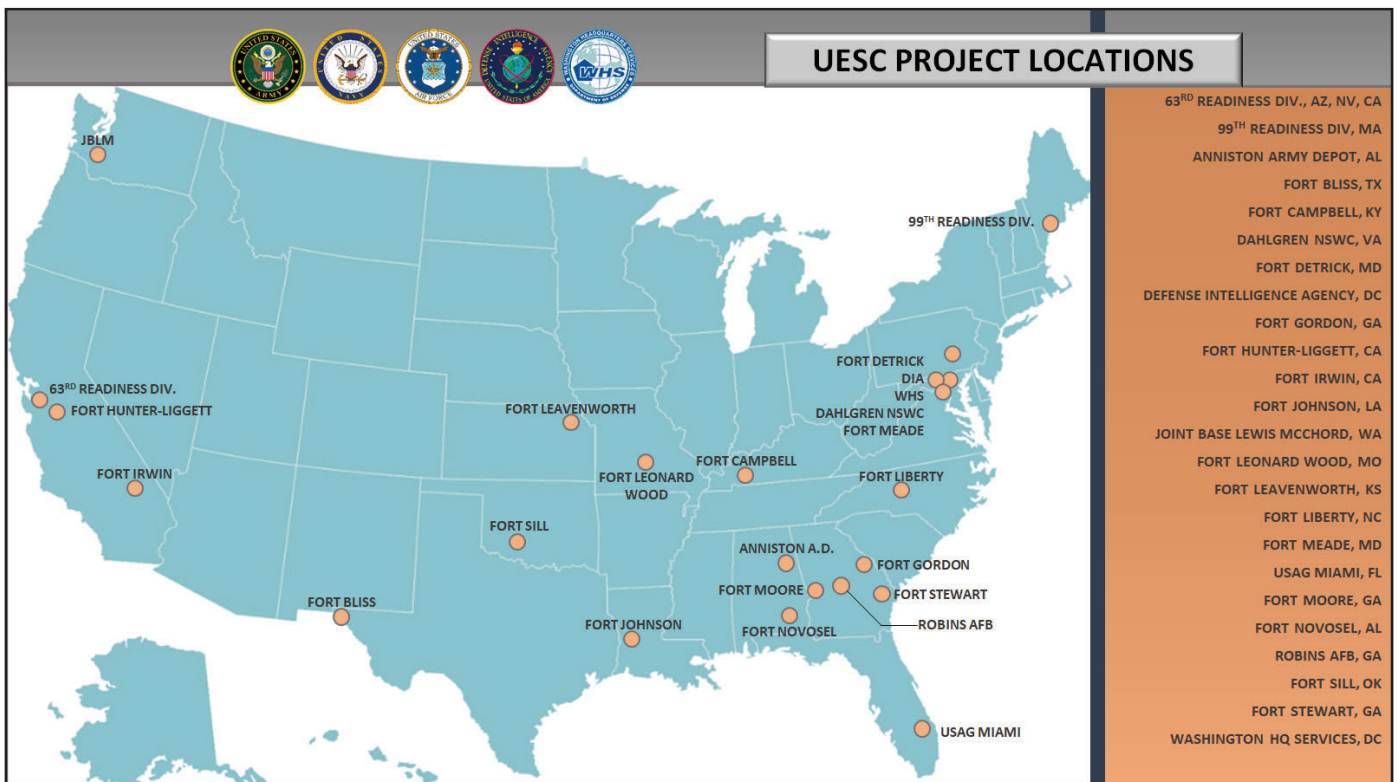
UESC Questions: 256-895-7481

U.S. ARMY CORPS OF ENGINEERS

BUILDING STRONG®

The U.S. Army Engineering and Support Center, Huntsville is considered the Army's expert in Utility Energy Services Contracts. A UESC contract is a method whereby a selected local electric, gas or water utility company assesses the energy savings opportunities, fronts the capital costs and designs and installs the equipment in the project. When project financing is required, the utility company is paid from the resulting savings. Project development and implementation costs can be fully or partially financed or be completely paid for upon project acceptance.

UESC projects can encompass a broad range of energy conservation measures, including system upgrades and recommissioning, deep retrofit projects, renewable energy, cogeneration plants and microgrids. UESC gives federal customers the flexibility to specifically tailor a project to a customer's energy needs and financing strategies. The federal agency has the flexibility to use any combination of financing, appropriations, as low as \$0 and grants as provided under the AFFECT authority.



UESC projects can also incorporate energy resiliency and security to address the Army requirement to reduce the risk to critical missions by providing necessary energy, gas and water supply for a minimum of 14 days.

The utility company 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 garrison to focus appropriated funds on mission critical requirements.

**Installation Hotline** – UESC support is available to federal agency and military installation energy managers and Directorate of Public Works personnel in the continental United States. Call 256-895-7481.

**U.S. Army Corps of Engineers – Engineering and Support Center, Huntsville**

P.O. Box 1600, Huntsville, AL 35807 Public Affairs Office 256-895-1694

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**The UESC Projects provide several benefits to the federal customer:**

- Comprehensive energy and water efficiency improvements
- Reduction in energy, water use and greenhouse gas emissions
- Energy resilience, cybersecurity and reliability
- Improved readiness
- Infrastructure improvements that pay for themselves over time, no up-front funding is required
- Replacement of outdated or failing systems with newer more efficient systems
- Mandatory annual performance assurance inspections
- Supports the Army Climate Strategy
- Adherence to the Energy Act of 2020 requiring agencies to use performance contracting implement at least 50% of identified ECMS

**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 performance assurance review services through a third-party.
- Easier to monitor a portfolio of projects vs a single project at garrison level.
- Ensures DOD compliance with all policies and regulations of third-party financing.

The UESC Program within Huntsville Center currently manages the development and performance of 36 active projects and \$1.4B in capital investments. The largest UESC awarded by the UESC Program to date is valued at \$200M.

**Utility Energy Services Contracting, UESC vs. Energy Savings Performance Contracting, ESPC:**

- UESC projects are competed among a federal customer’s local utility companies that often have long-term existing relationships with the federal customer, while ESPC projects are competed between Energy Services Companies.
- UESC does not require savings M&V, though M&V can be obtained, and does not provide guaranteed savings for the customer.
- UESC requires annual equipment performance verification.
- Contracts are awarded through the GSA Area wide or stand-alone contracts whereas ESPCs are awarded through a Multiple Award Task Order Contract.

**Project/Services Examples:**

- |   |  |   |
|---|--|---|
| • Interior and Exterior Lighting Replacement            | • Occupancy Sensors                              | • Window Replacement                                  |
| • Transformer Replacement                               | • LED Exit Sign Installation                     | • Window Coverings and Awnings                        |
| • Lighting Control Improvements                         | • Fans and Pump Replacement or Impeller Trimming | • Reflective Solar Window Tinting                     |
| • Motor Replacement with High Efficiency Motors         | • Chiller Retrofits/Replacements                 | • Daylighting   |
| • Combined Heat and Power                               | • Upgrade of NG Fired Boilers                    | • Fuel Cell Installation                              |
| • Construction of New Cogeneration Facilities           | • Solar Domestic Hot Water systems               | • Refrigerator Replacement with High Efficiency Units |
| • Boiler Control Improvements                           | • ISO 50001                                      | • Window A/C Replacement with High Efficiency Units   |
| • Packaged Air Conditioning Unit Replacement            | • Solar Air Preheating systems                   | • Water Conservation Device Installation              |
| • Cooling Tower Retrofits                               | • Insulation Installation                        |   |
| • Economizer Installation, air conditioning and boilers | • Variable Speed Drive Utilization               |   |
| • Facility Management System Replacement/Alteration     | • Weatherization                                 |   |
| • Solar Air Preheating systems                          | • Addition of Liquid Refrigerant Pump            |   |
| • Replacement of A/C & Heating Units with Heat Pump     | • Power Factor Correction                        |   |
| • Faucet Replacement (infrared sensors)                 | • Geothermal Heating/Cooling                     |   |
| • PV System Installation/Other Renewable Generation     |  |   |

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