



U.S. Army Corps  
of Engineers ®  
Huntsville Center

## FACT SHEET

May 2001

# Energy Program

### *Award Winning Energy Program*

The Huntsville Center Energy Program is comprised of two distinct and major elements: Energy Savings Performance Contracting (ESPC), and Privatization. Huntsville Center has earned the prestigious Government “Hammer Award,” the Department of Defense Productivity Excellence Award, and the Corps’ Project Delivery Team Merit Award for its cost saving Energy Program.

### **Energy Savings Performance Contracting.**

Through Energy Savings Performance Contracting (ESPC), a contractor provides the design, capital investment, construction, operation, and maintenance for new energy efficient equipment, products, or systems for any government agency. The resulting energy cost savings is then shared between the government agency and the contractor. The contractor uses the energy savings dollars to offset the capital investment and maintenance costs and make a profit. The government uses its portion of the savings benefit for other operational needs. Performance periods for ESPC projects can range up to 25 years.

### **ESPC History**

The Huntsville Center has been designated as the Technical Center of Expertise for ESPC projects within the Army. The ESPC program was authorized by the National Energy Conservation Policy

Act (42 U.S.C. 8387) April 7, 1986, as amended by the Energy Policy Act of 1992 Public Law 102-486) October 24, 1992. Prior to the Energy Policy Act of 1992, ESPC was called the “Shared Energy Savings (SES) Program.”

### **ESPC Coverage**

Huntsville Center awarded a four-state, ESPC to five contractors in January 1997. HEC of Natick, Mass., Honeywell of Atlanta, Ga., Northeastern Energy Services, Inc. (NORESCO) of Framingham, Mass., Duke Solutions of Charlotte, N.C., and Equitable Resources, Inc. (ERI), of Bridgeport, Conn.,



were selected. In addition, two contracts were awarded to small businesses in July 1997. These businesses are Systems Corporation, Knoxville, Tenn.; and Co-Energy Group, Las Vegas, Nev.. Any government facility in Virginia, North Carolina, South Carolina, and Georgia may request the use of this ESPC.

Huntsville Center awarded a second ESPC in August 1997 covering the remaining 46 states, the District of Columbia and Puerto Rico. The \$1.1 billion contract includes a dozen firms nationwide. They are: Sempra Energy Services, of Houston, Texas; Duke Solutions of Charlotte, N.C.; ERI Services Division of Bridgeport, Conn.; HEC Inc. of Natick, Mass.; Honeywell Inc. of Phoenix, Ariz.; Johnson Controls Inc. of San Diego, Calif.; Northeast Energy Services Inc. (NORESKO) of Framingham, Mass.; CMS Viron Corporation of Kansas City, Mo.; and Xenergy Inc. of Burlington, Mass. In addition, an award went to a joint venture of Energy Masters International Inc. of St. Paul, Minn., with Energy Performance Services of King of Prussia, Pa. The small business award winner was Abacus Engineered Systems of Seattle, Wash.

### **Privatization.**

Privatization is the transfer of ownership, operation, maintenance, repair, and investor upgrade/plant replacement of an Army-owned utility system to a non-federal entity. The Army currently lacks the manpower and financial resources to bring utility systems up to current industry standards, and comply with increasingly stringent environmental laws. Privatization is a means to provide reliable services to meet the Army's mission needs with declining resources. The Department of Defense has directed military departments to plan for award of privatization contracts for all utility systems no later than September 30, 2003, if such awards are economical. The Huntsville Center is available to assist Department of Defense agencies in accessing and implementing all required privatization actions for military installations throughout the United States.



**U.S. Army Corps  
of Engineers®  
Huntsville Center**

*Information:  
Public Affairs Office, (256) 895-1690  
Program Manager (Bobby Starling),  
(256) 895-1531  
<http://www.hnd.usace.army.mil>*