



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3400

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ENERGY,
INSTALLATIONS
AND ENVIRONMENT

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,
ENERGY AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY (ENERGY,
INSTALLATIONS & ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS,
ENVIRONMENT AND LOGISTICS)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Reporting Requirements for the Oversight of Energy Savings Performance Contracts
(ESPCs) and Utility Energy Service Contracts (UESCs)

The Department is required to strengthen its oversight of the ESPCs and UESCs executed on its installations. The Government Accountability Office (GAO) in Report 17-461, *Additional Data and Guidance Needed for Alternatively Financed Energy Projects*, identified a lack of consistent and accurate data on the Department's portfolio of ESPCs and UESCs as a significant barrier to project oversight and insight into the future budgetary implications of these projects, including impacts on utility budgets.

The Department concurs with these findings and will improve the accuracy and consistency with which data are reported to improve oversight. Pursuant to better tracking and data quality, each Component is required on a quarterly basis to enter performance-based facility energy efficiency contracting information into the enclosed tracking spreadsheet (TAB B) as well as submitting corresponding Task Order (TO) Schedules 1-5 (TAB C) or their equivalent for each new project award/modification.

For those UESC contracts in which energy savings are not a contract-stipulated requirement, the Component must submit documentation of the performance requirements of the contract and how these requirements will be verified. The Component must also submit payment and cancellation schedules, or TO Schedules 1-5 where they exist.

In addition, for each project awarded, the Department requires the Component to collect and submit the annual measurement and verification reports for each project, once these reports have been reviewed and accepted by the contracting officer or contracting officer's representative.

TAB B and TAB C are due to the Office of the Deputy Assistant Secretary of Defense for Installation Energy on the following dates of each year: October 15, January 15, April 15, and July 15.

Please forward your submissions by email to CDR Walter S. Ludwig at walter.s.ludwig.mil@mail.mil.

Lisa A. Jung
Deputy Assistant Secretary of Defense
Installation Energy

Attachment
As stated