

Energy-Efficiency in the Public Procurement: Saving Money, Energy and the Environment

The course was moderated by Ms. Laura Van Wie McGrory of the U.S. Lawrence Berkeley National Lab (LBNL).

Mr. Philip Coleman and Ms. McGrory of the Lawrence Berkley National Laboratory focused on the significant potential for long-term energy savings in the public sector which can act as a catalyst for other sectors. They presented initiatives, mostly of the US Federal Energy Management Program (FEMP), on retrofitting existing and designing new buildings, operations and maintenance, government purchasing, public lighting, and public vehicle fleets. On the international level, they introduced an initiative on Promoting an Energy-Efficient Public Sector (PEPS), which includes a database on worldwide public sector programs.

Mr. Edgar Villasenor Franco of PEPS in Mexico who is also with ICLEI, highlighted the benefits of local action on energy efficiency in the public sector of Mexico. He presented the PEPS activities in Mexican cities which include training of local officials, establishment of procurement policies tailored to the local reality and assisting in the implementation as well as monitoring and verification of results. Energy efficiency labels for procurement products have played a major role (Energy Star, Sello FIDE etc.), for example. Mexico City has approved a new procurement policy in 2007 which will affect procurement by more than 150,000 employees of the local government.

Mr. Alexander Filippov of the Alliance to Save Energy (ASE) focused on the synergies for water utilities and municipalities of saving water for improving energy efficiency. The WATERGY program he outlined is operating in five developing countries to help implement cost effective changes to the water supply system in cities that help reduce leaks, extend running-water services, and reduce energy consumption from water pumps. In many cases these changes have included costs recovery schemes (charging end-users for water) and the contracting of energy service companies (ESCOs). He underscored the importance of first building political will before implementing efficiency measures, and shared case studies from South Africa and Mexico.

Mr. Phil Coleman of LBNL, Mr. Jas Singh of USAID and Mr. Alexander Filippov of the ASE summarized public sector financing options for energy efficiency programs which can either be paid for by internal budgetary sources, by borrowed (bond, loan) money or they can be financed from savings and paid back from energy savings. Mr. Singh presented the concept of an ESCO pointing to the technical expertise and “one-stop shop” advantages gained as well as to the drawbacks of additional complexities, time consumed and costs incurred through their services. Mr. Coleman presented a performance contract with guaranteed energy and cost savings from an US Air Force Base with a long time horizon and third party financing. Other case studies introduced included Mexico, Egypt, and South Africa.