

## 23.202 Policy.

(a) Agencies *should* make maximum use of the authority provided in the National Energy Conservation Policy Act ([42 U.S.C. 8287](#)) to use an *energy savings performance contract* (ESPC), when life-cycle cost-effective to reduce energy use and cost in the agency's facilities and operations.

(b)

(1) Under an ESPC, an agency can contract with an energy service company for a period not to exceed 25 years to improve energy efficiency in one or more agency facilities at no direct capital cost to the *United States* Treasury. The energy service company finances the capital costs of implementing energy conservation measures and receives, in return, a contractually determined share of the cost savings that result.

(2) Except as provided in [10 CFR 436.34](#), ESPC's are subject to [subpart 17.1](#).

(c) To solicit and award an ESPC, the *contracting officer*—

(1) *Must* use the procedures, selection method, and terms and conditions provided in [10 CFR part 436, subpart B](#); and

(2) *May* use the “Qualified List” of energy service companies established by the Department of Energy and other agencies.

(d) For procedures related to *unsolicited proposals* for *energy savings performance contracts*, see [15.603\(e\)](#).

(e) For more information see <https://energy.gov/eere/femp/energy-savings-performance-contracts-federal-agencies>.

**Parent topic:** [Subpart 23.2 - Energy Savings Performance Contracts](#)