



The Energy Policy Act of 2005: Summary

The first major energy legislation passed by Congress in 13 years, the Energy Policy Act of 2005 (EPAAct 2005) was signed into law by President Bush on August 8, 2005.

Major Points

- Provides revised ANNUAL energy reduction goals (2% per year beginning in FY 2006).
- Provides revised renewable energy purchase goals.
- Reauthorizes Energy Savings Performance Contracts (ESPCs) until October 1, 2016.
- Requires federal procurement of ENERGY STAR® or FEMP-designated products.
- Updates federal green building standards with emphasis on energy efficiency and sustainable design principles (to be determined).
- Mandates a variety of research and demonstration activities to stimulate the market for fuel cell vehicles and hydrogen energy systems (to be determined).

Energy Goal

The new law replaces the energy portions of Executive Order 13123, issued in 1999, which required federal “industrial facilities” such as laboratories to reduce their energy intensity (from an FY 1999 baseline) 20% by FY 2005 and 25% by FY 2010. EPAAct 2005 requires federal agencies to reduce energy intensity every year in their buildings—on a BTU per gross square foot basis, and from a FY 2003 baseline—by 2% per year beginning in FY 2006, up to a cumulative 20% reduction by the end of FY 2015. *Note: DOE is still finalizing guidelines to determine whether federal agencies will continue to be allowed to count renewable energy purchases towards their energy reduction goals.*

Fiscal Year	Percent Reduction Required (From FY 2003 Baseline)
2006	2
2007	4
2008	6
2009	8
2010	10
2011	12
2012	14
2013	16
2014	18
2015	20

Renewable Energy Goals

New federal government-wide goals for green power purchases*:

- FY 2007-2009: At least 3 % of all electricity consumption must be derived from renewable sources.
- FY 2010-2012: At least 5 % of all electricity consumption must be derived from renewable sources.
- FY 2013+: At least 7.5 % of all electricity consumption must be derived from renewable sources.

**Note: Federal facilities receive double credit toward this goal for any renewable energy that they generate on-site.*

ESPCs

EPAAct 2005 reauthorizes ESPCs until October 1, 2016.

Please note that this document is not a complete or federal government-approved summary. For the complete EPAAct 2005 text, visit www.labs21century.gov/links/epact.htm.



ENERGY STAR® Requirements

Other requirements in the new law mirror initiatives that EPA has taken to purchase energy efficient products and procure sustainable and energy-efficient buildings. Federal agencies are required to purchase ENERGY STAR® or FEMP-designated products and equipment and include ENERGY STAR® references in construction procurements.

Metering Requirements

Agencies must have advanced metering capability (hourly measurements of electricity consumption and daily data reports, at a minimum) by October 1, 2012. DOE must issue implementation guidelines by February 8, 2006 (180 days following the enactment of EAct 2005). Six months after February 8, 2006, all federal agencies must provide an implementation plan to DOE.

Solar Requirements

EAct 2005 encourages federal solar energy projects, particularly through GSA.

Motor Requirements

Premium efficiency motors are required.

Green Building Requirements

As part of new building performance standards, federal buildings must be designed to achieve energy consumption levels that are at least 30% below the current ASHRAE standard, and sustainable design principles must be applied to the siting, design, and construction of all new and replacement buildings.

Hydrogen Fleet & Energy Systems

Under the new law, DOE will develop regulations containing goals for 2008-2010 to stimulate the market for fuel cell vehicles and hydrogen energy systems and expanding federal fleet requirements. By 2010, federal agencies will be required to purchase fuel cell vehicles and hydrogen energy systems, according to whatever goals are set forth in the new regulations, which are due in 2006.

Fuel Cells

Fuel cell requirements are at best “murky” within EAct 2005. These details will become clearer following the development of more specific guidance.

Incentives

Agencies MAY retain utility cost savings and invest them in future energy projects. Additionally, commercial buildings designed to consume 50% less energy than ASHRAE 90.1 receive a \$1.80/square foot tax deduction (for federal facilities, the deduction is allocated to the architect(s) and/or engineer(s) responsible for the building’s design).

Exclusions

Impractical at specific facilities or all practical projects already implemented.