UNITED STATES GENERAL ACCOUNTING OFFICE
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STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
OF THE
HOUSE COMMITTEE ON ENERGY AND COMMERCE
ON
ENERGY CONSERVATION IN THE FEDERAL GOVERNMENT

Mr. Chairman and Members of the Subcommittee:

We welcome the opportunity to discuss the status of Federal energy conservation efforts. During the past few years we have issued numerous reports on Federal efforts to reduce energy use. These reports identified serious shortcomings in Federal conservation efforts and recommended corrective actions. The reports are listed in Attachment I.

My statement today, based on our previous work as well as recent updating requested by you, addresses (1) the need for Federal energy conservation, (2) the current status of Federal conservation actions mandated by law and executive order, and (3) the organizational placement and staffing of the Federal Energy Management Program within DOE and the energy conservation offices within DOD and GSA.

FEDERAL ENERGY CONSERVATION IS NEEDED

The Federal Government has a significant opportunity to reduce its expenditures by conserving energy. It is the Nation's largest single energy consumer, spending almost $9 billion in fiscal year 1980 for approximately 2.2 percent of the total national energy use. Unfortunately, Federal energy consumption is on the rise. For the first 3 quarters of fiscal year 1981, energy use increased 4.4 percent above the same period for fiscal year 1980.

We believe the fiscal year 1981 energy use increase indicates the need for additional planning and commitment to realize available conservation opportunities. For example, the Pentagon, the Government's largest office building, has yet to have a comprehensive energy audit to identify cost effective conservation measures. In a quick walk through, we observed 14 exterior doors with wornout or missing weatherstripping leaving 1 1/2 to 2 inch wide gaps. A detailed audit could identify other energy wasting situations. Identifying similar cost effective conservation opportunities nationwide and implementing necessary corrective measures could result in substantial savings. For example, a one percent decrease in consumption could have the effect of saving about $90 million.

STATUS OF LEGISLATIVE AND EXECUTIVE ORDER MANDATES

Many of the legislative and executive order mandates which direct and support an aggressive Federal Government inhouse energy conservation effort are not being effectively met. These mandates establish overall goals and form the basic framework for

planning and implementing energy conservation within the Federal Government. Attachment II to my statement shows the current status of the major mandates. Some of them are obviously more important than others. I want to highlight several of the more important ones.

--The overall 10-year plan for Federal buildings, required by the Energy Policy and Conservation Act, forms the cornerstone of the Government's conservation efforts. Although the plan has been required since 1975, it is still not completed.

--In addition to the overall plan, individual 10-year plans are required from each agency by Executive Order 12003. DOE has approved only 2 plans while rejecting 16 others. Of the 16, four agencies have not been notified because the notification letters are awaiting DOE General Counsel's concurrence. In one case, the letter rejecting DOD's proposed plan has been with the General Counsel for over a year. Even an letter approving DOT's plan has been awaiting General Counsel's concurrence since February 1981.

--The "656" Committee, representing 11 agencies responsible for virtually all Federal energy use, was legislatively established to provide high level agency involvement with energy conservation. Until November 1980, the committee was very active and met periodically to provide policy guidance and review agency progress on Federal energy conservation plans and actions. Since that

time, however, the Committee has not met and has no plans to meet.

--The National Energy Conservation Policy Act requires agencies to conduct preliminary energy audits to identify major energy using buildings in the Government. While the legislative requirement to submit a report on the audit results to the Congress has been met, DOE advised the Congress that the potential utility of that report was extremely limited and suggested that the data be used with caution since it was inconsistent and in error.

ORGANIZATIONAL VISABILITY, STAFFING, AND MANAGEMENT SUPPORT

The Federal Government's efforts to conserve energy have not progressed satisfactorily because of insufficient commitment in the areas of organizational visibility, staffing, and management support. Over the last 4 years we have reported and testified on the lack of this commitment. Based on our recent follow-up work, we believe that not only is a strong commitment still missing, but recent actions indicate it is diminishing.

To enhance the visibility of Federal conservation efforts, we recommended in a December 1979 report 1/ that the Federal Energy Management Program (FEMP) be established as a high-ranking office reporting directly to the DOE Under Secretary, who by law is designated with primary responsibility for energy conservation.

1/"The Federal Government Needs A Comprehensive Program To Curb Its Energy Use," (EMD-80-11, Dec. 12, 1979.)

DOE disagreed with our recommendation for direct reporting to the Under Secretary, but did upgrade FEMP from a branch to an office level in July 1980. The improvement, however, did not last. In June 1981, the FEMP office was redesignated a branch because, in DOE's view, this designation was more appropriate for its relatively small budget and staff size.

Another measure of the lack of support for conservation is the staffing resources allocated to FEMP. Such resources have always been relatively low. In 1979, we reported that FEMP had only five employees; four less than in fiscal year 1978. At that time DOE told us they intended to increase staff authorizations to 17, however, this never occurred. As a result of a recent reorganization the FEMP branch officially has eight positions.

According to the FEMP office, the legislative and executive order mandates relating to Federal energy conservation efforts cannot be completed with a staff of eight. In a November 1980 internal decision paper, the FEMP office estimated that a minimum of 18 staff were necessary to accomplish only what is explicitly mandated by law or executive order. The office also said that staffing even at this level does not allow for any external support activities such as providing technical and administrative support to the "656" Committee.

The lack of management support is also apparent. For example, the heads of all Federal Departments and Agencies were informed in a January 1981 memo of a Federal Energy Efficiency Awards program. According to the memo, the program was to motivate further

achievement through recognition of either individual or organizational conservation efforts. The highest awards were to be signed by the President. However, despite the FEMP office's efforts to elicit presidential involvement in this manner, DOE has indicated that all awards will be signed by Secretary Edwards and that there will be no awards program after the current awards are issued.

ORGANIZATIONAL PLACEMENT AND STAFFING AT DOD AND GSA

You also asked us to address the organizational placement and staffing of the energy conservation offices at DOD and GSA.

DOD management support for conservation appears to be declining as evidenced by recent changes in Defense organizational structure. For example, the visibility of an energy function, including conservation, at the deputy assistant secretary level has recently been reduced. More specifically, DOD had a Deputy Assistant Secretary for Energy, Environment, and Safety. Following a recent organizational change, that position was abolished and its functions combined with another deputy assistant secretary's functions.

Also, an energy conservation officer position within the DOD Directorate of Energy Policy has been vacant since July 1, 1981. However, no decision has been made to fill this position.

A reduction in Defense commitment to conservation is also apparent in a June 1981 DOD memo cancelling the Department's mandatory requirement for Driver Energy Conservation Awareness Training. The training was initiated during a 1979-80 push to reduce DOD's motor gasoline consumption and was made mandatory in August 1980. DOD, in cancelling the mandatory requirement

in June 1981, cited the administration's reliance on market factors to reduce energy use.

We believe the above situations are symptomatic of a decline in a commitment to aggressively promote energy efficiency. This lack of commitment is also evident by the increases in DOD energy use. For example, overall DOD energy use in FY 1981 for both operations and buildings and facilities has increased 5.1 percent over fiscal year 1980. With respect to motor gasoline, the fiscal year 1981 increase is 12.6 percent.

On the other hand, GSA appears to have a more visible energy conservation organization. GSA has established an Energy Conservation Division with overall responsibility for conservation management direction. This division works with formally established organizations within each GSA region to ensure progress in meeting executive and legislative energy conservation requirements.

GSA's progress in achieving legislative and executive order requirements, however, has been slow. For example, the National Capital Region's Energy Retrofit Review Board is behind in timely completion of energy surveys. This board coordinates a 10-year retrofit program intended to assist GSA in meeting the executive goal of a 20 percent per square foot reduction for existing buildings by 1985. So far, 53 energy intensive buildings have been identified for study and subsequent retrofit. However, at the end of FY 1981, only 23 of these buildings had been surveyed. The largest energy using building, the Pentagon, is not scheduled to have its energy survey completed until FY 1983. With 2 to

3 years required for funding, 1 year for design, and 1 year for construction, it is apparent even to GSA, that many major retrofit projects will not be completed by 1985. It appears that the slow progress in meeting overall energy conservation requirements primarily resulted from delays in establishing GSA's current organizational structure.

While there are still many opportunities for saving energy in Federal buildings, some things are improving. GSA appears to have a committed conservation organization in place to improve energy efficiency and, since 1976, Repair and Alteration funding designated for energy retrofit projects has increased from $3.5 million to $33.1 million. While we believe GSA's overall program is encouraging, we also believe the strength and ability of GSA to meet already established requirements will depend upon some form of continuing management support.

In conclusion, we have had a long standing position that the Federal Government, as the Nation's largest single energy consumer, needs to have an aggressive energy conservation program. Our recent work strongly suggests that problems we have previously identified in the Federal Government's inhouse energy conservation program continue to exist. Specifically, legislative and executive mandates are not being met. The limited progress which has been made in meeting these mandates continues to indicate that there is a serious lack of top management commitment and support.

Improving the efficiency of Federal energy use can reduce the Federal Government's $9 billion fuel bill. To realize savings, however, a stronger commitment will be necessary. Both the FEMP office and the "656" Committee have the potential to provide high visibility, strong leadership, and a coordinated effort to promote government-wide energy efficiency. These groups cannot be effective unless the administration supports their efforts.

That concludes my statement, Mr. Chairman. I would be happy to respond to questions.

ATTACHMENT I

GAO REPORTS ON ENERGY CONSERVATION IN THE FEDERAL SECTOR

1. "Energy-Efficient And Cost-Effective Equipment Should Be Installed In New Government Housing" (EMD-81-93, Sept. 16, 1981)

2. "Status Of The Projects And Funds of DOD's Energy Conservation Investment Program" (EMD-81-55, Feb. 19, 1981)

3. "The Government Should Buy More Fuel Efficient Trucks and Truck Tractors" (EMD-80-27, Feb. 21, 1980)

4. "The Federal Government Needs A Comprehensive Program To Curb Its Energy Use" (EMD-80-11, Dec. 12, 1979)

5. "The Solar In Federal Buildings Demonstration Program" (EMD-79-84, Aug. 10, 1979)

6. "Energy-Saving Strategies For Federal Procurement" (EMD-79-68, June 19, 1979)

7. "Evaluation Of DOE's Activities To Develop Mandatory Lighting And Thermal Efficiency Standards for Federal Buildings" (EMD-79-32, Mar. 8, 1979)

8. "Transportation Energy Conservation In the Federal Government" (EMD-79-3, Jan. 25, 1979)

9. "More Use Should Be Made Of Energy-Saving Products In Federal Buildings" (EMD-79-11, Jan. 23, 1979)

10. "Improvements Needed In Department of Defense Energy Conservation Investment Program" (EMD-78-15, Jan. 18, 1978)

11. "Evaluation Of The Plan To Conserve Energy In Federal Buildings Through Retrofit Programs" (EMD-78-2, Dec. 22, 1977 and EMD-78-89, July 20, 1978)

12. "Federal Agencies Can Do More To Promote Energy Conservation By Government Contractors" (EMD-77-62, Sept. 30, 1977)

13. "Energy Conservation At Government Field Installations--Progress and Problems" (LCD-76-229, Aug. 19, 1976)

ATTACHMENT II

MAJOR LEGISLATIVE AND EXECUTIVE ORDER MANDATES
SUPPORTING FEDERAL GOVERNMENT INHOUSE ENERGY CONSERVATION EFFORTS

	Mandate	Source	Status	Comments
1.	Develop and implement an overall 10-year plan for buildings retrofit	Section 381 EPCA	Not yet completed	Required since 1975; Several draft versions prepared, but none approved
2.	Review and approve agency 10-year plans for buildings retrofit	E.O. 12003	2 accepted by DOE; 16 rejected by DOE; 4 required plans waived; 2 never submitted	4 agencies have not been notified of their plan's rejection; some rejection letters delayed over 1 year in DOE's General Counsel
3.	Reduce annual energy use in existing buildings 20% per gross sq.ft. by 1985 from 1975 levels	E.O. 12003	Energy use down 9% through first 3 quarters of FY 81	While a downward trend in energy use would be expected, FY 81 energy use is increasing
4.	Retrofit all buildings with cost effective energy projects by 1990	Section 547 NECPA	Difficult to determine	Some agencies are not retrofitting in a way to measure compliance
5.	Appoint Energy Conservation Officers "656 Committee"	Section 656 DOE Organization Act	Agency personnel have been designated	Designees began meeting as a committee in 1978, however, they have not met since Nov. 1980 and have no plans to meet
6.	Perform preliminary energy audits on Federal buildings	Section 547 NECPA	Results reported to the Congress thus meeting legislative requirements	DOE stated audits were inconsistent and incomplete, but had no authority to supervise quality of agency submissions
7.	Demonstrate solar energy in Federal buildings	Sections 522 and 523, NECPA	Funds have been authorized but further obligations may be restricted or prohibited	Outcome of funding availability unknown
8.	Develop and implement Emergency Contingency Plan	Section 381 EPCA	Not completed	To be included in 10 year plan
9.	Develop and implement Life Cycle Costing Methodology	Section 545 NEPCA	Methodology issued in January 1980	Updates to energy price charts being reviewed by OMB