



U.S. DEPARTMENT OF
ENERGY

Savannah River Operations Office

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DOE Sets Energy Savings Contract in Motion for New Renewable Energy Fueled Plant at SRS

New Steam Production Biomass Plant and Boilers to Yield Public Health, Environmental, and Cost Savings Benefits

Aiken, SC – The U.S. Department of Energy (DOE) today tasked Ameresco Federal Solutions, Inc. (Ameresco) of Knoxville, Tenn., with the Department's largest ever Energy Savings Performance Contract (ESPC) to construct one of the largest biomass facilities in the country at the Savannah River Site (SRS). The \$795 million project replaces a deteriorating, inefficient coal powerhouse and oil-fired boilers at a savings of approximately \$34 million a year in energy and operation and maintenance costs and reduces air emissions, including 100,000 tons per year of greenhouse gas emissions.

DOE's Office of Environmental Management brokered the ESPC agreement that makes a significant contribution to the Department's Transformational Energy Action Management (TEAM) goal of reducing energy intensity by 30 percent and water intensity by 16 percent by the end of fiscal year 2015. This effort will create 200-250 construction jobs and employ a staff of 20 people to operate the facility.

ESPCs are contracts in which private companies finance, install, and maintain new energy- and water-efficient equipment in federal facilities. The government pays no up-front cost, therefore saving taxpayer dollars, and the company's investment is repaid over time by the agency from the cost savings generated by the new equipment. This allows the government to use the private sector to purchase more energy-efficient systems and improve the energy performance of their facilities at no extra cost to the agency or taxpayers.

Ameresco is constructing a steam cogeneration plant and installing two steam boilers and will be reimbursed from actual cost savings generated during the 15-year debt service payback period. The energy savings will result from replacement of the Site's inefficient D Area Powerhouse with a high-tech biomass facility, fuel switching -- coal to biomass -- and improved operational efficiencies with new equipment better matched to SRS's load requirements.

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“This project demonstrates the Department’s commitment to design and construct facilities that promote clean, efficient operations,” said DOE Savannah River Operations Office Manager Jeffrey Allison. “Awarding this contract allows the Savannah River Site to move forward in implementing energy improvements that provide significant public health and environmental benefits and real energy and cost savings to the Department of Energy.”

This delivery order is a prime example of "smart contracting." The project was competitively awarded at a firm, fixed price, and the government does not start paying the contractor until actual energy savings are realized. The contractor will then be paid with savings in energy and other operations and maintenance costs. The community also receives the health and environmental benefits tied to the reduction in greenhouse gas emissions.

Ameresco guarantees the energy improvements will generate savings. After the contract ends, all additional and continuing cost savings accrue to DOE. Construction of the cogeneration facility is anticipated to start in August 2009 and be operational by December 2011.

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