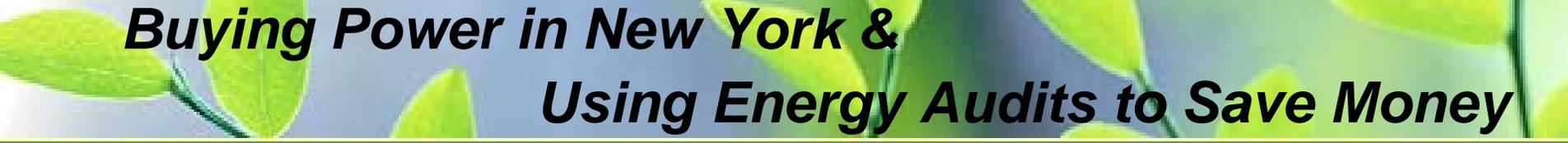




GSA Northeast and Caribbean Region

A horizontal banner featuring a close-up photograph of vibrant green leaves with prominent veins, set against a soft-focus background. The banner is bordered by a thin green line at the top and a dark blue line at the bottom.

***Buying Power in New York &
Using Energy Audits to Save Money***

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PBS Specialty Services Division

GSA's NYC regional office provides expertise both internally and to other agencies to serve these needs:

-  Energy efficiency
-  Energy tracking
-  Energy procurement
-  Utility area wide contracts

Deregulated Electric Market Activities in NYS

-  GSA has successfully shopped for favorable electricity rates in NYS since FY1999
-  3rd Party vendors sell 368 million kWh to GSA and its customers in New York State annually
-  92 million kWh of power is generated from Green sources such as biomass in NYS
-  33% of GSA's contracted load is for other agencies including the UN and the American Red Cross.

Group Buying

-  When buying for other agencies GSA requires an interagency commitment or Memorandum of Agreement (MOA) prior to the buy
-  Similar accounts are grouped together for pricing purposes
-  Grouping maximizes economies of scale

GSA Procurement

-  Lowest priced technically acceptable procurement
-  Two step – technical submissions are obtained prior to obtaining price

Timely Award

-  Suppliers do not want to sit on their prices due to market volatility
-  Obtain pricing by:
 - Paper Fax (“Old Fashioned Method”)
 - Internet Auction Platform
-  “Old Fashioned” pricing in by 10 a.m. with award the next day
-  Internet auction pricing awarded by close of business the next day

Pricing Realities

-  Deregulation has not lowered the price for natural gas and electricity, it has, however, empowered customers by offering more options
-  Deregulation requires customers to understand how operations impact utility costs.
-  Customers without knowledge of utility market functions and building operations will pay the most for their power and natural gas.

Renewable Power in New York and New Jersey

-  Federal renewable energy procurements under EPACT 2005
 - 3% from FY2007-FY2009
 - 5% from FY2010-FY2012
 - 7.5% from FY2013 and beyond
-  GSA is buying 92 million kWh of renewable power for the EPA, the UN Secretary General Residence, select GSA facilities, and the Coast Guard in New York
-  GSA purchases renewable power for the National Park Service's Statue of Liberty and Ellis Island in NJ, and for the Liberty Bell in Philadelphia

Energy Trends

-  In select markets, electricity is becoming a commodity at both the wholesale and retail level
-  Power markets are still immature and the post-ENRON fallout has slowed market development
-  Natural gas is driving electric pricing and increasing off peak power prices and volatility
-  Renewable power is poised to take off
-  Price risk management will be a growing concern
-  Sharp divide regulated/deregulated states

Energy Audits

-  GSA, on behalf of its tenants, hires third party vendors to perform energy audits to uncover energy waste and propose project solutions.
-  Energy Audit recommendations save dollars by reducing energy usage
-  Energy audits are provided by energy service companies, state agencies, such as NYSERDA, and utility companies
-  Preliminary energy audits are generally free; detailed audits cost money.