

once the conditions are met. Approximately 50,000 troops will take part in this effort. Our European Allies will provide the vast bulk of them, but America will also contribute, and we should.

Today I am announcing my decision to provide about 7,000 of these troops for Kosovo, about 15 percent of the total force. The leading elements and headquarters are already in Albania and Macedonia, ready to deploy to Kosovo within a few hours to oversee the safe return of the refugees. The additional NATO forces required are beginning to move to the region.

Finally, this strategy will enable us to put in place a plan for lasting peace and stability in the Balkans, when Mr. Milosevic is stopped and the ethnic cleansing is reversed. For that to happen, the European Union and the United States must be farsighted. We must do for southeastern Europe what we did for Western Europe after World War II, for central Europe, for Poland, Hungary, the Czech Republic, and others after the cold war. We must give them a positive path to a prosperous, shared future, a unifying magnet more powerful than the pull of hatred and destruction which threatens to tear them apart.

It is simply not true, as some have alleged, that the Balkan region has always been and always will be torn apart by ethnic and religious strife and violence, that they are somehow genetically predisposed to that. It isn't true. History does not support that conclusion. And today, the efforts of Romania, Hungary, and Slovakia to resolve their minority problems peacefully show that if leaders are responsible and if people have a positive future to work for, then they can live together and resolve their differences.

Europe and the United States can and should support efforts to increase economic growth, trade, and investment, to strengthen democratic governments and institutions, to help the nations of the region join the European Union and NATO. We should also include Serbia in this effort if, but only if, it practices democracy, respects human rights, and has leaders who uphold the basic standards of human conduct.

So I say again, why are we in Kosovo? Because we have a moral responsibility to op-

pose crimes against humanity and mass ethnic and religious killing and cleansing where we can. Because we have a security responsibility to prevent a wider war in Europe, which we know from our two World Wars would eventually draw America in at far greater cost in lives, time, and treasure.

Why are we pursuing this particular strategy of massive bombing and diplomacy? Because it gives us the best chance of achieving all our objectives in Kosovo: First, the return of Kosovars with security and self-government, withdrawal of Serb forces and the deployment of the international security force with NATO at its core. Second, to maintain Allied unity. Third, to continue cooperation with Russia. Fourth, to maximize our capacity after the conflict is over to build a progressive, democratic, multiethnic Balkans region that will contribute to our economic growth as a world society and our security progress, not be a constant drain on our economy and a constant threat to our security.

Why have we refused to close other doors and other options? Because we are determined to prevail. We are in Kosovo for the same reason you are here. Some things are worth fighting for: A future with the great alliance between the United States and Europe standing strong; a future not dominated by massive killing of innocent civilians because of the ethnic or racial heritage they were born with, or the way they worship God; a future in which leaders cannot keep, gain or increase their power by teaching their young people to hate or kill others simply because of their faith or heritage; a future in which young Americans who set out from this academy to serve our country will not have to fight in yet another major European conflict.

That is the future we want you to have. That is the future we want your children to inherit. I thank you for your willingness to contribute to that future. I thank you for your dedication to your country.

Good luck to you all, and Godspeed.

NOTE: The President spoke at 11:28 a.m. in Falcon Stadium at the United States Air Force Academy. In his remarks, he referred to Lt. Gen. Tad J. Oelstrom, USAF, Superintendent, United States Air Force Academy (USAF), and his wife, Sandra; Gen. Michael E. Ryan, USAF, Air Force

Chief of Staff, and his wife, Jane; Gen. Richard B. Myers, USAF, Commander in Chief, U.S. Space Command, and his wife, Mary Jo; Brig. Gen. Stephen R. Lorenz, USAF, Commandant of Cadets, USAFA, and his wife, Leslie; Brig. Gen. David A. Wagie, USAF, Dean of the Faculty, USAFA, and his wife, Sue; Col. Henry B. Wilbourne, USAF, Command Chaplain, USAFA; Cadet Chief Master Sergeant Jon R. Friedman, USAF, Cadet Wing Superintendent, USAFA; F. Whitten Peters, Acting Secretary of the Air Force and nominee to be Secretary of the Air Force; and President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro). The President also referred to the Kosovo International Security Force (KFOR).

Statement on the Crash Landing of American Airlines Flight 1420 at Little Rock National Airport

June 2, 1999

Hillary and I were saddened to learn of the terrible crash landing of American Airlines Flight 1420 at Little Rock National Airport late last night. We join the American people in extending our deepest sympathies to the families of those who died or were injured.

Our Government is doing everything possible to aid the victims and help determine the cause of this tragedy. Family assistance counselors and other personnel from the National Transportation Safety Board are already on the ground in Little Rock, and FAA inspectors are assisting the NTSB. I have asked my staff to update me on our efforts throughout the day. I ask all Americans to remember in their prayers the passengers and their families.

Remarks Following a Cabinet Meeting

June 3, 1999

Good afternoon. I have just completed a very good meeting with the Cabinet. We discussed many issues, three in particular I would like to discuss with you.

Situation in the Balkans

First, with regard to Kosovo. As you know, we have been working closely with President

Ahtisaari and Mr. Chernomyrdin to try to achieve an agreement that would allow the refugees to go home with security, safety, and self-government. Movement by the Serbian leadership to accept these conditions, established by NATO and the international community is, of course, welcome, but based on our past experience, we must also be cautious.

First, we must have clarity that the Serbian leadership has fully accepted these conditions and intends to fully implement them. Until then and until Serb forces begin a verifiable withdrawal from Kosovo, we will continue to pursue diplomacy, but we will also continue the military effort that has brought us to this point.

In a few moments, I will meet with the Joint Chiefs of Staff to speak about the progress of our campaign and our planning for the force that would enter Kosovo when NATO's conditions are met. NATO and our military have been working hard to ensure that we can sustain our campaign and deploy KFOR quickly and effectively when that is necessary. We have worked to ensure that we can do this while maintaining our overall military posture around the world. They have my complete confidence and support as we move forward.

Legislative Agenda

The second thing we discussed today was the budget and the importance of maintaining fiscal discipline, which has helped our Nation reach historic levels of prosperity, honored our values of opportunity, responsibility, and community, and enabled us to begin to meet the challenges of America in the 21st century.

Last fall my Cabinet and I worked very hard to put together a budget that reduces the publicly held debt to its lowest point since before World War I, safeguards the solvency of Social Security and Medicare and makes improvements in both programs, offers targeted tax cuts for long-term retirement savings, stays within the budget caps, and makes substantial new investments in the benefit of the American people, from education to the environment to new technology.

Unfortunately, the Republican majority in Congress is moving ahead with a budget plan

that, in the end, may do none of these things. It fails to extend the solvency of Social Security and Medicare. It fails to make new, crucial investments. It requires deep cuts in areas of great national need, from law enforcement to education to the environment. These cuts would be so damaging that Congress, itself, to date has been unwilling and unable to move some of the most basic and normally noncontroversial spending bills out of their committees.

The majority budget plan is simply not realistic. It is a blueprint for chaos, and we can do better. I urge Congress when it returns to work with me in a bipartisan way for a budget that is both fiscally responsible and honors our values and prepares for our future.

Federal Energy Policy

I also discussed with the Cabinet new actions to deal with what, in my State of the Union Address, I said was our most fateful environmental challenge, global warming. Almost every month, we see disturbing new evidence of climate change. Scientists now believe that last year, 1998, was very likely the warmest year in a millennium. Whole species of frogs are disappearing from forests in Costa Rica because the air there is getting hotter and drier. In the Arctic, the permafrost has started to warm and the sea ice is shrinking. These are alarming signs for what it means to biodiversity and the potential of a rising water level around the globe.

Yet some still insist that the vast majority of scientists are simply wrong, and that we should do nothing. Others call for a raft of new regulations and new taxes. I believe there is a third way here, a better way, to invest in technologies that reduce greenhouse gases while also spurring economic growth. Many of those technologies are on hand right now.

As the single largest consumer of energy in our country, the Federal Government should be leading the way. That is why today I am directing all Federal departments and agencies to take steps to markedly improve

the energy efficiency of our buildings. With new technologies and contracts with private companies, the Federal Government will cut its greenhouse gas emissions by 30 percent. That is the equivalent of taking 1.7 million cars off the road. By taking these steps, we will also save the taxpayers over \$750 million a year when they are fully implemented.

I'm also pleased to announce that the Defense Department will award, by the end of this month, the largest energy-saving contract in the history of the Federal Government. Under this contract, the Government pays no up-front costs, the contractor wins a share of the energy savings; greenhouse pollution is reduced; and taxpayers will save over \$200 million.

I want to express my thanks to Secretary Cohen and Secretary Richardson for turning the idea of these win-win energy contracts into a reality. And I want to urge Congress, again, to pass the new research investments and the new tax incentives I have proposed in my balanced budget, so that America's consumers and businesses can reap the benefits of energy-saving technologies that exist today, and the new, better technologies that are soon to be developed.

So, in closing, let me say we have some encouraging news on Kosovo, but we should be cautious, and we should see real results.

We have presented a good budget to the Congress; the one they have come back with won't work. We've got to work together to give the American people one that will. The problem of climate change and global warming is real, but we don't have to have an economic breakdown to deal with it; what we need is a vigorous embrace of effective technologies, first by the Federal Government and then by all the American people.

Thank you very much.

NOTE: The President spoke at 2:52 p.m. in the Rose Garden at the White House. In his remarks, he referred to President Martti Ahtisaari of Finland and Special Envoy and former Prime Minister Viktor Chernomyrdin of Russia.

Executive Order 13123—Greening the Government Through Efficient Energy Management

June 3, 1999

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the National Energy Conservation Policy Act (Public Law 95-619, 92 Stat. 3206, 42 U.S.C. 8252 *et seq.*), as amended by the Energy Policy Act of 1992 (EPACT) (Public Law 102-486, 106 Stat. 2776), and section 301 of title 3, United States Code, it is hereby ordered as follows:

Part 1—Preamble

Section 101. Federal Leadership. The Federal Government, as the Nation's largest energy consumer, shall significantly improve its energy management in order to save taxpayer dollars and reduce emissions that contribute to air pollution and global climate change. With more than 500,000 buildings, the Federal Government can lead the Nation in energy efficient building design, construction, and operation. As a major consumer that spends \$200 billion annually on products and services, the Federal Government can promote energy efficiency, water conservation, and the use of renewable energy products, and help foster markets for emerging technologies. In encouraging effective energy management in the Federal Government, this order builds on work begun under EPACT and previous Executive orders.

Part 2—Goals

Sec. 201. Greenhouse Gases Reduction Goal. Through life-cycle cost-effective energy measures, each agency shall reduce its greenhouse gas emissions attributed to facility energy use by 30 percent by 2010 compared to such emissions levels in 1990. In order to encourage optimal investment in energy improvements, agencies can count greenhouse gas reductions from improvements in nonfacility energy use toward this goal to the extent that these reductions are approved by the Office of Management and Budget (OMB).

Sec. 202. Energy Efficiency Improvement Goals. Through life-cycle cost-effective

measures, each agency shall reduce energy consumption per gross square foot of its facilities, excluding facilities covered in section 203 of this order, by 30 percent by 2005 and 35 percent by 2010 relative to 1985. No facilities will be exempt from these goals unless they meet new criteria for exemptions, to be issued by the Department of Energy (DOE).

Sec. 203. Industrial and Laboratory Facilities. Through life-cycle cost-effective measures, each agency shall reduce energy consumption per square foot, per unit of production, or per other unit as applicable by 20 percent by 2005 and 25 percent by 2010 relative to 1990. No facilities will be exempt from these goals unless they meet new criteria for exemptions, as issued by DOE.

Sec. 204. Renewable Energy. Each agency shall strive to expand the use of renewable energy within its facilities and in its activities by implementing renewable energy projects and by purchasing electricity from renewable energy sources. In support of the Million Solar Roofs initiative, the Federal Government shall strive to install 2,000 solar energy systems at Federal facilities by the end of 2000, and 20,000 solar energy systems at Federal facilities by 2010.

Sec. 205. Petroleum. Through life-cycle cost-effective measures, each agency shall reduce the use of petroleum within its facilities. Agencies may accomplish this reduction by switching to a less greenhouse gas-intensive, nonpetroleum energy source, such as natural gas or renewable energy sources; by eliminating unnecessary fuel use; or by other appropriate methods. Where alternative fuels are not practical or life-cycle cost-effective, agencies shall strive to improve the efficiency of their facilities.

Sec. 206. Source Energy. The Federal Government shall strive to reduce total energy use and associated greenhouse gas and other air emissions, as measured at the source. To that end, agencies shall undertake life-cycle cost-effective projects in which source energy decreases, even if site energy use increases. In such cases, agencies will receive credit toward energy reduction goals through guidelines developed by DOE.

Sec. 207. Water Conservation. Through life-cycle cost-effective measures, agencies

shall reduce water consumption and associated energy use in their facilities to reach the goals set under section 503(f) of this order. Where possible, water cost savings and associated energy cost savings shall be included in Energy-Savings Performance Contracts and other financing mechanisms.

Part 3—Organization and Accountability

Sec. 301. Annual Budget Submission. Each agency's budget submission to OMB shall specifically request funding necessary to achieve the goals of this order. Budget submissions shall include the costs associated with: encouraging the use of, administering, and fulfilling agency responsibilities under Energy-Savings Performance Contracts, utility energy-efficiency service contracts, and other contractual platforms for achieving conservation goals; implementing life-cycle cost-effective measures; procuring life-cycle cost-effective products; and constructing sustainably designed new buildings, among other energy costs. OMB shall issue guidelines to assist agencies in developing appropriate requests that support sound investments in energy improvements and energy-using products. OMB shall explore the feasibility of establishing a fund that agencies could draw on to finance exemplary energy management activities and investments with higher initial costs but lower life-cycle costs. Budget requests to OMB in support of this order must be within each agency's planning guidance level.

Sec. 302. Annual Implementation Plan. Each agency shall develop an annual implementation plan for fulfilling the requirements of this order. Such plans shall be included in the annual reports to the President under section 303 of this order.

Sec. 303. Annual Reports to the President. (a) Each agency shall measure and report its progress in meeting the goals and requirements of this order on an annual basis. Agencies shall follow reporting guidelines as developed under section 306(b) of this order. In order to minimize additional reporting requirements, the guidelines will clarify how the annual report to the President should build on each agency's annual Federal energy reports submitted to DOE and the Congress. Annual reports to the President are due on

January 1 of each year beginning in the year 2000.

(b) Each agency's annual report to the President shall describe how the agency is using each of the strategies described in Part 4 of this order to help meet energy and greenhouse gas reduction goals. The annual report to the President shall explain why certain strategies, if any, have not been used. It shall also include a listing and explanation of exempt facilities.

Sec. 304. Designation of Senior Agency Official. Each agency shall designate a senior official, at the Assistant Secretary level or above, to be responsible for meeting the goals and requirements of this order, including preparing the annual report to the President. Such designation shall be reported by each Cabinet Secretary or agency head to the Deputy Director for Management of OMB within 30 days of the date of this order. Designated officials shall participate in the Interagency Energy Policy Committee, described in section 306(d) of this order. The Committee shall communicate its activities to all designated officials to assure proper coordination and achievement of the goals and requirements of this order.

Sec. 305. Designation of Agency Energy Teams. Within 90 days of the date of this order, each agency shall form a technical support team consisting of appropriate procurement, legal, budget, management, and technical representatives to expedite and encourage the agency's use of appropriations, Energy-Savings Performance Contracts, and other alternative financing mechanisms necessary to meet the goals and requirements of this order. Agency energy team activities shall be undertaken in collaboration with each agency's representative to the Interagency Energy Management Task Force, as described in section 306(e) of this order.

Sec. 306. Interagency Coordination. (a) *Office of Management and Budget.* The Deputy Director for Management of OMB, in consultation with DOE, shall be responsible for evaluating each agency's progress in improving energy management and for submitting agency energy scorecards to the President to report progress.

(1) OMB, in consultation with DOE and other agencies, shall develop the agency energy scorecards and scoring system to evaluate each agency's progress in meeting the goals of this order. The scoring criteria shall include the extent to which agencies are taking advantage of key tools to save energy and reduce greenhouse gas emissions, such as Energy-Savings Performance Contracts, utility energy-efficiency service contracts, ENERGY STAR® and other energy efficient products, renewable energy technologies, electricity from renewable energy sources, and other strategies and requirements listed in Part 4 of this order, as well as overall efficiency and greenhouse gas metrics and use of other innovative energy efficiency practices. The scorecards shall be based on the annual energy reports submitted to the President under section 303 of this order.

(2) The Deputy Director for Management of OMB shall also select outstanding agency energy management team(s), from among candidates nominated by DOE, for a new annual Presidential award for energy efficiency.

(b) *Federal Energy Management Program.* The DOE's Federal Energy Management Program (FEMP) shall be responsible for working with the agencies to ensure that they meet the goals of this order and report their progress. FEMP, in consultation with OMB, shall develop and issue guidelines for agencies' preparation of their annual reports to the President on energy management, as required in section 303 of this order. FEMP shall also have primary responsibility for collecting and analyzing the data, and shall assist OMB in ensuring that agency reports are received in a timely manner.

(c) *President's Management Council.* The President's Management Council (PMC), chaired by the Deputy Director for Management of OMB and consisting of the Chief Operating Officers (usually the Deputy Secretary) of the largest Federal departments and agencies, will periodically discuss agencies' progress in improving Federal energy management.

(d) *Interagency Energy Policy Committee.* This Committee was established by the Department of Energy Organization Act. It consists of senior agency officials designated in

accordance with section 304 of this order. The Committee is responsible for encouraging implementation of energy efficiency policies and practices. The major energy-consuming agencies designated by DOE are required to participate in the Committee. The Committee shall communicate its activities to all designated senior agency officials to promote coordination and achievement of the goals of this order.

(e) *Interagency Energy Management Task Force.* The Task Force was established by the National Energy Conservation Policy Act. It consists of each agency's chief energy manager. The Committee shall continue to work toward improving agencies' use of energy management tools and sharing information on Federal energy management across agencies.

Sec. 307. Public/Private Advisory Committee. The Secretary of Energy will appoint an advisory committee consisting of representatives from Federal agencies, State governments, energy service companies, utility companies, equipment manufacturers, construction and architectural companies, environmental, energy and consumer groups, and other energy-related organizations. The committee will provide input on Federal energy management, including how to improve use of Energy-Savings Performance Contracts and utility energy-efficiency service contracts, improve procurement of ENERGY STAR® and other energy efficient products, improve building design, reduce process energy use, and enhance applications of efficient and renewable energy technologies at Federal facilities.

Sec. 308. Applicability. This order applies to all Federal departments and agencies. General Services Administration (GSA) is responsible for working with agencies to meet the requirements of this order for those facilities for which GSA has delegated operations and maintenance authority. The Department of Defense (DOD) is subject to this order to the extent that it does not impair or adversely affect military operations and training (including tactical aircraft, ships, weapons systems, combat training, and border security).

Part 4—Promoting Federal Leadership in Energy Management

Sec. 401. Life-Cycle Cost Analysis. Agencies shall use life-cycle cost analysis in making decisions about their investments in products, services, construction, and other projects to lower the Federal Government's costs and to reduce energy and water consumption. Where appropriate, agencies shall consider the life-cycle costs of combinations of projects, particularly to encourage bundling of energy efficiency projects with renewable energy projects. Agencies shall also retire inefficient equipment on an accelerated basis where replacement results in lower life-cycle costs. Agencies that minimize life-cycle costs with efficiency measures will be recognized in their scorecard evaluations.

Sec. 402. Facility Energy Audits. Agencies shall continue to conduct energy and water audits for approximately 10 percent of their facilities each year, either independently or through Energy-Savings Performance Contracts or utility energy-efficiency service contracts.

Sec. 403. Emergency Management Strategies and Tools. Agencies shall use a variety of energy management strategies and tools, where life-cycle cost-effective, to meet the goals of this order. An agency's use of these strategies and tools shall be taken into account in assessing the agency's progress and formulating its score card.

(a) **Financing Mechanisms.** Agencies shall maximize their use of available alternative financing contracting mechanisms, including Energy-Saving Performance Contracts and utility energy-efficiency service contracts, when life-cycle cost-effective, to reduce energy use and cost in their facilities and operations. Energy-Savings Performance Contracts, which are authorized under the National Energy Conservation Policy Act, as modified by the Energy Policy Act of 1992, and utility energy-efficiency service contracts provide significant opportunities for making Federal facilities more energy efficient at no net cost to taxpayers.

(b) **ENERGY STAR® and Other Energy Efficient Products.**

(1) Agencies shall select, where life-cycle cost-effective, ENERGY STAR® and other energy efficient products when acquir-

ing energy-using products. For product groups where ENERGY STAR® labels are not yet available, agencies shall select products that are in the upper 25 percent of energy efficiency as designated by FEMP. The Environmental Protection Agency (EPA) and DOE shall expedite the process of designating products as ENERGY STAR® and will merge their current efficiency rating procedures.

(2) GSA and the Defense Logistics Agency (DLA), with assistance from EPA and DOE, shall create clear catalogue listings that designate these products in both print and electronic formats. In addition, GSA and DLA shall undertake pilot products from selected energy-using products to show a "second price tag", which means an accounting of the operating and purchase costs of the item, in both printed and electronic catalogues and assess the impact of providing this information on Federal purchasing decisions.

(3) Agencies shall incorporate energy efficient criteria consistent with ENERGY STAR® and other FEMP-designated energy efficiency levels into all guide specifications and project specifications developed for new construction and renovation, as well as into product specification language developed for Basic Ordering Agreements, Blanket Purchasing Agreements, Government Wide Acquisition Contracts, and all other purchasing procedures.

(4) DOE and OMB shall also explore the creation of financing agreements with private sector suppliers to provide private funding to offset higher up-front costs of efficient products. Within 9 months of the date of this order, DOE shall report back to the President's Management Council on the viability of such alternative financing options.

(c) **ENERGY STAR® Buildings.** Agencies shall strive to meet the ENERGY STAR® Building criteria for energy performance and indoor environmental quality in their eligible facilities to the maximum extent practicable by the end of 2002. Agencies may use Energy-Savings Performance Contracts, utility energy-efficiency service contracts, or other means to conduct evaluations and make improvements to buildings in order to meet the

criteria. Buildings that rank in the top 25 percent in energy efficiency relative to comparable commercial and Federal buildings will receive the ENERGY STAR® building label. Agencies shall integrate this building rating tool into their general facility audits.

(d) *Sustainable Building Design.* DOD and GSA, in consultation with DOE and EPA, shall develop sustainable design principles. Agencies shall apply such principles to the siting, design, and construction of new facilities. Agencies shall optimize life-cycle costs, pollution, and other environmental and energy costs associated with the construction, life-cycle operation, and decommissioning of the facility. Agencies shall consider using Energy-Savings Performance Contracts or utility energy-efficiency service contracts to aid them in constructing sustainably designed buildings.

(e) *Model Lease Provisions.* Agencies entering into leases, including the renegotiation or extension of existing leases, shall incorporate lease provisions that encourage energy and water efficiency wherever life-cycle cost-effective. Build-to-suit lease solicitations shall contain criteria encouraging sustainable design and development, energy efficiency, and verification of building performance. Agencies shall include a preference for buildings having the ENERGY STAR® building label in their selection criteria for acquiring leased buildings. In addition, all agencies shall encourage lessors to apply for the ENERGY STAR® building label and to explore and implement projects that would reduce costs to the Federal Government, including projects carried out through the lessors' Energy-Savings Performance Contracts or utility energy-efficiency service contracts.

(f) *Industrial Facility Efficiency Improvements.* Agencies shall explore efficiency opportunities in industrial facilities for steam systems, boiler operation, air compressor systems, industrial processes, and fuel switching, including cogeneration and other efficiency and renewable energy technologies.

(g) *Highly Efficient Systems.* Agencies shall implement district energy systems, and other highly efficient systems, in new construction or retrofit projects when life-cycle cost-effective. Agencies shall consider combined cooling, heat, and power when upgrad-

ing and assessing facility power needs and shall use combined cooling, heat, and power systems when life-cycle cost-effective. Agencies shall survey local natural resources to optimize use of available biomass, bioenergy, geothermal, or other naturally occurring energy sources.

(h) *Off-Grid Generation.* Agencies shall use off-grid generation systems, including solar hot water, solar electric, solar outdoor lighting, small wind turbines, fuel cells, and other off-grid alternatives, where such systems are life-cycle cost-effective and offer benefits including energy efficiency, pollution prevention, source energy reductions, avoided infrastructure costs, or expedited service.

Sec. 404. Electricity Use. To advance the greenhouse gas and renewable energy goals of this order, and reduce source energy use, each agency shall strive to use electricity from clean, efficient, and renewable energy sources. An agency's efforts in purchasing electricity from efficient and renewable energy sources shall be taken into account in assessing the agency's progress and formulating its score card.

(a) *Competitive Power.* Agencies shall take advantage of competitive opportunities in the electricity and natural gas markets to reduce costs and enhance services. Agencies are encouraged to aggregate demand across facilities or agencies to maximize their economic advantage.

(b) *Reduced Greenhouse Gas Intensity of Electric Power.* When selecting electricity providers, agencies shall purchase electricity from sources that use high efficiency electric generating technologies when life-cycle cost-effective. Agencies shall consider the greenhouse gas intensity of the source of the electricity and strive to minimize the greenhouse gas intensity of purchased electricity.

(c) *Purchasing Electricity from Renewable Energy Sources.*

(1) Each agency shall evaluate its current use of electricity from renewable energy sources and report this level in its annual report to the President. Based on this review, each agency should adopt policies and pursue projects that increase the use of such electricity. Agencies should include provisions for the purchase of electricity from renewable

energy sources as a component of their requests for bids whenever procuring electricity. Agencies may use savings from energy efficiency projects to pay additional incremental costs of electricity from renewable energy sources:

(2) In evaluating opportunities to comply with this section, agencies should consider: my Administration's goal of tripling nonhydroelectric renewable energy capacity in the United States by 2010; the renewable portfolio standard specified in the restructuring guidelines for the State in which the facility is located; GSA's efforts to make electricity from renewable energy sources available to Federal electricity purchasers; and EPA's guidelines on crediting renewable energy power in implementation in Clean Air Act standards.

Sec. 405. Mobile Equipment. Each agency shall seek to improve the design, construction, and operation of its mobile equipment, and shall implement all life-cycle cost-effective energy efficiency measures that result in cost savings while improving mission performance. To the extent that such measures are life-cycle cost-effective, agencies shall consider enhanced use of alternative or renewable-based fuels.

Sec. 406. Management and Government Performance. Agencies shall use the following management strategies in meeting the goals of this order.

(a) *Awards.* Agencies shall use employee incentive programs to reward exceptional performance in implementing this order.

(b) *Performance Evaluations.* Agencies shall include successful implementation of provisions of this order in areas such as Energy-Savings Performance Contracts, sustainable design, energy efficient procurement, energy efficiency, water conservation, and renewable energy projects in the position descriptions and performance evaluations of agency heads, members of the agency energy team, principal program managers, heads of field offices, facility managers, energy managers, and other appropriate employees.

(c) *Retention of Savings and Rebates.* Agencies granted statutory authority to retain a portion of savings generated from efficient energy and water management are encouraged to permit the retention of the savings

at the facility or site where the savings occur to provide greater incentive for that facility and its site managers to undertake more energy management initiatives, invest in renewable energy systems, and purchase electricity from renewable energy sources.

(d) *Training and Education.* Agencies shall ensure that all appropriate personnel receive training for implementing this order.

(1) DOE, DOD, and GSA shall provide relevant training or training materials for those programs that they make available to all Federal agencies relating to the energy management strategies contained in this order.

(2) The Federal Acquisition Institute and the Defense Acquisition University shall incorporate into existing procurement courses information on Federal energy management tools, including Energy Savings Performance Contracts, utility energy-efficiency service contracts, ENERGY STAR® and other energy efficient products, and life-cycle cost analysis.

(3) All agencies are encouraged to develop outreach programs that include education, training, and promotion of ENERGY STAR® and other energy-efficient products for Federal purchase card users. These programs may include promotions with billing statements, user training, catalogue awareness, and exploration of vendor data collection of purchases.

(e) *Showcase Facilities.* Agencies shall designate exemplary new and existing facilities with significant public access and exposure as showcase facilities to highlight energy or water efficiency and renewable energy improvements.

Part 5—Technical Assistance

Sec. 501. Within 120 days of this order, the Director of OMB shall:

(a) develop and issue guidance to agency budget officers on preparation of annual funding requests associated with the implementation of the order for the FY 2001 budget;

(b) in collaboration with the Secretary of Energy, explain to agencies how to retain savings and reinvest in other energy and water management projects; and