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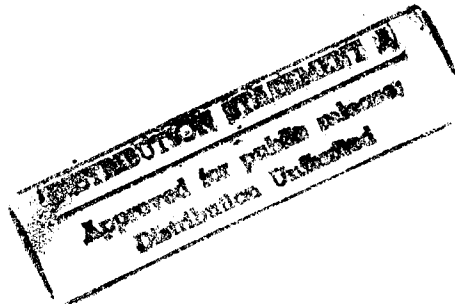
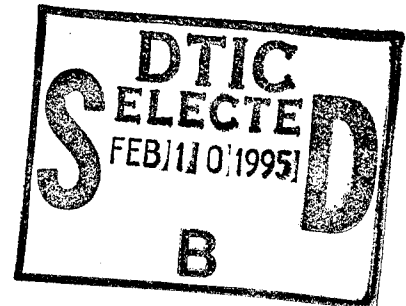
Testimony

Before the Subcommittee on Public Buildings and Grounds,
Committee on Public Works and Transportation, House of
Representatives

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GSA's Energy Conservation
Efforts

Statement of Gerald Stankosky, Assistant Director
Government Business Operations Issues
General Government Division



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Mr. Chairman and Members of the Subcommittee:

We welcome this opportunity to assist the Subcommittee in its consideration of the proposed federal energy management amendments of H.R. 776, the Comprehensive National Energy Policy Act. As you requested, my testimony today briefly summarizes the results of our recent work for this Subcommittee on the General Services Administration's (GSA) efforts to achieve the building energy reductions required by the Federal Energy Management Improvement Act of 1988 (P.L. 100-615). Under this act, all federal agencies, including GSA, are required by 1995 to reduce their energy usage by 10 percent from 1985 levels. Also, Executive Order 12759, issued April 17, 1991, already further challenges federal agencies by requiring them to reduce their energy usage by 20 percent by the year 2000.

GSA provides office space and other facilities for most federal agencies. Nationwide, GSA manages or oversees about 250 million square feet of workspace in 7,400 buildings--1,700 federally owned and 5,700 leased. During fiscal year 1991, GSA spent about \$272 million on utilities and fuel for the federally owned or operated buildings it controls.

Our January 1992 report to this Subcommittee, General Services Administration: A Status Report on Energy Conservation Efforts (GAO/GGD-92-22, Jan. 13, 1992), emphasized that while it is too

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early to forecast whether GSA will achieve the required 10-percent reduction by 1995, the agency appears to be making a concerted effort to reduce energy consumption. In response to the 1988 act, GSA began taking a more proactive approach to energy conservation and in 1990 developed a comprehensive energy reduction plan. Under this plan, GSA has taken or is taking several positive actions. These include funding specific projects to reduce energy consumption--about \$71 million in fiscal years 1990 through 1992, educating tenant agencies, and pursuing other energy-saving opportunities, such as shared energy-saving contracts with private vendors and energy rebates from public utilities, to help finance energy conservation investments that reduce the demand for energy.

When we completed our review in July 1991, the data needed to forecast whether or not GSA would be able to achieve the mandated 10-percent energy reduction by 1995 were not yet available. However, GSA was attempting to develop the necessary data to accurately make such forecasts, assess its progress to date, and identify what additional actions and initiatives will be required to meet the requirements by 1995.

In spite of GSA's initiatives, the agency still faces a formidable challenge in achieving the required 10-percent building energy reduction by 1995, and it is still too early to predict whether its efforts will be successful. There are two

principal reasons why it will be difficult for GSA to achieve substantial additional energy savings. First, GSA has already completed many of the most obvious and cost-effective energy-saving measures, and the potential energy-savings opportunities that remain generally are more expensive and will produce lesser savings. Second, changes in building and tenant agency operations, such as increased use of personal computers and flexible work schedules, have increased agencies' demands for energy and probably will continue to do so.

Finally, as emphasized in our recent reports and testimonies on GSA public buildings issues, funding and budgetary limitations impede needed capital investment in new as well as existing federal buildings. Energy-savings investments have to compete with other pressing building demands. Since GSA had developed what appeared to be a well-designed strategy for achieving energy savings, had begun funding a variety of specific energy conservation initiatives, and was proactively exploring other energy-saving opportunities, we made no recommendations to GSA in our January 1992 report.

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That concludes my prepared statement, Mr. Chairman. We would be pleased to respond to any questions.

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