

ALERT

## LIFECYCLE COST-EFFECTIVE RENEWABLE ENERGY

**1. ISSUE:** Recent VA guidance clarifies that all renewable energy technologies used to meet renewable electricity goals must be lifecycle cost-effective.

**2. BACKGROUND:** Memo from VA's Senior Sustainability Officer (SSO) and Director of the Office of Asset Enterprise Management (OAEM), titled "*Keeping Our Promises to Veterans Through Sustainable Buildings*" (May 6<sup>th</sup>, 2013) states "Implement on-site renewable energy generation, unless proven ineffective through life cycle cost analysis."

Previous guidance does not specifically state this requirement for lifecycle cost effectiveness, causing confusion during project design.

This new requirement applies specifically to renewable electricity generation. Since solar hot water mandates already require lifecycle cost effectiveness, this new standard will now apply to all renewable energy systems.

**3. NEW STANDARD:** All renewable energy equipment included in VA facility designs must be lifecycle cost-effective (LCC-e). When the design budget includes funding for renewable energy technologies, and all renewable energy systems have been determined not to be LCC-e, those additional funds must not be included in the construction funding request.

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