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Pepco Services, Inc. Attn: Mr. Andrew Moyad 2000 K Street, N.W. Suite 750 Washington, DC 20006

PRELIMINARY SURVEY REQUEST FOR TWO WHITE FLINT NORTH SUBJECT:

The U.S. Nuclear Regulatory Commission hereby requests the Potomac Electric Power Company (the "Company") to perform a Preliminary Survey of the facility or system/component designated in the attached statement of work and the terms and conditions of the GSA Energy Services Agreement, dated February 12, 1997, by and between the Company and the United States of America (the "Agreement").

The Company is requested to identify potential Energy Conservation Measures (ECM), if any, at the facility or system/component identified attached statement of work. The Company shall describe its findings to the NRC in a Preliminary Survey Report and submit an Energy Conservation Project (ECP) Contract Proposal as provided for in the Agreement. It is requested that the ECP Contract Proposal include as a government option the proposed costs for incorporating an energy savings performance provision into the ECP contracts. The NRC's request for the Preliminary Survey is conditioned upon the following terms:

- 1. No Cost to the NRC - The Services provided by the Company are not beyond the services that the Company typically provides free of charge to other Customers. Accordingly, the Company shall perform the Preliminary Survey at no cost to the NRC
- 2. NRC Cooperation - The NRC will use reasonable efforts to assist the company in performing the Preliminary Survey, including: providing reasonable access to each facility or system/component; making appropriate Customer Agency personnel available if requested by the company to assist the Company in performing such services; and taking any other actions the Company may reasonably request from time to time to achieve the purposes and intent of this letter.
- 3. Election to Proceed with Projects - Upon submission by the Company to the NRC of a Preliminary Survey Report and ECP Contract Proposal as set forth above, the NRC shall have sixty days subject to possible additional time for GSA and building owner approval to determine if it wishes to proceed with one or more projects identified by the Company.

Sincerely.

Stephen M. Pool, Contracting Officer Division of Contracts and Property Management

DIST: L. Fisher, K. McDow, M. Mace, D. Engel, SPool | CMB+c/€

CONCURRENCE/

OFFICE: ADM/DFS/FB LFI\$HER NAME:

ADM/DCPM/CMB1 OGC +

ADM/DCPM/CMB1

DATE:

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STATEMENT OF WORK PRELIMINARY ENERGY AUDIT FOR TWO WHITE FLINT NORTH BUILDING

The contractor shall conduct an on-site energy audit of the Two White Flint (TWFN) building to identify energy conservation measures which could result in achieving the energy reduction goals established in Executive Order 13123, "Greening of the Government through Efficient Energy Management." To achieve the energy reduction goals established in Executive Order 13123, KWH consumption must be reduced by 15 percent by FY 2005 when compared to FY 1995 base year consumption of 12,839,186 KWH. The reduction goal by FY 2005 is 10,913,308 KWH. For FY 2010, KWH consumption must be reduced by 21 percent compared to FY 1995 base year consumption of 12,839,186. The reduction goal by 2010 is 10,142,957 KWH.

The energy audit should include but not be limited to the following categories:

- 1. Building envelope.
- 2. HVAC equipment and water systems.
- 3. Lighting and power system.
- 4. Energy management and control system.
- 5. Renewable energy system.
- 6. Heat reclamation system.
- 7. Life safety equipment.
- 8. Operating procedures.

Within 30 days from completion of the on-site audit, the contractor shall submit a draft energy audit report providing the following information:

- List of proposed energy projects and estimated implementation costs.
- 2. Annual KWH and cost reductions to be achieved for each proposed project with calculations to support reduction projections.
- 3. Annual water consumption reduction to be achieved for each proposed project with calculations to support reduction projections.
- 4. The economics of the proposed projects with respect to pay-back period and life cycle analysis.
- 5. Operating features and limitation of each proposed project.
- 6. The proposed project's impact on NRC's mission.
- 7. Recommendation on reducing energy consumption through modification of operating procedures.

Upon completion of the review of the draft report by NRC, the contractor shall participate in an on-site question and answer session with NRC officials to discuss the draft energy audit report. The final preliminary energy audit report shall incorporate issues discussed in the question and answer session. The final report shall be submitted to NRC within 14 calendar days after the on-site question and answer session.