**Comparison of Potential Funding Options for Resilient Energy Projects**

This table adapted from the FEMP “Financing for Resilience” paper provides information about potential benefits and considerations associated with different financing approaches. It also identifies whether or not a federal resilience solution has been executed with each of the financing mechanisms. Organizations will need to determine which approach or combination of approaches best serves their needs. Five of these options are more traditional financing options that have been repurposed to support resilience solutions, including appropriations, power purchase agreements (PPAs), energy savings performance contracts (ESPCs), utility energy service contracts (UESCs), and enhanced use leases (EULs). As the market has evolved, three other financing options have emerged: utility funding, state funding, and energy as a service (EaaS).

| Funding or Financing Options | Existing Federal Resilience Project | Owner and Operator | Benefits | Considerations |
| --- | --- | --- | --- | --- |
| Appropriations | Yes | Agency | * All benefits accrue to federal government * May be paired with other funding options to maximize impact/benefit. | * Federal agencies have limited budgets and many unmet needs * Federal agencies have a responsibility to assume performance risks * Federal agencies may need to earmark funds for emergency repairs or other unforeseen costs. |
| [ESPC](https://www.energy.gov/eere/femp/energy-savings-performance-contracts-federal-agencies) and [ESPC Energy Sales Agreement](https://www.energy.gov/eere/femp/energy-savings-performance-contract-energy-sales-agreements) (ESPC ESA) | Yes | Agency or third party | * No or limited upfront capital requirement * Performance is guaranteed to the federal facility * All federal facilities are authorized to award ESPCs and ESPC ESAs. | * Contractor is paid from savings or power purchased * Projects must provide guaranteed savings over the life of the contract * Agency must take title to the equipment either during or after the contract is complete and would then be required to operate and maintain the system. |
| EUL | Yes | Third party | * No upfront capital requirement * Federal facility can receive cash or in-kind contributions for use of land * Contributions can be used for any federal purpose. | * Not all agencies have EUL authority * Federal agencies may need significant and eligible land holdings * Project size and land values influence the amount of cash or in-kind contributions * Federal agencies may not have control over system design or operation. |
| [PPA](https://www.energy.gov/eere/femp/federal-site-renewable-power-purchase-agreements) | Yes | Third party | * No upfront capital requirement * System can be located on-site or off-site * Long-term contract provides energy cost certainty. | * Civilian agencies have limited long-term PPA authorities * Negotiating a PPA can require significant energy market expertise * PPA approval requirements can be time consuming. |
| [UESC](https://www.energy.gov/eere/femp/utility-energy-service-contracts-federal-agencies) | Yes | Agency or third party | * No or limited upfront capital requirement * All federal facilities are authorized to award UESCs * May offer more flexibility than ESPC or ESPC ESA. | * Utility is paid from savings, appropriations, or power purchased * Agency must take title to the equipment during or after the contract is complete and would then be required to operate the system * Not all utilities offer UESCs; see list of [eligible utilities.](https://www.energy.gov/eere/femp/utilities-offering-federal-utility-energy-service-contracts) |
| Emerging Options | | | | |
| Utility Service/  Funding |  | Third party | * No upfront capital requirement * May not require agency approval or contract negotiations. | * Utility projects are subject to state regulatory approval * Federal agencies do not have control over system design or location * Participation in utility-supported resilient energy projects may result in utility rate adjustments. |
| State Funding | Yes | Agency or third party | * All benefits may accrue to the federal government * Funding can be used to offset or eliminate upfront capital requirement. | * Federal agencies, if eligible, will have to compete with other entities for funding * Grant dollars may need to be paired with other financing options. |
| EaaS |  | Third party | * No upfront capital requirement * Third-party provider guarantees achievement of agency energy objectives. | * Federal eligibility uncertain * Not all facilities could leverage EaaS benefits (e.g., distribution system services). |