Policy 2002-01: Energy Management and Conservation

A. Policy

The Pennsylvania State System of Higher Education will develop, implement, monitor and maintain an energy management plan as a necessary component of the System’s strategic and programmatic planning to support and advance the educational mission of the System.

B. Purpose

Modern educational programs are dependent upon a reliable supply of energy—electricity, natural gas, coal and oil, as well as modern, technologically advanced buildings, and other utility services. Factors that impact obtaining and ensuring a continuous reliable supply of energy include availability; world market conditions; cost; conservation; environmental stewardship; federal, state, and local energy policies; and research, education, and communication in all aspects of energy matters to System consumers.

Obtaining and ensuring a reliable supply of energy sources is only the first key ingredient for providing a technologically advanced, comfortable, teaching and learning environment. Conversion of raw energy materials for heating and cooling requires effective conversion systems and efficient operational management. Alternative designs, technological advances, and new energy conversion systems must be managed carefully to ensure cost-effective operations.

As a result of deregulation, natural gas and electrical energy are commodities that are traded on the stock exchanges. Procurement of energy in the deregulated market requires unique skills not required for other System procurement processes. Cost-effective procurement of energy supplies requires a thorough understanding of the energy market, energy production and distribution, and events impacting the futures market. Centralized collaborative procurement minimizes the procurement expertise necessary to obtain energy effectively for the System, and the increased volume generally results in lower
prices. These factors require constant collaborative efforts and effective application of System-wide management techniques based on a strategic energy plan that recognizes and incorporates individual university needs.

This policy establishes the requirement for developing, implementing, monitoring, and maintaining an energy strategic plan to provide a reliable supply of energy and ensure efficient, effective use of energy to support the System’s mission. Collaborative procurement of energy will be used to the extent feasible to minimize costs.

C. Definitions

- **Energy conservation**—continually striving to use the minimal amount of energy necessary for effective operation to meet mission requirements.

- **Energy conversion**—the process of changing naturally occurring substances or phenomenon or manmade products into a useable form to provide energy for heating, cooling, and operation of equipment.

- **Energy management**—the means and methods of controlling energy use to achieve desired results.

- **Energy sources**—naturally occurring substances or phenomenon or manmade products that can be used for heating, cooling, producing electricity, and/or operating equipment including coal, natural gas, purchased electricity, oil, solar, wind or chemical-reactive substances.

D. Responsibilities

The chancellor, in consultation with the presidents, will develop, publish, and implement a strategic energy plan for the System. The plan will recognize and address the factors that impact reliable and continuously available sources of energy to support System operations including effective procurement and consumption of energy; compliance with environmental laws and regulations; conformance to the extent feasible with federal, state, and local energy policies; and research, education and communication to System consumers. Collaborative procurement processes will be used, whenever effective, to purchase energy at the lowest cost possible.