



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

2022 Department of the Treasury Sustainability Plan

1. Treasury Department Sustainability Plan Summary

The Department of the Treasury (hereinafter, “Treasury” or “Agency”) is responding to the real challenges and threats that Climate Change poses today, as well as the increased impacts and threats that Climate Change will pose over the coming decades. The Agency has committed to working on the development of strategies and standards, and goals aimed to maximize resilience and adaptation efforts and outcomes, as well as establishing policy and guidance to spur initiatives to achieve the goals of Executive Order (E.O.) 14057, *Catalyzing Clean Energy Industries and Jobs through Federal Sustainability*. This coordinated, whole-of-government approach—composed of individual agency goals and actions—will transform Federal procurement and operations to reduce overall greenhouse gas (GHG) emissions and environmental impacts, while securing a transition to clean energy and sustainable technologies.

Section 503 of E.O. 14057 requires the heads of principal agencies to develop and implement annual Sustainability Plans, based on annual guidance provided by the Council on Environmental Quality (CEQ), describing actions and progress toward the goals and requirements of the E.O. The following is the referenced *2022 Department of the Treasury Sustainability Plan*, provided in accordance with the guidance under Section 503.

2. Priority Actions Towards Goals

A. 100 Percent Carbon Pollution-Free Electricity

Treasury has worked to identify priority strategies and develop standardized processes to increase carbon pollution-free electricity (CFE) usage to 100% across Agency facilities by 2030, with up to 50% of that generated on a 24/7 basis. Treasury will be working to develop a formal Agency plan for the transition to 100% CFE across the Agency’s Facilities.

- Priority actions for advancement of CFE implementation at Treasury are coordinated based on: 1) CFE availability/accessibility at site-specific facility locations; and 2) Planned actions projected to provide the greatest returns on effort and investment with gains in total CFE conversion and corresponding GHGs eliminated from operations.
- At the Treasury Mint coin production operations, industrial engineers have begun to take inventory of specialized manufacturing-based systems and equipment currently powered by fossil fuel-based energy sources. The specialized systems and equipment are being assessed for electrification, where electric-powered options would be available for replacement, or reconfiguration for use with alternative carbon-free energy sources where feasible.

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- At the Mint Denver, the 100% carbon-free facility electricity supply is purchased through Xcel Energy's wind energy program, Windsource, where the site-delivered electric power is sourced by 100% Colorado wind energy that is generated on a 24/7 basis.
- At the Bureau of Printing and Engraving (BEP), plans for the new currency production facility construction include an on-site solar power installation for CFE provisions. Still, given the land area for use at the site, in addition to the increased rates of energy use in industrial operations, utility service for supplemental site-delivered electric energy supply (to be CFE-qualified renewable energy) is also planned for at the facility.

B. 100 Percent Zero-Emission Vehicle Fleet

The Agency's plans for transition to a 100% zero-emissions vehicle fleet has been established as a priority goal among Treasury's sustainability initiatives, as detailed under the *Treasury Department FY2022 - FY2026 Strategic Plan*. Treasury has continued to coordinate Agency-wide effort for progressive transition of the Treasury Motor Vehicle Fleet over to 100% zero-emissions electric-powered vehicles by 2035. With 198 Electric Vehicle (EV) acquisitions slated for 2022, Treasury is committed to having 100% zero-emission light-duty fleet vehicles in place by 2027 in accordance with the Presidential mandate.

- Treasury has developed the Zero-Emission Fleet Strategy for FY22 and submitted it to OMB/CEQ in early August. This Agency-level plan outlines the strategies being implemented, and details the primary actions to be made, under the Agency-wide efforts for progressive transition to a 100% zero emissions vehicle fleet by 2035, in accordance with goals detailed in E.O. 14057.
- In March of 2022, Treasury fleet policy under *Treasury Directive (TD) 74-01 Motor Vehicle Fleet Management* was updated to include requirements that bureaus begin working to assess each fleet vehicle for potential EV replacement opportunities at the time of the next vehicle lease expiration (e.g., standard 3-year fleet vehicle lease) in accordance with the regularly scheduled fleet vehicle replacement cycles.
- Treasury fleet management has already started to acquire fleet vehicle EV replacements, and with the orders made through FY22 to date will collectively acquire 198 electric vehicles (or ~33% of all FY22 acquisitions). Despite some challenges in 2022, including smaller appropriations than expected and manufacturing supply-chain constraints, Treasury still made good progress with fleet EV replacements this year, putting the Agency on track to meet the E.O. 14057 goal for 100% light-duty EV acquisitions by FY27.

C. Net-Zero Emissions Buildings, Campuses, and Installations

i. Design and Construction for Net-Zero Emissions

To further continue the reduction of GHG emissions from facility operations, Treasury plans to require that all standard occupancy new construction and building modernization projects over 25,000 GSF be net-zero emissions facilities by FY 2030, in accordance with E.O. 14057 requirements.

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- Though it has been decades since Treasury has needed new facility design construction, last year BEP finalized plans for design and construction of a new facility location upon completion of the National Environmental Protection Act (NEPA) review for the final site-location selection.
- The new BEP production facility is slated to replace the aging BEP currency production facility in Washington, D.C. (DCF), where plant operations had outgrown the site footprint decades ago. Space constraints have hindered site operations and increased energy-use inefficiencies at DCF. Plans for the new facility include an on-site solar power installation for CFE provisions. Still, given the land area for use at the site, in addition to the increased rates of energy use in industrial operations, utility service for supplemental site-delivered electric energy supply (to be CFE-qualified renewable energy) is also planned for at the new facility.
- Moving forward, Treasury will work to establish Agency-wide guidance and policy that will require all standard occupancy new construction and modernization projects over 25,000 GSF to be net-zero emissions buildings/facilities by FY30.

ii. Increasing Energy Efficiency

Treasury has continued efforts to reduce total facility energy intensity through a variety of key projects and initiatives aimed to increase efficiencies across operations. Work on priority actions for advancement in facility energy intensity reductions is also one of the primary strategies for reducing GHG emissions from facility operations at Treasury.

- Beginning earlier in 2022, the Internal Revenue Service (IRS) has coordinated initial third-party preliminary site assessments for potential Energy Savings Performance Contract (ESPC) implementation at four of the campus facility locations. The identified facilities were selected based on larger scale, and scope of prospective action items for ESPC implementation.
- Design and construction for the new BEP production facility is planned for Leadership in Energy and Environmental Design (LEED) Silver Certification, to incorporate a number of select green building features and applications, that collectively will provide for substantial reductions in energy intensity and water usage.
- Later in 2022, in accordance with leadership and guidance by CEQ, Treasury plans to evaluate total annual Agency-wide energy use intensity (EUI) with considerations for building inventory composition, in order to establish a Treasury goal for total EUI reduction by FY 2030, along with annual EUI progress targets for the interim, consistent with section 206 of E.O. 14057.
- The IRS is working to reduce its footprint and consolidate total facility workspace, where overall occupancies have been lower since 2019, largely due to impacts from the COVID-19 pandemic, which resulted in large-scale transition to telework.

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iii. Increasing Water Efficiency

Treasury continues to work on implementing strategy to assess water usage and identify primary intensive means of consumption in facility operations, for priority action of select cost-effective water conservation measures projected to have the greatest impact for reduction of total water use intensity in operations.

- Facility-level initiatives for total water intensity reduction include sub-metering water use, measuring and tracking quantities to identify the primary means of water consumption, and coordination to identify priority of actions with the greatest total returns in water use reductions for associated costs.
- Starting earlier this year, the IRS has worked to coordinate for third-party preliminary assessments of site actions for increased efficiencies and potential ESPC implementation at four of the campus facility locations. Where ESPC initiatives are implemented for facility improvements, project actions include priority for initiatives to provide for significant gains in water use intensity at facilities.
- Consistent with section 201 of E.O. 14057 and in accordance with leadership and guidance by CEQ, later in 2022, Treasury plans to work on evaluating total annual Agency-wide water use intensity (WUI) with considerations for building inventory composition, in order to establish a Treasury goal for total WUI reduction by FY 2030, along with annual WUI progress targets for the interim.

D. Reducing Waste and Pollution

Treasury continues to work on developing strategy and plans for improved waste diversion at facilities. This includes periodic evaluation of facility recycling programs aimed at identifying opportunities to encourage occupant actions for recycling.

- Worksite recycling initiatives include promotional campaigns for employee awareness on the facility-based recycling program attributes, as well as the use of Treasury-provided recycling infrastructure and opportunities (e.g., battery recycling).
- Treasury continues to track and evaluate total annual waste stream generated across Treasury facility operations. This includes two primary categories: 1) total annual facility waste for landfill disposal; and 2) the total annual facility waste recycling and diverted from landfill disposal.
- To best assess performance in waste management reduction and diversion efforts at Treasury, the total annual facility waste stream data is compared with the total annual facility waste diversion (from landfills) quantity, where both are entered into a spreadsheet for tabulating the annual total Waste Goal Diversion Rates.

E. Sustainable Procurement

Treasury continues to identify and pursue procurement strategies for reduced contractor emissions in acquisitions for products and services at the Agency.

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- Treasury’s Office of the Procurement Executive (OPE) has been participating with other federal agencies in Office of Federal Procurement Policy led climate discussions to identify best practices that will advance acquisition of sustainable products and services. In FY23, OPE’s Major Acquisition Reviews will require Bureaus to detail how climate considerations are being incorporated into acquisition strategies.
- While the Federal Acquisition Regulatory Council (FAR Council) considers climate-related amendments to the Federal Acquisition Regulation (FAR), Treasury is encouraging procurement initiatives to reflect climate impacts by considering factors such as full lifecycle costs, supply chain risks, and the adaptation to potential climate caused hazards.
- The IRS Office of the Chief Procurement Officer has estimated a baseline for the Bureau’s procurement-associated Scope 3 emissions (greenhouse gas emissions not associated with onsite energy production or energy purchased from a provider), assessed climate-dependent risks associated with supply chains, and convened a sustainability working group to provide subject-matter expertise.

F. Climate and Sustainability-Focused Federal Workforce

The Climate Literacy Working Group (CLWG) is developing strategy and establishing content for the climate literacy curriculum to maximize impact and empower agency executives and managers to incorporate resilience and adaptation into decisions.

- The CLWG has collaborated with subject-matter communication experts at the National Oceanic and Atmospheric Administration (NOAA) to develop science-based content and materials for the curriculum roll-out beginning in late FY22.
- In addition to the initial Climate Literacy content development and roll-out, the Department aims to schedule several live (online/virtual) follow-up sessions for colleagues to ask questions or express ideas to their peers and subject-matter experts (SMEs) to cultivate a learning community. A push is also being made to incorporate a Climate and Sustainability section into Department-wide newsletters that compiles important developments on policy, science, and technology in this space; where applicable, direct links to the Treasury’s mission will be highlighted.
- The Climate Literacy curriculum will empower employees to take steps at the individual, collective, and Agency-wide levels. There will be a focus on small yet meaningful actions (e.g., reducing individual waste generation, making energy-efficient decisions for home/cars, etc.) alongside broader collective efforts (e.g., supporting local resilience groups, voting, and shaping policy), and examples of successes at both levels will be critical to achieving change.

G. Incorporating Environmental Justice

- Since October 2021, the IRS began implementation of its \$19.2M FY22 plan designated for the expansion of its operations in Puerto Rico. This exceptional capital investment is

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intended to boost the climate-resiliency of Treasury's operations on the island and provide a significant employment opportunity. The IRS operations in Puerto Rico are being fortified through new infrastructure investments in facilities designed to withstand severe weather events. Due to Puerto Rico's geographical location, it is particularly vulnerable to disruption from hurricanes, which cause widespread destruction and impose a disproportionate economic, environmental, and public health burden on the American citizens living there. This investment will not only create jobs, with an estimated 2,000 new federal positions for the island, but also allow for increased taxpayer access to bilingual services.

H. Accelerating Progress through Partnerships

- As noted above, the Department of the Treasury has partnered with NOAA to develop and deliver its climate literacy curriculum. Involvement in an interagency working group regarding implementation of federal Climate Action Plans led to the discovery of the science communication branch at NOAA, and subsequent conversations with their colleagues initiated the partnership. NOAA's SMEs have experience communicating science to educated non-experts (such as those within the Department of the Treasury workforce), and, in taking advantage of NOAA's wealth of educational material on climate change and resilience, Treasury will avoid duplicating NOAA's existing efforts.

3. Progress Examples

Climate and Sustainability-Focused Federal Workforce

Since October 2021, CLWG has begun developing an execution strategy for Treasury's climate literacy curriculum to maximize impact and empower agency executives and managers to incorporate resilience and adaptation in operational decision-making. CLWG is collaborating with SMEs at the NOAA to develop high quality content and training materials for the curriculum roll-out beginning in late FY22.

Zero-emission Vehicle Fleet

Since October 2021, Treasury has ordered 198 electric vehicles (or ~33% of all FY22 acquisitions as of June 2022) despite the absence of dedicated appropriations for the transition to an electric fleet and with supply-chain constraints. Moreover, Treasury's Bureau Fleet Managers are completing EV Fleet Strategies for FY22 through FY27. The incremental cost estimates for EV acquisition will be incorporated into discussions on Treasury's Strategic planning and budget requirements for attaining its established targets.

Increasing Energy Efficiency

Since October 2021, several Treasury Bureaus have made advancements in reducing property footprints and energy consumption. The Alcohol and Tobacco Tax and Trade Bureau reduced its real property footprint by 3.2%, the Bureau of Engraving and Printing reduced energy demand in its production facility through installation of smarter lighting (saving 1,850 MWh annually), and the Bureau of Fiscal Service achieved a 3.75% reduction in its data center footprint along with an 8% reduction in the number of applications hosted on its IT mainframe (and, thus, less energy consumed for storage).