



ESC 10 Key Attributes of GESPC Program Readiness

The first step to achieving meaningful results

The ESC 10 Key Attributes of GESPC Program Readiness are preconditions for developing and maintaining program success. The Key Attributes in and of themselves do not guarantee success, but they are the foundation upon which to build a program. The true measure of success is in the achievement of meaningful results.

1. Enabling Legislation

- Effective legislation authorizes the legitimacy for public sector to enter into a guaranteed energy savings performance contract (GESPC). It also protects the state's interest and provides program participants clarity in specific areas such as the savings guarantee, retention of savings, empowerment/who can use it, capital infusion, eligible financing period, measurement and verification and reporting requirements.

2. Established Gubernatorial Support

- Gubernatorial support conveys priorities to state agencies and institutions, assigns responsibility and directs GESPC consideration prior to capital budget requests. Continuous support is critical to maintain program consistency and allows a program to build upon its success.

3. Consensus Decision-makers

- GESPC is a non-traditional procurement and finance process. A successful program will have developed and maintained GESPC specific processes and tools and will have garnered cooperative support among appropriate authorities of government. These can include, but are not limited to:
 - o Procurement and contracting expertise to ensure that the process follows applicable GESPC procurement rules;
 - o Budget and finance to establish a means to repurpose the utility and operational savings budget dollars to repay the capital that funds the upfront construction; and
 - o Legal expertise to develop a standard document set (RFQ, RFP, ESA, etc.) that recognizes that GESPC is substantially different from traditional public construction and that facilitates the development and implementation of GESPC projects.

(For new programs, the support of the appropriate authorities early in the process is important and can help speed up the delivery of project benefits.)

- Depending on the public sector markets served by the GESPC program, collaboration with other market-specific state and local authorities and agencies ensures that financing mechanisms are complementary, and opportunities to cross-promote state programs are supported.

4. Pre-qualified ESCOs

- Pre-qualified providers insures that those delivering services to public agencies have already competed and demonstrated their experience, expertise and financial responsibility to support their performance and that of their savings guarantee. This pre-approved contractor list, endorsed by the state, will streamline the project selection process and increase the quality of projects. The pre-qualified providers list should include a contract executed by a legal authority of each party, that requires the provider to abide by the program's rules and to adhere to the guidelines of the state program as a condition of their participation.
- Purchasing agreements can be extended to local units of government and in many states this list of providers, endorsed by the state, can help jumpstart local projects.

5. Standardized Documents

- A complete set of well-vetted, pre-approved legal instruments, policies, protocols, and guidance are important to overcoming procurement and legal barriers and can provide significant risk mitigation for the public sector. Reviewing and approving common language for applicability to the state, legality within the enabling legislation and conformance to each state's programmatic particularities, will also increase the speed of throughput and reduce the need for substantial legal review of the final project document.
- In many states these pre-approved instruments are offered for use to local units of government.
- For established programs, revisit the process and procurement/contracting documents, incorporating refinements and additions as needed.

6. Program Funding

- Stable program funding is a key to program success and provides lasting support for the administrative and technical oversight roles of the GESPC program. Where state funds are not available, a self-funding program concept that charges minor fees on GESPC projects should be considered as a means to provide long-term funding that supports the administrative and technical cost of the program.

7. Program Administration and Technical Support

- Effective deployment of GESPC requires qualified oversight and technical assistance to support the best interests of the state agencies and local units of government. In some states, this program management and project support is provided by knowledgeable, dedicated state energy office staff. In others it is an outsourced contract with technical providers (engineering firms or private contract consultants), or a combination of the two approaches.

8. ESC Chapter (Public Private Partnership)

- Successful programs have a key component of outreach and education delivered directly to the general marketplace. In many cases this outreach is provided through an Energy Services Coalition State Chapter of which the state program administrator and other public officials participate with private sector partners. This coalition of interested energy stakeholders fulfill a key role in having regional workshops, presentations, and other events that provide an educational forum on how the processes and procedures work within the state. Chapters also provide a forum for productive and open discussion, consensus development and in-service education amongst the public agencies, ESCOs, project financiers, other stakeholders and program clients.

9. Benchmarking, Tracking and Reporting

- GESPC programs manage energy data through benchmarking, tracking and reporting measures. Managing data is critical to gauging program effectiveness. Tracking and reporting project progress through the full-term of the contract, including effective measurement and verification reports, demonstrates project and program success through measurable results.

10. Recognition

- A recognition/award program is a powerful strategy that reinforces the importance and benefits of saving energy in public facilities. High-profile success can help GESPC gain acceptance and encourage others to take similar action.

