Introduction

The U.S. Department of Energy's Better Building Energy Savings Performance Contracting (ESPC) Accelerator was a three-year partnership with states, local governments, and K-12 schools to expand access to performance contracting. The ESPC Accelerator catalyzed public-sector energy efficiency investments of $2 billion from January 2013 to December 2016 and supported the use of innovative and best-practice approaches to enhance performance contracting programs over this period and beyond. DOE worked with 25 state and local organizations to develop solutions to the most common barriers to implementing ESPC: streamlining the ESPC process, empowering the ESPC market with project data, building a national ESPC framework, and using innovative approaches for applying ESPC in new market sectors.

Why Performance Contracting?

Many public-sector organizations are striving to reduce their energy and water use and costs and meet other "lead-by-example" goals while facing limited budgets. Energy savings performance contracting can provide a one-stop procurement process that allows building owners to use future cost savings to pay for new efficient equipment and services, while guaranteeing that cost savings will meet or exceed payments for equipment and services over the contract period.

While performance contracting has grown in use in recent years and has been shown to reliably reduce energy use by 15% to 35%, there remain a number of opportunities for improving and expanding the use of these contracts so as to capture their full potential. To reach this potential, Accelerator partners explored ways to streamline the ESPC process to reduce overhead expenses and expand the use of ESPC in hard-to-reach markets.

Introducing the ESPC Accelerator Toolkit

The ESPC Accelerator Toolkit is a collection of resources featured in the Better Buildings Solution Center that will enable other communities to learn and benefit from the work of the Accelerator. It describes the best practices that states, cities, and K-12 schools used to successfully establish and implement performance contracting. The Toolkit includes the following resources:

Considering ESPC?

Are you considering ESPC for your energy efficiency projects? The resources below can provide additional information you might need to make that decision:

▶ **ESPC or Design-Bid-Build?**

This illustrated fact sheet enables users to decide whether ESPC or design-bid-build is more suited to their planned retrofit project by comparing the development, management, and outcomes of each approach.

▶ **LBNL ESPC Market Study**

This study provides a comprehensive overview of the market size, growth projections, industry trends, and market potential in the U.S. ESCO industry.

▶ **ESPC Preliminary Diagnosis**

Answers to this quick list of questions might help you determine whether ESPC is the right solution for your energy efficiency goals.

▶ **Legislative Library**

This inventory of ESPC legislation provides sample successful ESPC legislative language for users interested in drafting or revamping their legislation.

Implementing ESPC Projects?

Are you considering ESPC for your energy efficiency projects? The resources below can provide additional information you might need to make that decision:

▶ **ESPC Virtual Technical Assistant**

This electronic guide walks users through the process of developing and implementing an ESPC project in five phases.

▶ **Best Practices for ESCO Selection**

This document compiles the best practices from each step of identifying and selecting an ESCO suitable for a project.

▶ **eProject Builder**

This data management tool provides consistent tracking and reporting of ESPC project data, enabling project owners to make the business case for ESPC, negotiate strong ESPC projects, and standardize project results reporting.

▶ **ESPC Financing Decision Tree**

A decision tree that enables users to select the form(s) of financing best suited to their jurisdiction's conditions.

▶ **Model ESPC Documents**

These model ESPC contract and companion document templates enable users to structure ESPC projects in a consistent manner to reduce the ESPC project timeline and transaction costs.

▶ **Data Management Tools** **COMING SOON!**

A one-page overview of the types of data management tools suited for tracking ESPC project management and results.

Establishing an ESPC Program

Many state and local governments support performance contracting by offering technical assistance to practitioners and building a network of advocates among key ESPC stakeholders. Several Accelerator partners focused on this area, and their solutions are among those listed below to help establish ESPC as the go-to project financing mechanism in their jurisdictions.

▶ **ESPC Key Attributes**

This document is the result of research by ESC. It lists key conditions present in states that regularly practice ESPC.

▶ **Programmable ESPC Virtual Assistant**

This document version of the ESPC Virtual Technical Assistant is intended for download, customization, and programming online in users' home websites to provide interactive assistance for ESPC practitioners.

▶ **ESPC Champions Toolkit**

A set of resource templates for state and local governments to develop and run a corps of energy efficiency champions that can develop and implement ESPC projects.

▶ **ESPC Networking Toolkit**

A set of resource templates for state and local governments to build and maintain a network of stakeholders that support and promote ESPC.

▶ **ESPC Program Guidelines**

This document is a step-by-step guide to establishing an ESPC technical assistance program at the state level.

▶ **State ESPC Program Examples**

Two examples illustrating the role the state can play in establishing ESPC as the regular business model for implementing energy efficiency projects and supporting project owners with ESPC technical assistance.

Expanding ESPC to New Markets

Performance contracts have a long history at the state and local level. Other market sectors are less familiar and have less experience with the mechanism. Several Accelerator partners with established track records in certain markets were interested in introducing ESPC to other sectors. The resources below include a summary of successful results achieved by several Accelerator partners that undertook an innovative approach introduced as part of the initiative.

▶ **Expanding ESPC to New Markets** COMING SOON!

An Implementation Model that explains how Community-Based Social Marketing (CBSM) can be applied to introduce ESPC to new or underserved market sectors.

▶ **ESPC Guides for Underserved Markets**

This series of guides introduces performance contracting as a way to upgrade facilities and reduce operating costs in particular market sectors. Current guides address the K-12, transportation, and wastewater markets.

Accessing ESPC Results

The guaranteed energy and cost savings are the typical reasons for using ESPC to complete energy efficiency retrofits. Measuring and promoting those results, however, is still challenging, even for the most experienced ESPC practitioner. The tools here support strong Measurement & Verification (M&V) practices and introduce tools that help tell the ESPC success story.

▶ **Measurement & Verification Guidelines**

This document outlines DOE Federal Energy Management Program's standard procedures and guidelines for measurement and verification (M&V) of ESPC projects.

▶ **Public-Sector Project Benchmarking Sheets**

The benchmark sheets report five performance metrics that can be used to compare proposed ESPC projects within several public sectors, including state and local governments, K-12 schools, post-secondary education, and public housing.

▶ **Economic Analysis Tools Info Sheet**

A summary of three available analytical tools that enable compilation and reporting of the economic impacts achieved by ESPC projects.

Recognizing Partner Success

As a best practice to precisely defining their ESPC barriers, partners developed Individual Barrier Resolution Plans (IBRPs) and then worked with DOE, individual consultants, and the other partners to develop successful resolutions to their barriers. Accelerator partners collectively exceeded the program's $2 billion ESPC investment goal. Partners who individually met or exceeded their ESPC dollar commitment to the Accelerator:

▶ Alabama

▶ Cincinnati, OH

▶ Colorado

▶ Fort Worth, TX

▶ Hawaii

▶ Houston, TX

▶ Illinois

▶ Massachusetts

▶ Michigan

▶ Montana

▶ New Mexico

▶ Newark, NJ

▶ North Carolina

▶ South Carolina

▶ Virginia

▶ Washington State

For more information on the ESPC Accelerator, the Toolkit, and other ESPC resources for state and local governments, contact Alice Dasek, US Department of Energy, at alice.dasek@ee.doe.gov.