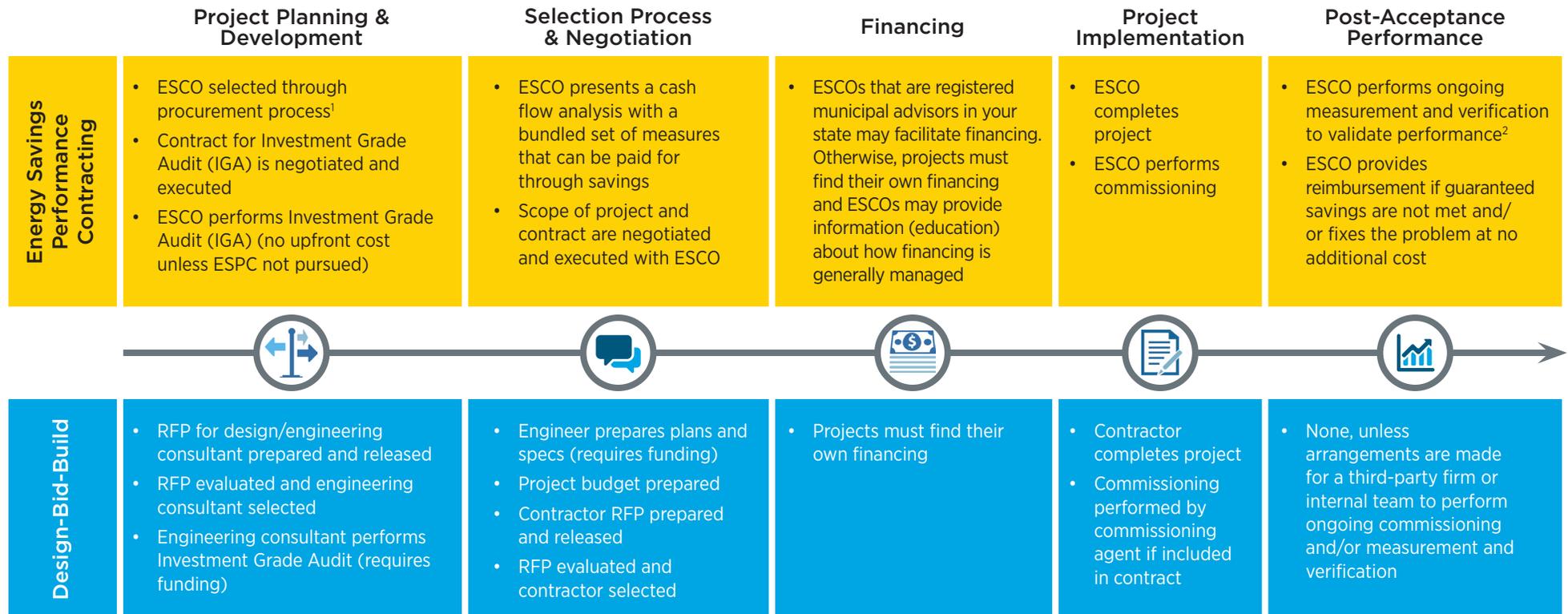


Choosing to save energy, whether to cut costs, improve operational efficiency, develop energy infrastructure, conserve domestic energy resources, or protect public health makes excellent sense, but determining how best to approach an energy savings project can be a challenge.

One approach is to use an Energy Savings Performance Contract (ESPC). With an ESPC, an institution enters into a contract with an Energy Service Company (ESCO) which is responsible for developing and implementing an energy savings plan and installing energy efficiency upgrades. The resulting energy savings are then used to pay for the upgrades over time. The ESCO guarantees the projected energy savings and provides ongoing reports verifying the actual savings.

Another approach is to use the traditional design-bid-build process or “do-it-yourself” route where the organization itself performs or procures different aspects of an energy-saving project, like project evaluation, engineering, construction, and post-installation verification.

How can you determine which process is better suited for upgrading your facilities and achieving long-term cost savings?



¹Some states offer lists of pre-qualified ESCOs to streamline ESCO procurement | ²Some states require measurement and verification be done by an independent third party in place of an ESCO

Advantages of ESPC

- ESCO accountable for project evaluation, design, construction, and post-installation monitoring
- ESCO is single point of contact
- No upfront cost
- Guaranteed cost and energy savings
- ESCO may be able to facilitate financing or provide education

Advantages of Design-Bid-Build

- Familiar or traditional procurement approach
- Can be cost effective for organizations with in-house technical expertise like those that have design capability and can perform their own Investment Grade Audits, commissioning, or measurement and verification