Overview

- How an ESPC Infrastructure Supports Success
- Overview of the ESPC Toolkit
- Toolkit Section: Establishing ESPC
- Tools to Build an ESPC Infrastructure
POLL:

Which sector do you represent?
POLL:

What role do you play in the ESPC process?
The Relationship between Key Attributes for Programmatic Design and State GESPC Success

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www.energyservicescoalition.org
In 1999 the Energy Services Coalition was established as a national public private partnership.

Primary purpose: Support and facilitate the development and implementation of Guaranteed Energy Savings Performance Contracting programs at the state level throughout the country.
Key Attributes are the core elements that the ESC has observed to be common in states that continue to demonstrate clear program success.
Key Attribute Timeline

1999 -- ESC observes and documents successful state GESPC programs nationwide.

Early 2000s – ESC Best Practices for a model program developed and promoted.

2007 – ESC Accelerated GESPC Initiative adopts 10 Key Attributes for Programmatic Design (state GESPC programs.)
Key Attribute Data Collection

2009 – First ESC Review of 10 Key Attribute Adoption by State:
- 17 states participated
- Average 4.54 out of 10 Attributes Present
- Key takeaway 15 of 17 states had enabling legislation
2011 – Second ESC Review of 10 Key Attribute Adoption by State:

• 22 states participated
• Average 5.54 out of 10 Attributes Present
• Key takeaway noticeable parallel between Key Attributes and Investments
• Arizona example
Key Attribute Data Collection

2016 - 2018 – Third ESC Review of 10 Key Attribute Adoption by State:
• 34 participants
• 2016 Energy Stewardship Champions Recognized
  • Average 8.5 Key Attributes per Champion State
Key Attribute Data Collection

Key Takeaways:

• Tools and resources can be put in place – but people make the difference.
• Disconnect between State Programs and local units of government.
• Leadership can connect areas of government and eliminate silos.
• The rigor of M&V reporting has fallen off over time.
Key Attribute: Energy Legislation

Applicable Areas

Applications
Guarantees
Program Admin

Funding
Retain Savings
M&V

Contract Term
Scope of Work Enabled
Chapter
Key Attribute: Energy Legislation

Trends:
• 6 of 10 Champion states have separate legislation for each market sector.
• Separate legislation has value in reinforcing the legislative authority language is not generalized but written to the specific segment.
Key Attribute: Energy Legislation

Trend:
• 100 percent of Champion states require a savings guarantee.
• 71 percent of other states require a savings guarantee.
• Champion state have clear language about savings guarantee.
Key Attribute: Established Gubernatorial Support

Recognizes leadership from the top and conveys priorities to state agencies and institutions, directs GESPC consideration and provides consistency that allows programs to build upon their success.
Key Attribute: Established Gubernatorial Support

Trends:
• 80 percent of Champion states report continuous support
• 29 percent of other states report continuous support
• Continuous support from one administration to the next is critical to maintain state program consistency.
Key Attribute: Consensus Decision-makers

GESPC requires cooperative support among appropriate authorities of government. These can include, but are not limited to procurement, finance and budget authorities, legal, and the landlord agency.
Key Attribute: Consensus Decision-makers

Trends:

- 70 percent of Champion states have involvement and support from key decision makers.
- Less than 40 percent of other states have key decision maker support.
- These decision-makers can create complexity if not educated about GESPC.
Key Attribute: Program Administration

Effective deployment of GESPC requires qualified oversight and technical assistance to support the best interests of the state agencies and local units of government.
Key Attribute: Program Administration

Trends:
• 90 percent of Champion states have project oversight (40% 3rd party).
• 50 percent of other states have project oversight (29% 3rd party).
• The trend across the country is moving toward 3rd Party Owner’s Reps.
Key Attribute: Pre-Qualified ESCOs

Pre-qualified providers ensure 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.
Key Attribute: Pre-Qualified ESCOs

Trends:
• 90 percent of Champion states have prequalified providers.
• 46 percent of other states have prequalified providers.
• Half the Champion states support a secondary selection process.
Key Attribute: Standardized Documents

Standardization and approval by legal department in advance reduces the need for significant legal review for each contract.
Key Attribute: Standardized Documents

Trends:
• 100 percent of Champion states use one or more standardized instrument.
• 75 percent of other states use one or more standardized document.
• 40 percent of Champion states provide documents to local units of government.
• 17 percent of other states provide to local units of government.
Key Attribute: Program Funding

Adequate funding provides lasting support for the administrative and technical oversight roles of the GESPC program.
Key Attribute: Program Funding

Trends:

• 60 percent of Champion states have adequate and continuous funding stream.

• 17 percent of other states have adequate and continuous funding stream.

• Funding continues to be an issue even for successful programs.
Key Attribute: ESC Chapter

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.
Key Attribute: ESC Chapter

Trends:

• Half of Champion states have an active ESC Chapter.

• 37 percent of other states have an active ESC Chapter.

• Educational messages are far more readily received by the public/private coalition over individual industry participants.
Key Attribute: Tracking and Reporting

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.
Key Attribute: Tracking and Reporting

Trends:

• 70 percent of Champion states require reporting.
• 54 percent of other states require reporting.
• For many states there is a disconnect between state programs and local units of government tracking success.
Key Attribute: Recognition

A recognition/award program as a powerful strategy to reinforce the importance and benefits of saving energy in public facilities.
Key Attribute: Recognition

Trends:
• 50 percent of Champion states have an awards program or some type of recognition
• 13 percent of other states have an awards program or some type of recognition.
• States report awards assist collect case studies.
Thank You

For more information or assistance with your program or project, contact us at

info@energyservicescoalition.org
The ESPC Toolkit
Accelerator Profile

**Timeframe**
2014-2016

**Partners**
25 partners (18 states, six cities, one school district)

**Purpose**
Expand access to Energy Savings Performance Contracting (ESPC) as a promising option for financing energy efficiency retrofits in the public sector

**Outcome**
More than $2 billion invested in MUSH ESPC contracts
Area 1: Streamlining the ESPC Process
• Partners reviewed existing model ESPC documents

Area 2: Empowering the Market
• Partners participated in ePB feedback & training

Area 3: Resolving Individual ESPC Barriers
• Support successful, permanent, innovative, and replicable resolution of individual partner barriers
The ESPC Toolkit

https://betterbuildingssolutioncenter.energy.gov/energy-savings-performance-contracting-espc-toolkit

- Considering ESPC
- Implementing ESPC
- Establishing ESPC
- Expanding ESPC
- Assessing ESPC Results
Establishing ESPC

- ESPC Key Attributes
- Guidelines for Developing ESPC Program
- Virtual Technical Assistant (in document form)
- Networking Toolkit
- Champions Toolkit
- Implementation Models
POLL:

Which resource would you most like to hear about?
Tool: Guidelines for Establishing an ESPC Program

- Published in 2016
- Elements of an ESPC Program
  - Staffing
  - Budget
  - Tools & Services
  - Process
  - Education & Outreach
- List of States With Programs
- Appendices With Tools
  - Sample RFP for Project Facilitator
  - Sample Job Announcements for Staff
Barrier

“We have one staff person and a limited budget. How can we offer a technical assistance program for ESPC?”

Implementing ESPC:

Establishing ESPC:

ESPC offers a way to make energy improvements to public facilities even when there is no budget to fund the work. The public entity contracts with an energy service company (ESCO) to identify and install cost-effective improvements and guarantee the energy savings. The ESCO can facilitate financing for the project, and the financing is repaid from the energy cost savings.

ESPC offers many benefits:
- Upfront project financing
- Guaranteed energy savings
- ESCOs can offer information on how financing is generally managed
- The ESCO is the single point of contact / accountability
- Curbs volatile energy prices and long-term rising costs
- Addresses deferred maintenance
- Improves productivity via better air quality, lighting, and temperature control

The goal of this Virtual Technical Assistant is to guide you through the five phases of the ESPC process, beginning with identifying potential projects and carrying all the way through to project completion. [The state ESPC program] can supplement this guide with an in-person visit at the outset of the process and by phone at key points along the way. [The state ESPC program] recommends engaging an owners’ representative at the beginning of the second phase to make sure you have all the support necessary for a successful experience. The cost of an owner’s rep can be folded into the
Tool: ESPC Networking Toolkit

Barrier

“How do we establish ESPC as our go-to vehicle for advancing energy efficiency projects, especially through leadership and staff transitions?”

Solution

Tools to make the business case for ESPC and a plan for sustained outreach to critical ESPC stakeholders in the community, including new leaders and staff.
Tool: ESPC Champions Toolkit

Barrier

“We have one staff person but 17 agencies that own buildings. How can we cultivate ESPC projects to help us meet our ambitious state energy savings goals?”

Solution

Tools to empower agency staff to be the SEO’s eyes and ears on the ground for developing energy efficiency retrofits via ESPC
Tool: Examples of State ESPC Programs

- **State of MN**
  - Guaranteed Energy Savings Program
  - Technical, Financial, & Contractual Assistance
  - Step-by-Step ESPC Guidance
  - Result: 26 Projects in Pipeline Within 2 Years

- **Commonwealth of MA**
  - Clean Energy Investment Program
  - Low-Cost Project Financing
  - Non-Debt Funds Flow
  - E-Team & Project Development
  - Result: Greater State Investment in 4 Years Than in Previous 25 Years
Thank You!

Questions?

For additional information, contact

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