



ENERGY SERVICES COALITION

A PUBLIC-PRIVATE PARTNERSHIP

State Successes

Alabama Success

Alabama's Department of Economic and Community Affairs, the state's energy office, started an ESC chapter along with interested ESCOs and worked through the chapter as an education/outreach arm of the office. The chapter's third annual conference demonstrates its success, where 175 people (mostly facility managers and decision-makers) gathered to learn more about energy performance contracting at the *Alabama Energy and Renewable Energy Conference*. Larry Knox, Energy Management Engineer with the Energy Division of the Alabama Department of Economic and Community Affairs said: "State agencies and departments have been challenged to reduce their energy consumption by 20% by 2010. Since most agencies do not have money to invest in their facilities, performance contracting is a great option. Many agencies have significant deferred maintenance with budget problems getting worse. Again, performance contracting can provide the answer, and 26 projects have been completed that total over \$77 million and another \$20 million in projects are anticipated for 2009."

Knox is so committed to leveraging ESC chapter resources that he gathered neighboring state representatives together for a peer exchange prior to the conference, suggesting that they could achieve the same success by starting an ESC chapter in their states. Representatives from Alabama, Mississippi, Georgia, South Carolina and Florida all said "lots will happen" as a result of this close-up view of how a chapter can host a successful conference.

Colorado Success

Colorado's state energy office initiated an energy performance contracting program in 1988 that evolved into what is now a major part of Governor Ritter's *New Energy Economy*. Now managed by the Governor's Energy Office (GEO), the program encompasses most of ESC's recommended Best Practices, from strong legislative and gubernatorial support, to pre-qualified Energy Service Companies (ESCOs) with pre-approved contracts, to a successful public-private partnership with its ESC state chapter. Over the years performance contracting has become recognized as the best way in Colorado to fund energy-savings improvements in facilities, modernize facilities, reduce the use of energy resources, and reduce the taxpayers' cost burden of operating public facilities. Colorado pioneered the chapter approach for the ESC. The Colorado ESC chapter has thrived since 2001. It hosted 160 decision-makers at a full-day workshop in May, 2008, on *Greening Facilities in the New Energy Economy*, and is successfully partnering with the largest utility company in the state to design utility incentive programs that complement the performance contracting approach. To date, the program has provided technical assistance to projects totaling over \$200 million in capital investment supported by approximately \$20 million annually in savings, with an

equivalent environmental benefit of removing 60,000 cars from the road and numerous economic benefits including over 900 jobs created. Colorado was a key player in founding the national Energy Services Coalition and its program managers have been involved from its conception to the present day.

Kansas Success

Kansas has a true success story for the ESC. When Jim Ploger, Director of the state's energy office, came to an Energy Services Coalition (ESC) meeting he recognized that the various resources ESC had developed, along with the groundwork broken by other states already having success, provided the needed foundation to start a performance contracting-based program in Kansas. His step by step program development process set the stage for ESC's recommended Best Practices. He started with enabling legislation, simplified the procurement and contracting processes by pre-qualifying ESCOs and engaging state attorneys, and developed a self-funding program by charging a fee in exchange for technical assistance to universities, school districts and others. Years later, the successes are many: 64 projects totaling \$151 million in capital investment with \$11 million in guaranteed annual savings, and several hundred thousand dollars in revenues coming back to the office that will support technical assistance for future performance contracting projects. Ploger remains on the ESC Board and is actively involved in the ESC Market Transformation initiative intended to help other states achieve such success.

Wyoming Success

Wyoming's success is another prime example of an ESC success story. Just a few years ago (2004), Tom Fuller, Director of the state's energy office, saw the program successes in the neighboring states of Colorado and Kansas and made a commitment to establishing a performance contracting program in Wyoming. Fuller applied all the tools, resources and lessons learned from those neighboring states and established what many consider a model program. After a year of education and promotion, working with those early-adopters, Fuller settled on an innovative and cost-effective approach to work regionally and involve all the public-sector and non-profit entities in the region to join forces to select a joint ESCO. This streamlines the procurement and contracting process for both the energy office and the end-users, while enabling small or marginal projects to gain the benefits of energy savings performance contracting. Project data is quickly rolling in now that many of the first projects are nearing completion, with a current total of \$13 million that will keep growing with the many projects in the pipeline.