State Showcase - Washington

Since 1984

Washington was one of the first states to develop a state-wide program to promote performance contracting. Now in its 26th year, it is a well-managed, well-respected, self-funded program, with a team of 13 energy project managers and 14 pre-qualified ESCOs working with state agencies, higher education institutions, public schools and local governments. Roger Wigfield, Energy Program Manager with the Department of General Administration (GA), manages the program. Tracked projects total over $200 million in construction, with over $90 million in accumulated avoided costs. "We have the attention of the governor who sees energy efficiency as the way to meet the progressively increasing carbon reduction targets, starting with returning to 15% below 2005 levels by 2020," said Wigfield.

Stimulating the State's Economy through Performance Contracting

GA's program has such a good track record that the legislature just authorized $100 million for energy efficiency projects in schools and higher education facilities, strongly encouraging a three to one leveraging that the program can deliver through performance contracting projects. The intent of the legislature was to create jobs through energy efficiency projects. "The Energy Jobs Act is Washington's version of the Stimulus Act, looking at the design, engineering and construction jobs that these projects can create," said Tony Usibelli, Assistant Director of the Washington Energy Policy Office.

A Program that Funds Itself

GA's program is 100% self-funded. The current budget of $4.5 million annually is fully paid for through one-time fees recovered from clients' projects (1% for a $5 million project up to 10% for a $20,000 project).
The process is very hands-on - GA holds a master agreement with the ESCOs and with the clients and provides intensive engineering oversight services as laid out in the guidelines GA just released: Energy Savings Performance Contracting: Guidelines for Public Agencies in Washington State.

"The demand keeps growing," said Wigfield. Besides bringing on more energy engineers, GA expanded the number of pre-qualified ESCOs from 9 to 14. "ESCOs see that GA is a motivating force to move projects along and to expand projects - and they're getting work - so ESCOs actively promote the program when they meet with potential customers and do the educational outreach for us."

"The growth in the program shows its value," added Wigfield, "and it also shows that GA's program, the industry, and the concept of performance contracting have all earned credibility in the State of Washington."

ESC's Best Practices mirror many of Washington's program processes, including the self-funded program strategy, pre-qualified ESCOs, pre-approved contracts and more.

Chapters in Action

ESC-Michigan - This Just In...Coming Attraction!
An ESC-Michigan chapter organizational meeting will be held on August 19th in Lansing. Stay tuned for more information. Or contact us if you want to participate.

ESC-Pennsylvania - A Brand New Chapter!
ESC-Pennsylvania kicked-off its chapter in June with 50 people from the public and private sectors representing ESCOs, vendors, utilities, banks, state agencies, a schools association, local government associations and others. The chapter's public-sector co-chair, Bruce Stultz (Director of Energy Management with the Pennsylvania Department of General Services), sees the chapter as a way to do what he calls "inreach" - to get banks working with ESCOs and vice versa, to introduce more vendors to ESCOs, to get engineers working with their customers to do ESCO projects, and to get ESCOs working with end-user associations to better understand customer needs. In the end, all this interaction will help the state to better serve end-users and attract more people to educational events.

ESC-Arizona
ESC-Arizona re-energized its chapter with a successful event in June. About 100 people, half from the industry and half from local governments, attended for the networking opportunity and to learn about the state's latest initiatives and available incentives and utility rebates. There is a lot of new excitement in the schools sector now that prohibitive legislation is lifting and a number of schools facility managers were there to learn more about performance contracting.

Arizona House Representative Lucy Mason gave a high-energy keynote address, sharing her passion for energy solutions saying "it's not just about solar...it's about a lot of things including performance contracting."

The support of GA's services has been a critical part of our success." Tim O'Brien, Facilities Director, South Kitsap School District

ESC Activities

WEBINARS
ESC presents webinars quarterly on timely topics. All will be available for viewing at any time in ESC's growing online webinar library.

NEWSLETTERS
Newsletters are distributed every several months. Sign-up for the newsletter and contact us to contribute ideas.

CHAPTER ACTIVITIES
Chapters have a variety of activities. Check the chapter websites or contact chapter leaders to get involved.

Get Involved

Join the ESC

Contact ESC

Recognition of Support

Market Transformation tools to accelerate energy performance contracting are made available through
ESC-Georgia

Georgia's Governor Perdue signed legislation enabling energy savings performance contracting to become the asset for Georgia that it has been for other states. Legislators also passed a Constitutional Amendment for final voter approval in November, to allow the state to enter into multi-year contracts for energy and water-saving improvements. When called on, the ESC-Georgia chapter provided information to help pave the way. As published in the Atlanta Business Chronicle (see article), the Executive Director of the Georgia Environmental Facilities Authority (GEFA) said, "If it gets the green light, the state expects to cut about $30 million from the $200 million that agencies now spend each year on electricity and natural gas."

GEFA will be charged to manage the program.

ESC-Tennessee

ESC Tennessee's growing presence in Tennessee is apparent as the chapter joined forces with the state to fund, select and oversee a professional communications firm to do a state-wide marketing campaign to promote the Energy Efficient Schools Initiative (EESI) program. Working with the EESI staff, ESC-Tennessee will roll out the campaign in mid-August. The goal of the campaign is to encourage and provide education on how EESI funds can be leveraged by schools to drive energy efficiency while making building upgrades.

ESC-Alabama

ESC-Alabama's chapter is putting the final touches on its 5th Annual Energy Efficiency and Renewable Energy Conference along with a networking golf tournament on October 14th in Prattville. All facility owners, buildings professionals and decision-makers are encouraged to attend to get on the path to finding solutions to anything from energy and water-saving measures, to how to apply LEED, to doing renewables projects, to calculating risks and implementing a comprehensive plan.

ESC-Colorado

ESC-Colorado's chapter is hosting a Peak Energy Performance workshop October 22nd near Denver. All facility managers, decision-makers and others are encouraged to attend and learn from the experts in energy efficiency, renewable energy, operational strategies and financing approaches and incentives.

Green and Performance Contracting - Just Like Peanut Butter and Chocolate


Many owners want to green their existing buildings but perceive the needed improvements to be cost-prohibitive. This session outlined the paid-from-savings approach, and highlighted how owners can implement needed repairs and upgrades, achieve reductions in energy and water use, and incorporate other green strategies in the most cost-effective manner.

endorsed by ESC. Former ESC Board of Directors member, Robert van der Like, was the lead author.

Gatlin pointed out how building owners can reach beyond the quick payback energy retrofits to fund deeper energy efficiency and water efficiency improvements and to implement green operation and maintenance (O&M) measures (like green cleaning or recycling) which may have longer or less-direct returns on investment. Gatlin ended with, "Leveraging savings PLUS bundling measures EQUALS green existing buildings."

Dale Hahs, President of the ESC Board of Directors, followed that with "Green PLUS Performance Contracting - two great things are even better together - just like peanut butter and chocolate." Hahs shared the "how" and the many "whys" of Energy Savings Performance Contracting.
*Dan Heater, Physical Plant Director, Fort Hays State University ($4.7 million project)

ANNOUNCEMENTS

ESC-Michigan - Chapter organizational meeting August 19th in Lansing.

The Asia Pacific Clean Energy Summit and Expo will be held Aug. 30 - Sept. 2, 2010 in Honolulu to demonstrate the world's future of clean energy generation and smart grid infrastructure in Hawaii. Several sessions focus on performance contracting to highlight Hawaii's successes.