



Energy Services Coalition Newsletter

August 2010

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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

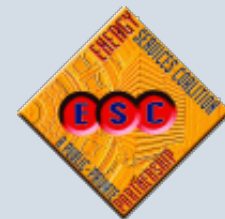


GA's program has such a good track record that the legislature just authorized \$100 million for energy efficiency projects in schools and higher education facilities, strongly encouraging a three to one leveraging that the program can deliver through performance contracting projects. The intent of the 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).

About the ESC



The Energy Services Coalition (ESC) is a national nonprofit organization composed of a network of experts from a wide range of organizations working together at the state and local level to increase energy efficiency through energy performance contracting.

Energy performance contracting enables building owners to use future energy savings to pay for up-front costs of energy-saving projects, eliminating the need to dip into capital budgets.

ESC Working for YOU

State Energy Offices and similar organizations:

ESC's website offers a growing variety of tools and resources to aid you in accelerating performance contracting in your state. ESC's State Technical Support Liaisons can work one-on-one with you to develop a performance contracting program. Networking opportunities put you in touch with your peers in

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.



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

other states.

ESCOs:

Work in partnership with public-sector representatives in states where you do business. And, work in partnership with your peers and others to break down local barriers to performance contracting and increase awareness through effective educational workshops.

Vendors, Engineers, Contractors & Performance Contracting Specialists:

Grow your business by accelerating the use of energy performance contracting.

Building Owners & Facility Managers:

Get unbiased information and how-to steps to get started and follow-through with a successful energy performance contracting project.

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."

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](#)

[Join Our Mailing List!](#)

Recognition of Support

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

ESC-Georgia



ESC-Georgia's Public and Private Sector Co-Chairs (David Godfrey, 5th from left, and Kathy Robb, 3rd from left) overlook Governor Perdue as he signs the first step of critical legislation that will allow performance contracting in state agencies.

GEFA will be charged to manage the program.

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."

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

ESC participated in the U.S. Green Building Council's (USGBC's) Federal Summit 2010 Educational Program in May. Close to 200 people attended the session, *The Paid-from-Savings Approach to Green Existing Buildings*, presented by Doug Gatlin, USGBC, Dale Hahs, ESC, and Jack Mizner, Sandia National Laboratories.

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.

Gatlin referred people to USGBC's [Paid from Savings Guide to Green Existing Buildings](#) developed by USGBC in consultation with the ESCO community and

support of the U.S. Department of Energy, Energy Efficiency and Renewable Energy (DOE/EERE).



ESC Newsletter

Editor: Linda Smith, ESC Contractor

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ESC welcomes your comments and ideas. [Contact us.](#)

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.

ESC Hot News

Now is the time to Join ESC (or renew your annual membership).

[Join now](#). Or, [renew your membership](#) now. The ESC is a key place to get involved in what's happening in the Energy Savings Performance Contracting and energy efficiency world...and there is a lot going on. Don't miss out...Sign up today!

Support ESC

Help expand ESC's mission to work at the state and local level to increase energy efficiency and building upgrades through energy savings performance contracting. ESC offers a variety of funding levels and associated [benefits](#) to sponsors. [Contact us](#) to find out how you or your organization can participate.

WEBINARS

Mark Your Calendar: *ESC Beginnings - an ESC webinar.*

Did you ever wonder how the Energy Services Coalition (ESC) got started? ESC is delighted to host a webinar with its founders to reflect on ESC's beginnings and how its mission and approach remain relevant today. [Join us](#) on Friday, September 10, 1:00 ET.

National ESPC View - an ESC webinar: In case you missed this webinar, [National ESPC View](#), visit ESC's webinar library and watch it at your leisure. Representatives from three key organizations provided national insight on performance contracting, sharing their perspectives on the next generation of performance contracting, ARRA funding deployment to date, the difference between spending and leveraging funds and more. Speakers included Dale Hahs, President of the ESC Board of Directors; David Terry, Executive Director, National Association of State Energy Officials (NASEO); and Donald Gilligan, President, National Association of Energy Service Companies (NAESCO).

ESC Webinar Library - View past webinars.

Check out ESC's other past webinars at the [ESC webinar library](#).

VIDEO CLIPS

Watch It! Watch this collection of [ESC videos](#) to hear performance contracting insights from industry professionals, government officials and end-users.

Featured Video:

[ESPC Success Stories - Universities](#)

Take just a few minutes to check out these featured video clips. Two university facilities directors talk about their experiences with performance contracting:

*David E. Brixen, Associate Vice President - Facilities Development and Management, Arizona State University (Phase 1 - \$30 million project; Phase II - \$40 million project in process)



*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.

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