

Webinar **State of States**

October 28, 2025





Virtual Housekeeping



Drop your questions in the Q&A box



A recording of this training will be posted online



Speakers









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About 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 and building upgrades through Energy Savings Performance Contracting.



Local chapters; public and private sector individuals coming together to provide outreach and education.

Agenda

Learning Objective: Across the country, state policies and programs play a critical role in enabling and advancing Energy Savings Performance Contracting (ESPC) projects. Each has unique approaches to supporting ESPC. Whether you are an ESCO, a MUSH market decision-maker, or a policy stakeholder, this webinar will offer valuable insights into leveraging support provided in your State, and help you navigate state-specific dynamics to maximize the impact of your ESPC program.

In this session, we'll explore:

- How states differ in the type of support provided for ESPCs
- The evolving role of State Energy Offices (SEOs) / other State agencies in fostering successful MUSH market projects
- Strategies for working effectively within different state environments to advance community and operational resiliency goals
- Examples of how State agencies have helped MUSH market accomplish ESPC programs



Navigating and Adapting to Changes Over Time

Since the 1970s, Energy Savings Performance Contracting (ESPC) has proven to be one of the most durable and adaptable tools for upgrading infrastructure—thriving through shifts in funding availability, political administrations, and economic climates.

ESPC has proven resilient across:

- Fluctuating federal/state funding
- Political transitions
- Economic downturns

It has Bipartisan Appeal:

- Privately financed (does not require taxpayer dollars)
- Adopted in both red and blue states.
- Supports local economies by engaging contractors and suppliers.
- Ensures transparency through rigorous Measurement & Verification (M&V)
- Reduces operating costs for MUSH market organizations with over-burdened budgets

Result:

Over \$30 billion in cost-effective upgrades have been financed through ESPCs across 45 states. Source



State Agencies help the ESPC market navigate these changes.

State Legislation and Corresponding SEO Support

Legislation: 45 states have enabling laws that standardize processes and protect public owners.

Each states' legislation is distinct, and so each State Energy Office offers unique support around ESPC. You can learn what the history of ESPC is in your state, and learn what the current legislation is through the links below

- DOE State by State (Updated 2022)
- ACEEE State by State

State Energy Offices (and like entities) have been instrumental in ESPC adoption:

- Technical training / capacity building / outreach
- Model contracts / legal templates / administration
- Data tools / measurement & verification support / reports
- Financial incentives / credit enhancements / financing
- Peer learning / networking / agency support



DOE and **PCNRC**

DOE Leadership is Essential:

- Federal Endorsement: Reassures public officials, lenders, and ESCOs.
- National Impact, Local Benefit: Aligns with energy security, decarbonization, and economic stimulus.
- Sustains Momentum and Facilitates Coordination: Builds a self-reinforcing cycle of adoption.

Performance Contracting National Resource Center (PCNRC)

- Hub for all the <u>DOE best practice resources</u> and solutions for ESPCs.
- For states that do not have their own, template documents are coming soon.
- <u>Training Certificate Series</u>

Performance Contracting National Resource Center Training Certificate

A free, accredited, on-demand, interactive series that offers users valuable performance contracting resources and best practices.

Training Takeaways include

- ESPC Benefits
- ESPC Process
- Best Practices
- Technical Expertise

NASEO

NASEO is the only national non-profit association for the governor-designated State Energy Directors and their offices from each of the 56 states and territories. Formed by the states in 1986, NASEO facilitates peer learning among state energy officials, serves as a resource for and about State Energy Offices, and advocates the interests of the State Energy Offices to Congress and federal agencies.

Resources you can expect to find here:

- Data and Resources for State Energy Offices on how they can best support local energy efficiency programs, especially the MUSH market
- Publications and research regarding economic growth, job creation, and other impacts of energy programs
- Updates on energy related issues and policies
- Information on each State's Energy Office
- Program in a Box (Coming soon!)



State Energy Officials

Contact: Sam Cramer scramer@naseo.org

NASEO



Energy Efficient and Healthy K-12 Public School Facilities:

Opportunities for State Energy Offices and State Education Agencies to Collaborate 2024



This report focuses on the strategic partnerships between State and Territory Education Agencies and State and Territory Energy Offices. Collaboration among these agencies can help states better support energy efficient and healthy school facilities by lowering utility and maintenance costs for schools and improving the learning environment for students

Securing the Energy System and Powering-Up the Grid for Economic Development and Affordability: State Actions Using State Energy Program Formula Funding

The U.S. State Energy Program (SEP) delivers formula funds provided by Congress to the governor-designated State Energy Offices in every state and territory in the nation to address energy emergency preparedness and response, develop new energy resources with the private sector, and demonstrate innovative technologies. SEP is the only program administered by the U.S. Department of Energy (DOE) that provides resources directly to states for their governors to strategically implement their energy priorities and harness energy opportunities while also supporting the national energy goals of Congress and the Administration. While each state uses SEP funds to meet their unique energy development opportunities, all states use a portion of their SEP formula funds to:

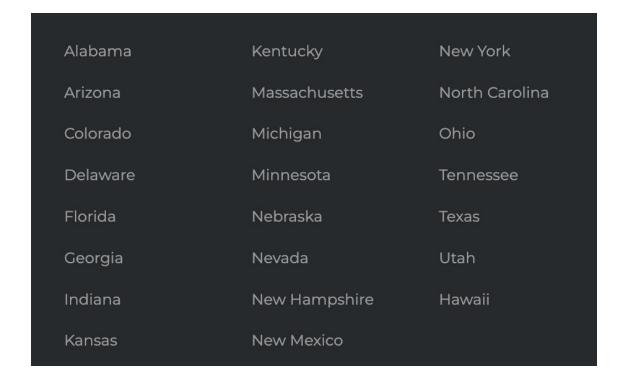
- Plan for and respond to energy emergencies resulting from physical and cybersecurity threats – savings lives and livelihoods;
- Advance electric grid and natural gas planning and infrastructure optimization with the
 private sector to meet growing energy needs and support economic development;
- Address energy sector affordability; and
- · Demonstrate innovative energy technologies.

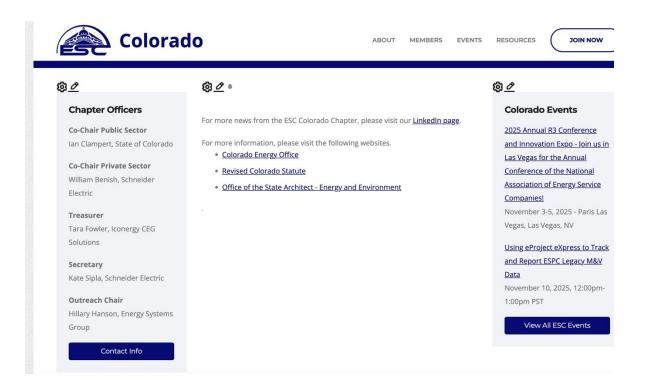
US State and Community Energy Program: Stories of Impact and Innovation from 50 States



This report draws on the principles of technology-based economic development, as well as ways states have invested in energy technology innovation and commercialization, to shed light on strategies that states can use to realize the long-term job creation, revenue generation, and environmental benefits of clean energy technologies

ESC State Chapters





Join Here

State by State Examples

Delaware



Energize Delaware

- Support provided
 - List of prequalified Energy Services Companies (ESCOs)
 - List of pre-qualified Owner's Reps, and provide funding for their services
 - Organize and manage financing through master lease agreements and private financing
 - DESEU (Delaware Sustainable Energy Utility) also has bonding authority for ESPC projects
 - Resources to learn more about ESPC and whether it is right for the project
- Accomplishments
 - Commissioned the first Program and Impact Evaluation studies for the ESPC program in the country
 - Currently updating the ESPC Program Guidebook Based on Evaluation Results
 - ESCO Companies must provide an educational component for the students

More information contact:

Drew Slater <u>drew.slater@deseu.org</u>
Tony DePrima <u>tony.deprima@deseu.org</u>

Delaware – ESPC Program Results



2023 Program Results

2023 Energy Savings Performance Contracting			
Project Count	3		
Guaranteed 1st Year Savings	\$1,783,770		
Energy Savings (MMbtu)	119,253		
GHG Abatement (metric tons)	50,478		
SEU Grants	\$2,000,000		
ESPC (Master Lease)	\$30,932,048		
Leverage Ratio (SEU:Private)	1:15		
Total Project Cost	\$161,820,307		
Leverage Ratio (ESPC:Project Cost)	1:15		

Program through 2023

- \$125 Million+ in multiple rounds of ESPC
 Funding generating nearly \$10M/yr in annual savings
- Facility Types: University/Higher Education, State Agencies, School Districts, and other MUSH agencies
- 13 Pre-Qualified Energy Services Companies via RFQ
- 3-4 Pre-Qualified ESPC Owner's Reps via RFQ

Delaware Case Study: New Castle County Vo-Tech



Energy Savings Installed	Guaranteed kWh savings	Guaranteed therms Savings	Guaranteed kGal savings
Boiler Replacement	46,379	52,522	
Building Envelope Weatherization	15,810	23,346	
Controls Optimization	440,370	10,028	
Controls Upgrade	149,903	18,165	
HVAC System Improvements	212,262		
Lighting Retrofit	1,256,286		
Mechanical Insulation		3,463	
Solar Power	1,014,300		
UVGI Systems	-146,467		
Water Retrofit	3,355	238	2,622
TOTALS	2,992,198	107,762	2,622





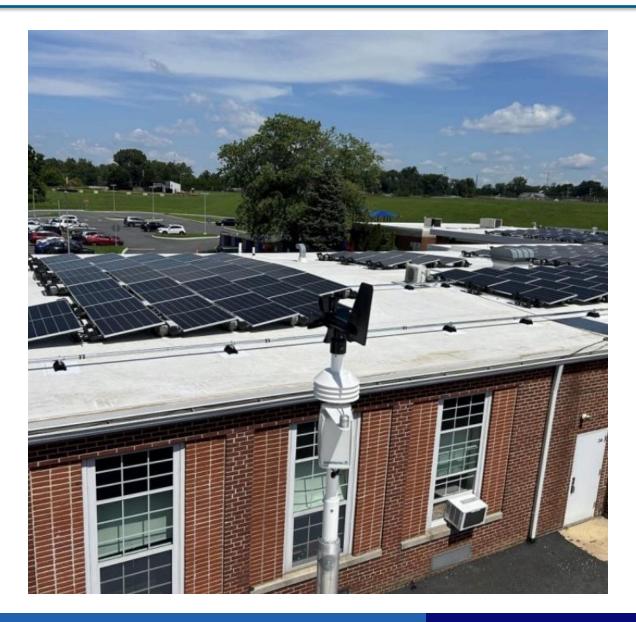
ESCO for this project was Seiberlich Trane

Delaware Case Study: Red Clay Consolidated School District



Red Clay Consolidated School District Solar Monitoring

- As part of the Red Clay Phase 2 ESCO project, 1.4
 megawatts AC of solar were installed at 6 buildings in the
 district.
- To validate the performance of each of these systems, a solution had to be developed to collect the data necessary to comply with the ongoing Measurement and Verification requirements. This data includes power production of the array and on-site weather conditions which impact power production.
- The result is a system that collects real-time performance data and allows for remote diagnostics of the systems. This will allow the M&V team to create annual production reports of the systems that validate savings, according to ASTM standards, and show the impact they have for the district.
- The solar arrays were funded through the Solar for School Districts grant and Performance Contracting Program from Energize Delaware.
- ESCO: Seiberlich Trane's Electrical Subcontractor.



Washington State



Washington State Department of Enterprise Services, Energy Program

- Only State agencies and higher ed without delegated public works authority are required to work through this program for ESPC contracts, all others can choose to work through us
- Performance Contracts not required to "pay for themselves via savings" they only need to be costeffective as defined in audit proposal
- Support offered by the Energy Program:
 - Energy efficiency technical expertise
 - Construction project management
 - Contract management
 - Review and validation of project documentation
 - Provide roster of qualified ESCOs
 - Negotiation of all project aspects
- Accomplishments:
 - Completed over \$2.6 billion dollars in performance contracts over 600 state and public facility customers since 1985
 - Avoided over \$50 million in annual utility costs

More information here

Contact: energyteam@des.wa.gov

Washington State Case Study – DOH PH Lab



- Project Impetus
 - Need to decouple from campus central plant shared with another agency
 - DOH needed a solution that would comply with state policy and local regulation around energy efficiency, decarbonization, and sustainability
- Replaced connection to fossil fuel steam boiler plant with open loop ground coupled heat pump (GCHP) system
 - HHW and DWH were converted to water from steam
 - Process steam in labs was evaluated for other technology or provided with localized steam generation
 - GCHP supplements existing CHW plant
- Project stats: Cost: \$14M, energy benefit: \$103k
- ESCO: McKinstry



Colorado

Colorado State Energy Office

- Support Provided
 - Prequalified list of ESCOs
 - Support in developing an Energy Performance Contract to meet the customer's needs
 - Selecting an ESCO
 - IGA review
 - Review by the Attorney General's Office (for state-owned EPC projects)
 - Design & Construction Review (for state owned EPC Projects)
 - M&V Review
- Accomplishments
 - Invested \$846 million into facility improvements
 - Achieved 292 million kWh in annual electricity savings
 - Saved \$52 million in annual costs for public jurisdictions

More information here

Contact: Ian Clampert <u>ian.clampert@state.co.us</u>

Colorado Case Study – City of Fountain

AT A GLANCE

Energy Conservation Measures

- Lighting
- Controls
- HVAC Maintenance Contract
- 1.67 MW Solar
- Integrations of Controls
- Orchestrate CMMS
- Water Efficiencies

Project Stats

Project Cost: \$4,239,957 Million

Energy Savings: \$4,393,876 Million

 Sustainability Stats: save over 2,400 metric tons of CO2 per year

Grants: \$1.35M DOLA



PROJECT OVERVIEW

The City of Fountain took a huge step toward meeting their sustainability goals by partnering with Veregy to offset 100% of the City's own electrical usage. The 1.67 MW solar installation will be located on City owned land and the field will consist of over 4,000 solar panels.

The project also contains other sustainability measures including lighting, domestic water efficiency upgrades, building software integration, and remote mechanical commissioning that will save the city over \$180,000 per year in utilities and another \$36,500 in operations and maintenance savings.

To help finance this project, Veregy and the City worked together to secure a Renewable and Clean Energy Initiative grant of \$1,350,000 from the State of Colorado Department of Local Affairs.

ESCO: Veregy

Colorado Case Study - Colorado Department of Human Services

AT A GLANCE

Energy/Water Conservation Measures

- Two solar arrays totaling 4.42MW
- Weather-based irrigation system controls and low flow plumbing fixtures
- Replacement of 46,000 luminaries to LED
- Steam trap insulation and replacements for central plant
- Natural gas contract renegotiation

Project Stats

• Cost of Project: **\$29M**

• Lifecycle Savings: \$46M

• Project Scope: 200+ buildings statewide

• \$3.5M expected in ITC solar credits

• 100% Self-Funded Project



PROJECT OVERVIEW

CDHS has become the first state agency to commit to going beyond Governor Polis' Greening Government Order by enacting a set of ambitious, measurable sustainability improvements. Spanning over 200 buildings and 2.8 million square feet, this project includes diverse facilities such as psychiatric hospitals, group homes for individuals with disabilities, youth service centers, and historic government offices. By 2026, this initiative will allow CDHS to significantly surpass the Governor's sustainability targets, setting a new standard for state-wide efforts.

Once fully implemented, CDHS will achieve unprecedented milestones in sustainability, setting an example for other agencies and organizations nationwide. This collaboration emphasizes the critical role government entities can play in reducing environmental impact and accelerating the adoption of renewable energy and resource conservation strategies

ESCO: Schneider Electric

EPC PROJECT HIGHLIGHTS

Project Savings

The project expects to have over \$1.37M in annual utility savings, \$366,000 in utility provider rebates, and \$3.5M in expected ITC solar credit.

Governor Polis' Greening Government Order

Once fully constructed, CDHS is expecting to offset their electricity usage by 25% with renewable energy, reduce water consumption by 28% statewide, and meet full LED lighting compliance across their portfolio.



Georgia

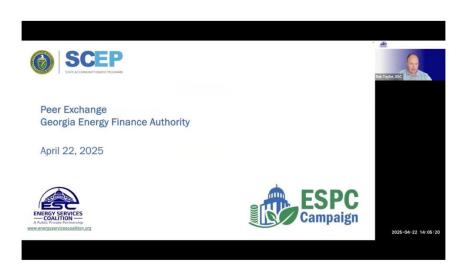


Georgia Environmental Finance Authority

- Support Offered to Public agencies
 - Resources and guidance for selecting and initiating energy performance contracts.
 - Technical factors to consider when selecting a project site for an energy performance contracting project
 - Risk Factors associated with an Energy Performance Contracting Project
 - Resources including RFP templates, sample contracts, and IGA agreements
 - Prequalified contractor lists

Accomplishments

- Completed over \$88,415,483 dollars in performance contracts over 8 state and public facility customers since 2015.
- Avoided over \$6M in annual utility and O&M cost



Click on image to view Peer Exchange with GEFA focused on ePx

More information here

Contact: Miracle Wilson mwilson@gefa.ga.gov

Georgia Case Study: Brasstown Valley Resort & Spa - Department of Natural Resources

Brasstown Valley is also leading the way in energy savings. Through Georgia's Energy Savings Performance Contracting program, the resort has saved nearly one million dollars.

- Operated by the North Georgia Mountain Authority (NGMA).
- Installed solutions include lighting system upgrades, a new energy management control system, building envelope improvements, solar pool heating, and more.
- Generating over \$100,000 in annual electricity savings and over \$30,000 in propane savings. (2016 Comment)
- GEFA supported this project with the Department of Natural Resources by providing our ESPC templates and help them along the way in IGA meetings with their ESCO.



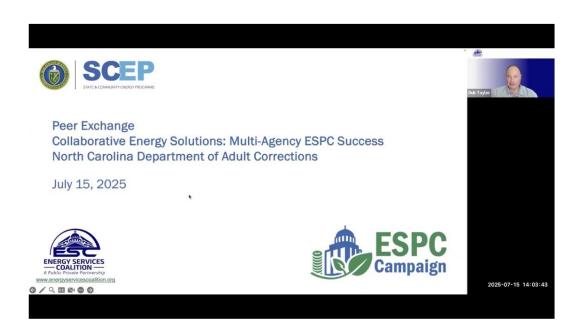
Nestled in the breathtaking Blue Ridge Mountains, Brasstown Valley Resort and Spa is the ultimate retreat.

North Carolina



North Carolina Department of Environmental Quality

- Support Offered to Public agencies
 - Reporting Review
 - Posts active RFP/Qs
 - Resources including RFP/Q templates, sample contracts, and IGA agreements
 - Prequalified contractor lists
 - Advocacy to promote efficient and effective ESPC process
- Accomplishments
 - Since 2002, NC has completed \$744M in performance contracting



Click on image to view Peer Exchange with NCDEQ

More information here

Contact: Hayward Fain Hayward.Fain@deq.nc.gov

Case Study: NC Department of Adult Corrections (DAC)



The project included a 500 kW Solar Energy Solutions Agreement (ESA), EV charging infrastructure, and comprehensive efficiency upgrades—ranging from lighting and HVAC to water management systems that support contraband detection and flood prevention.

- Key benefits and outcomes include:
 - A 500-kW solar array at Tabor Correctional Institution, owned by NC Electric Cooperatives and serviced by Brunswick Electric Membership Cooperative, delivering reduced electricity rates over a 20-year term.
 - Conversion of 16 perimeter patrol vehicles to electric, with charging stations installed at four sites.
 - Upgrades to lighting, building automation systems (BAS), HVAC systems, and building envelopes.
 - Water management systems that enhance facility safety and security
 - Compliance with Executive Orders 246 and 80, supporting EV adoption and energy use reduction goals.
 - Workforce development through tailored training tracks for staff and offenders.
 - 17% participation by historically underutilized businesses.

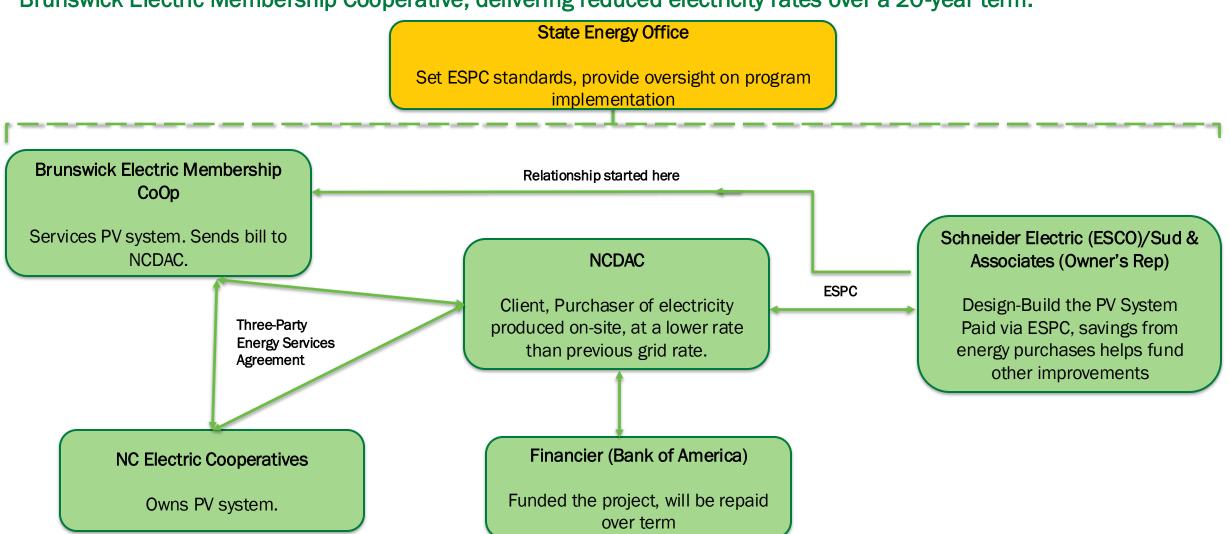


Case Study Link Here

Project Structure: NC DAC



A 500-kW solar array at Tabor Correctional Institution, owned by NC Electric Cooperatives and serviced by Brunswick Electric Membership Cooperative, delivering reduced electricity rates over a 20-year term.



Texas



SECO Texas Comptroller

- In accordance with <u>Tex. Govt. Code §2166.406</u>, a state agency that is considering a guaranteed ESP contract must notify SECO of its intent, issue a request for qualifications and select a performance contractor, usually an energy service company
- <u>LoneSTAR Loan Program</u>: finances energy-related, cost-reduced retrofits of facilities supported by
 the state, including public school districts and public colleges and universities, as well as units of
 local government such as counties, cities, towns, public hospital taxing districts or political
 subdivisions. Borrowers receive low-interest loans to help pay for these efforts. Applicants repay the
 loans from the energy cost savings realized by the projects.
- ESPC guidelines for state agencies
- ESPC Best Practices-From the Experts
- Construction Observation Guide for Energy Savings Performance Contracts
- Checklists and certifications.

Other Notables

- Arkansas' ESPC program uses a revolving loan fund (RLF) to fund ESPC contracts. The state puts
 leftover State Energy Program funds into the RLF every year.
- **Nevada** The <u>Nevada Governor's Office of Energy's Performance Contracting Audit Assistance</u> <u>Program (PCAAP)</u> provides funding for 50% of IGA costs to public entities.
- Florida Florida utilized U.S. State Energy Program formula funds to support the Florida Wastewater Treatment Plant Energy Program, which aimed to improve energy efficiency in publicly-owned wastewater treatment facilities.
- New Mexico EMNRD (Energy, Mining, and Natural Resources Division) has been assisting multiple state agencies leverage ESPC financing to supplement building renovation projects, preserving precious appropriations.



Technical Assistance

State and local ESPC Campaign partners are invited to set up a time to speak with an ESPC Subject Matter Expert for direct technical assistance. Discussion topics can be anything regarding an ESPC project or program, including specific questions on your project. To request a meeting time, please complete this <u>Technical Assistance Sign-Up Form</u>.



"The USDOE's ESPC Campaign has been an invaluable partner in helping us strengthen collaboration with ESCOs and implement the eProject eXpress (ePX) platform effectively. Through opportunities like speaking at the Energy Services Coalition Regional Meeting and participating in a Peer Exchange, as well as receiving direct support from a DOE subject matter expert, we've made significant progress. Our ePX portfolio has become far more usable, and the interest from partners across our state has grown tremendously. The Campaign's technical assistance makes complex information clear and actionable, and I would strongly recommend it to any organization looking to advance their ESPC efforts."

-Miracle Wilson Energy Resource Project Manager Georgia Environmental Finance Authority

Upcoming Events (click to register)

Webinars

- <u>Using eProject eXpress to Track and Report ESPC Legacy M&V Data</u> (Led by LBNL)
 November 10, 2025, 12:00pm-1:00pm PST
- ESPC 2026 Forecast: A Member's-Eye View on Policy, Planning, and Performance Contracting's Future (Colorado Chapter)

 November 13, 2025, 11:00am MDT

In-Person

 2025 Annual R3 Conference and Innovation Expo - Join us in Las Vegas for the Annual Conference of the National Association of Energy Service Companies!
 November 3-5, 2025 - Paris Las Vegas, Las Vegas, NV

Resources: ESPC Campaign



The Energy Savings Performance Contracting (ESPC) Campaign engages states, local governments, school districts, universities and colleges, hospitals, and other market stakeholders to:

- Support the use of performance contracting to increase efficiency, modernize public buildings, reduce utility expenses, increase resilience, and meet lead-byexample goals
- Share and Leverage Practical Resources to strengthen ESPC and measurement & verification (M&V)
- Amplify and Implement Best Practice Approaches for ESPC projects and programs
- Demonstrate Impact with measured and verified energy and cost savings
- > Showcase Achievements and share examples of successful ESPC implementation

- ✓ Expert-led Trainings
- √ Webinars
- ✓ Peer Exchanges
- √ "Ask-an-Expert"

 Office Hours
- ✓ Resource Library

Case Study Submission Form <u>Here</u>

Complete the Expression of Interest form to obtain a Partner Agreement





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Thank you!

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Energy Services Coalition

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