

Energy Savings Performance Contracting (ESPC) Campaign

NASEO Energy Policy Outlook Conference

February 2024



ESPC Campaign Overview



The Energy Savings Performance Contracting (ESPC) Campaign is a

voluntary initiative that engages stakeholders across the municipal and state governments, universities and colleges, schools, and hospitals (MUSH) market to support, expand, and enhance the use of ESPC to achieve significant energy, environmental, and cost savings benefits

Goals:

- Disseminate practical resources and best practice approaches for ESPC and measurement and verification (M&V)
 - Increase technical knowledge and ESPC accessibility across the MUSH market ۲ (e.g., reach underserved communities)
 - Drive long-term sustainable impact by strengthening state ESPC technical ٠ assistance resources and improving market data
 - Partners will collectively achieve **\$1 billion** in M&V savings by 2030 •

Why ESPC, Why Now

- Proven, budget-neutral contracting and financing method for public sector building owners to make infrastructure improvements that support many state and local government and institutional priorities:
 - > Upgrade aging facilities
 - Reduce operational costs
 - Energy and water efficiency
 - Decarbonization

- Resiliency
- Energy security
- Economic development
- Responsible stewardship of taxpayer funds
- Unprecedented opportunity to maximize the impact of federal grants and incentives and achieve more
 - > No upfront capital contribution required, but creates leveraging effect on contributed funds
- Demonstrate impact and safeguard investment with savings guarantee and effective M&V
- ESPC Campaign puts informational resources and expertise within reach for all MUSH organizations

ESPC Campaign Benefits for Public Sector Partners

For All

- Access no-cost U.S. Department of Energy (DOE) technical assistance on ESPC and M&V tools, resources, and best practices
 - Training Series
 - Webinars
 - "Ask-an-Expert" Office Hours
 - Resource Library
- Peer-to-peer learning
 - Share barriers, lessons learned, and solutions
- Networking opportunities
 - Leverage partner list to identify additional resources or potential partners
- Demonstrate impact with M&V data
 - Show results to authorities and stakeholders
- Showcase achievements and receive recognition
 - Feature exemplary projects and programs

For States

- Direct DOE technical assistance to establish or strengthen your ESPC program
 - <u>NASEO-ESC-NAESCO State ESPC Program</u>
 <u>and Project Principles</u>
- Preserve and extend staff capacity
 - DOE equips potential ESPC customers with foundational training and resources
- Expand awareness of state ESPC resources
 - Opportunity to promote ESPC and increase engagement with users
- Improved data to inform decision making
 - Track progress towards goals and increase insight into market activity in your state with <u>eProject eXpress</u>
 - Support consolidating your program's data into DOE's eProject eXpress platform

Achieving \$1 Billion in M&V Savings

- Public sector partners share with DOE at least **4 years of measurement & verification data** for projects implemented during the ESPC Campaign
- DOE to rollup and track progress from Guaranteed Savings \rightarrow Measured & Verified Savings
- Streamlined reporting achieved through DOE's eProject eXpress web-based platform, designed specifically for state and local ESPC project data management

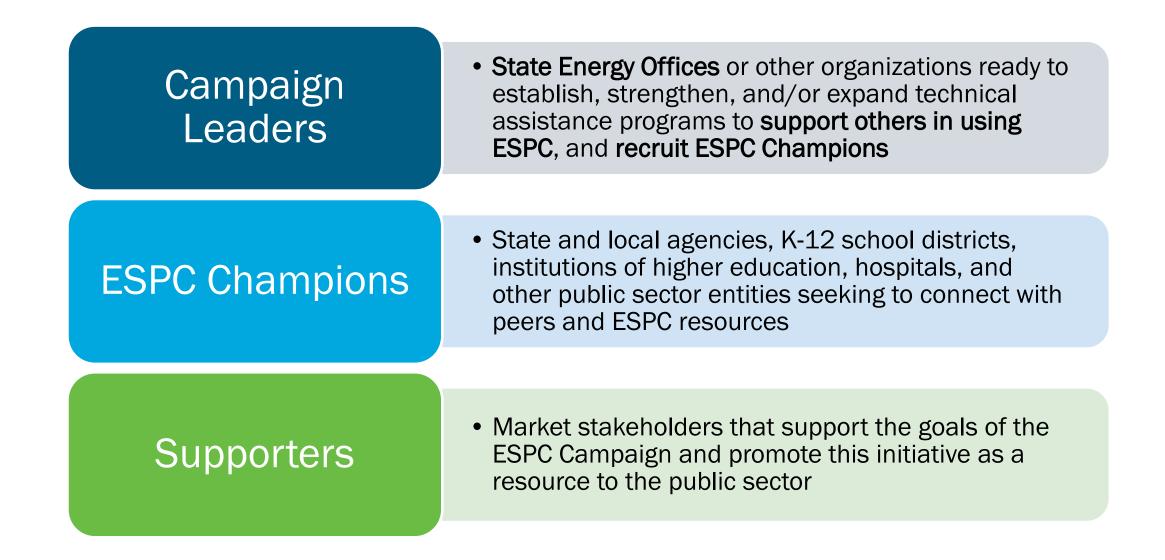
"In 2021...approximately **98% of the savings were** verified by third-party reviewers. Current projects have totaled over **\$21 million in** <u>above</u> guaranteed savings to date.

Given this **demonstrated success**, **performance contracting should garner** <u>increased attention</u>."

North Carolina Department of Environmental Quality 2021 Report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources Governor Northam Announces Efficiency Efforts Have Saved Virginians \$1 Billion in Energy Costs

October 2021

RICHMOND – Governor Northam today announced Virginia has reached more than \$1 billion in energy savings through the Virginia Department of Energy's Energy Savings Performance Contracting Program.



State and Local Solution Center

North Carolina Implementation Model: Enhancing Performance Contracting for K-12 Schools, Community College, and Local Governments

DECEMBER 9, 2019

Solution

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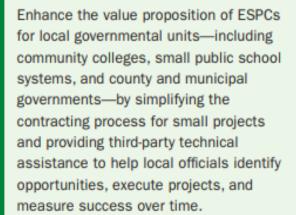
With State Energy Program funding from DOE, North Carolina (NC) partnered with a nonprofit energy consulting firm and the NC chapter of the Energy Services Coalition to conduct outreach and education to local governments, address legislative barriers, and provide owner's representative services.

Goal

Reduce North Carolina's energy consumption by 20% by 2020 from a 2008-2009 baseline by accelerating the uptake of ESPCs among smaller governmental units.

Barrier

Lack of understanding and buy-in at the local level to use ESPCs for small building-sector projects.



Outcome



North Carolina helped more than 30 communities adopt ESPC projects over 3 years, with estimated cost savings of more than \$70 million. State and local officials continue to advance new projects with North Carolina's help.

Read More: NC Implementation Model

U.S. DEPARTMENT OF ENERGY OFFICE OF STATE & COMMUNITY ENERGY PROGRAMS

Campaign Leaders

- Energize Delaware
- Georgia Environmental Finance Authority
- Mississippi Development Authority
- North Carolina Department of Environmental Quality

ESPC Champions

- City of Saint Paul, MN
- City of Palm Coast, FL
- Miami-Dade County, FL
- University Hospitals Authority & Trust, OK

Supporters

- National Association of State Energy Officials
- National Association of Energy Service Companies
- Efficiency Valuation Organization
- Energy Services Coalition
- Plus many more!

- Visit: www.energy.gov/scep/espc-campaign
- **Contact:** <u>ESPCcampaign@hq.doe.gov</u>
- **Sign Up:** Obtain a Partner Agreement from DOE or a current ESPC Campaign partner and email the signed form to the ESPC Campaign inbox
- **Subscribe:** To the ESPC Campaign newsletter for monthly program updates and schedule information



Thank You!