



National Association of
State Energy Officials

2017 NASEO Annual Meeting

Buildings Committee

September 17-20, 2017
Hilton New Orleans Riverside
New Orleans, Louisiana

Dale L. Hahs
Energy Services Coalition
State Liaison Team Manager
dhahs@s-energysolutions.com
913-488-7208
www.energyservicescoalition.org



National Association of
State Energy Officials

2017 NASEO Annual Meeting

Buildings Committee

Guaranteed Energy Savings
Performance Contracting
(GESPC)

What is it?



“The use of **guaranteed** savings from the maintenance and operations budget (utilities) as capital to make needed upgrades and modernizations to your building environmental systems, financed over a specified period of time.”

-United States Department of Energy

What is GESPC



“The use of guaranteed savings from the maintenance and operations budget (utilities) as capital to make needed upgrades and modernizations to your building environmental systems, financed over a specified period of time.”

-United States Department of Energy

A repurposing of utility dollars to fix stuff, save energy and water and create jobs.

You're going to spend this money anyway, why not use it to reinvest in your facilities instead of paying for inefficiencies.

Energy Services Coalition



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.



- ESC exists to help advance Guaranteed Energy Savings Performance Contracting toward a *business as usual* resource
- We're passionate about helping you be successful
- We provide tools, templates, guides, papers and other resources (don't miss the new [jobs tracking tool](#))
- We amalgamate and disseminate best practice information
- We provide limited technical assistance
- We welcome you or your delegates to join the conversation through our quarterly peer to peer calls
- Our chapters are created to deploy "your" message and help grow your success

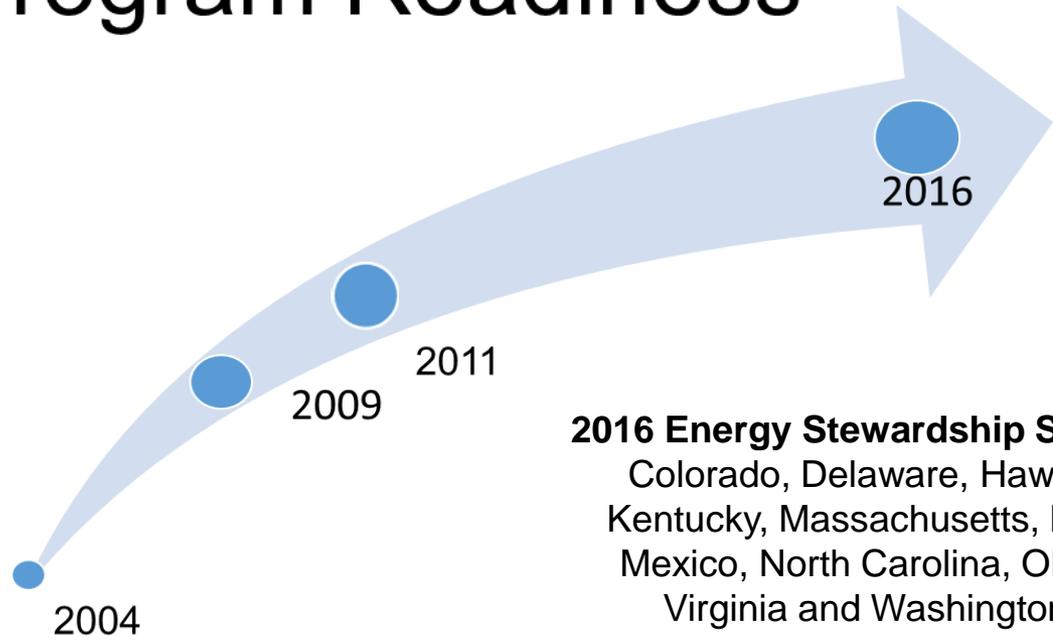


Why talk about this again and again and again?

- Changing leadership and personnel
- Strained budgets
- Growing deferred maintenance
- Challenges of value and skepticism
- Blurred lines by alternative concepts
- Can be funded by its very success
- Remarkable opportunity as a vehicle to achieve multifaceted goals



Key Attributes for GESPC Program Readiness



2016 Energy Stewardship States:
 Colorado, Delaware, Hawaii,
 Kentucky, Massachusetts, New
 Mexico, North Carolina, Ohio,
 Virginia and Washington

Energy Stewardship Champions -- Adoption of ESC Key Attributes

ESC	Leg.	Strong Gov. Support	Consensus Finance	Consensus Legal	Consensus Procure	Pgr. Adm.	Standard Contracts	App'd ESCOs	ESC Chpt	Funding	Awards	Bench-mark	\$\$ Inv't
2016***	X	X	X	X	X	X	X	X	X	X	-	X	
2011**	X	X	X	X	X	X	X	X	X	X			
2009*	X	X	X	X	X	X	X	X	X	X			

* The 2009 information was obtained through one-on-one discussions with ESC members active in the state.
 ** The 2011 information was obtained as part of a survey of state energy offices on their GESPC program design.
 *** The 2016 information was obtained through a Needs Assessment administered by the ESC.

Key Attributes of Successful Programs



Trends and Tendencies



[2016 Needs Assessment Review](http://energyservicescoalition.org/Data/Sites/1/documents/resources/State-Needs-Assessment-Analysis.pdf)

<http://energyservicescoalition.org/Data/Sites/1/documents/resources/State-Needs-Assessment-Analysis.pdf>

What we learned

- More Key Attributes = Greater Success
- Tools And Guides Good; People GREAT
- Only a few state GESPC programs have established relationships with local units of government

A surprise conundrum. . .

Some states are moving to shortened terms of requirement for guarantees while other states are challenging program viability for lack of appropriate reporting and substantive guarantees

Program Administration

Oversight Counts

- Reasonable
 - Utility Analysis and Baseline Calculations
 - Savings Calculations
 - Pricing
 - Escalation
 - Risk Apportioning
 - Measurement and Verification
 - Dispute Resolution



Benchmarking and Reporting



- Results Achieved
- Guarantee Achieved
- Persistence Validation



eProject Builder (ePB) Update

- **Overview:**
 - Free online **G**ESPC data tracking/reporting system
 - Upload, track and report project and M&V information for life of contract
- **Projects status:**
 - Contains **485 projects** w/ implementation costs of **~\$4B** and cumulative guaranteed savings of **~\$10B**
 - **383** fed, **99** state/local/educational; **3** C&I/other



ePB Benefits

- **Easy to use** - minimal time for agency staff
- **Standardizes GESPC data** collection and reporting across markets, ESCOs and regions for better analysis
- **Enables robust analysis and reporting** of project/program performance for building confidence in ESPC being viewed as “business as usual”
- **Preserves agencies’ critical project/M&V data** through the contract term and beyond – for staff into the future
- **Empowers agencies** by providing access to own portfolio of projects
- **Contributes to developing representative database** for project benchmarking



ePB New and Forthcoming

- **What's New (late FY17)**
 - “Super Viewer” role – organizational-level access to projects
 - Analysis & reporting feature – generate tables and graphs
 - ePB now required for federal IDIQ projects
 - ePB is new platform for NAESCO Accreditation and DOE Qualified List applications
- **Forthcoming (early FY18)**
 - Analysis & Reporting update: canned queries and saving favorites
 - More user-requested updates to data template including additional payment timing options for amortization (monthly, quarterly, semi-annual)



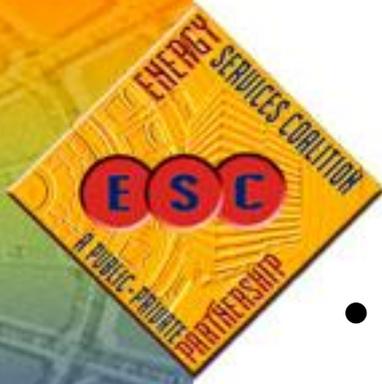
Training and Tech Assistance

- **Website:** eprojectbuilder.lbl.gov
- **Upcoming training webinars:**
 - Tues Sep, 26, 1-3:30pm EDT
 - Wed Oct 18, 2-3:30pm EDT
- **Contact:**

Email: epb-support@lbl.gov
Phone: (510) 486-7442



Key Takeaways



- Put the G back into GESPC
- Require integrity; ensure it with oversight
- Inform, report, proclaim
- For *Group Think* you need the whole group; procurement, landlord, finance, legal, ESCOs, energy office/oversight providers, users/owners

Observations from Needs Assessment



The more Key Attributes a state has achieved the more prepared a state is for success; added with time these attributes have been in place, the higher reported amounts of project implementation (measured in dollars).

Many of the people who are supporting GESPC today, were not in place prior to programs being created and therefore have little contrast of how tools and processes have helped or hindered project development.

The rigor of tracking the receipt of project success as reported in annual measurement and verification reports has fallen off over time. Some programs report that they have succumbed to ignoring the requirement altogether even though it remains a legislative requirement and perhaps an obvious component of supporting a guarantee of savings achieved.



Observations from Needs Assessment

There is a significant disconnect between State Programs and local units of government with influencing success and tracking achievement.

Tools and resources can be put in place – but people make the difference. We recognize that the Energy Stewardship Champion states all have well known and respected program administrators with the background skills and experience to assist project participants in achieving the highest value while supporting a fair and equitable working business model for the providers.



What can you do?

If you don't have a program build one

If you have a program, consider a tune-up – things change, tools are updated

Connect/communicate with all stakeholders

- Policymakers
- State leadership
- Intergovernmental agencies
- Local units of government

If you are an engineer with a law degree trained in the rules of procurement, construction management and negotiation, with a minor in finance and accounting, this will be a cinch!!

If you'd like help, contact us at info@energyservicescoalition.org

Next Steps

A goal for everyone



Energy Stewardship Champion

Proclaim Success with Data Collection and Sharing

Awards and Recognition

Inform leadership and interagency partners of success

Continuous improvement

Optimize local government market sector growth

Align incentive programs with M & V

Statutorily exclude project financing from debt

(ESC status achieved as a combination of Key Attributes and documented success)

Tier 2

Assess Key Attributes in place and prioritize others for implementation

Leverage or start an ESC Chapter for outreach and education

Inform leadership and interagency partners of benefits and garner consensus support

Survey marketplace and agency needs

Engage technical assistance or 3rd Party support

Collect case studies illustrating benefits achieved

Other

Review benefit opportunities to achieve your goals and weigh the effort vs the impact potential – who'll do the work and what limited capital is required vs. jobs, efficiency, infrastructure modernized, deferred maintenance abated

Find/appoint a champion

Benefit from the best practices collection ESC can provide

Prioritize efforts and enlist technical assistance or 3rd Party support

Thank you!



Today's Attendees

The leadership and members of the
National Association of State Energy
Officials

US DOE EERE Weatherization and
Intergovernmental Programs Office

If you haven't visited it lately, the ESC website is updated with new tools and resources frequently and will host a copy of this presentation.

www.energyservicescoalition.org