



Leveraging ENERGY STAR Tools in Performance Contracting



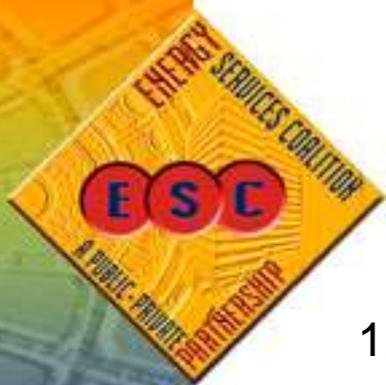
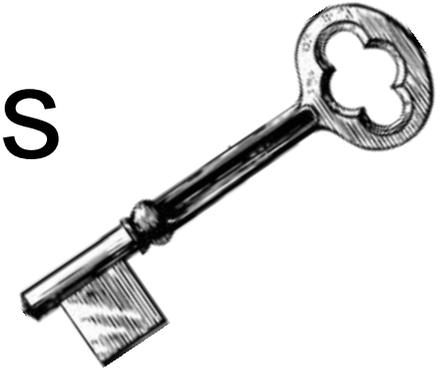
2017 NASEO Energy
Policy Outlook Conference

Dale L. Hahs
Energy Services Coalition
www.energyservicescoalition.org

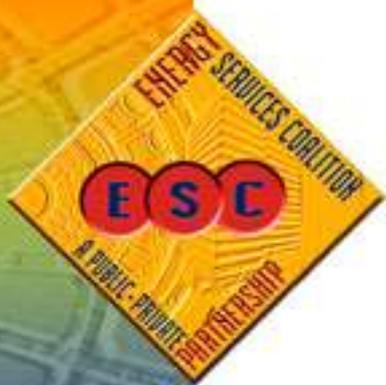


***Leveraging ENERGY STAR
Tools in Performance
~~Contracting~~ Guaranteed
Energy Savings Performance
Contracting***

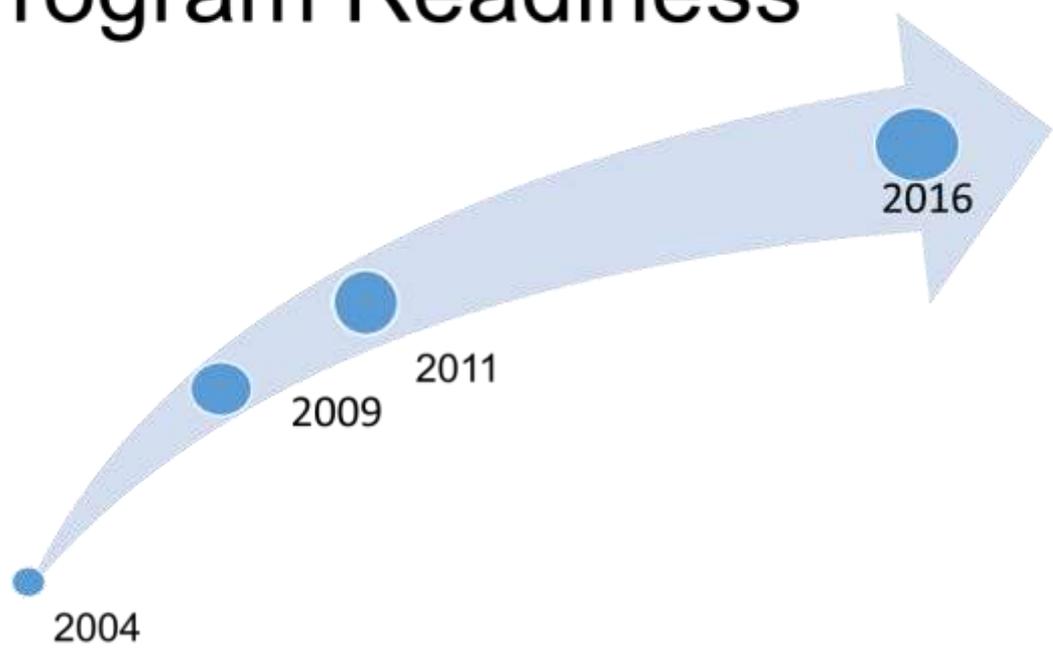
Key Takeaways



1. The Energy Services Coalition is a Great long time public private partner providing resources, outreach and help to support GESPC Programs [website](#) [contact ESC for help](#)
2. GESPC projects are a Great way to create jobs, save energy, modernize facilities with dollars that otherwise would be used to pay the utility bill
3. EPA's Portfolio Manager and Cash Flow Opportunity Calculator are Great Tools to incorporate in your GESPC Program [portfolio manager](#)
4. EPA's Energy Star for Buildings is a Great way to herald success achieved [award certification](#)
5. Coming Soon!! ESC will be posting a summary of trends and attributes of GESPC programs as reported by two thirds of these United States. www.energyservicescoalition.org



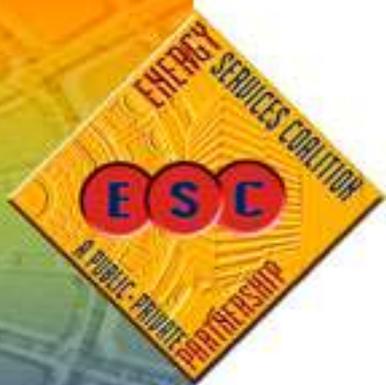
Key Attributes for GESPC Program Readiness



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	Benchmark	\$\$ 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			

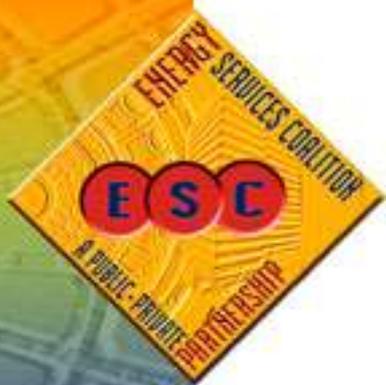
* The 2009 information was obtained through one-on-one discussions with ESC members active in the state.
 ** The 2011 information was obtained as part of a survey of state energy offices on their GESPC program design.
 *** The 2016 information was obtained through a Needs Assessment administered by the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



- ✓ Definitions
- ✓ Authorization
- ✓ Lead Agency
- ✓ Selection of Qualified Energy Services Providers
- ✓ Investment Grade Audit and Contract Execution
- ✓ Installment Payment and Lease-Purchase Agreements.
- ✓ Payment Schedule and Savings.
- ✓ Term of Contracts.
- ✓ Allocation of Obligations
- ✓ Use of Moneys/Reconciliation
- ✓ Monitoring and Reports.
- ✓ Contingency Provisions.
- ✓ Use of Savings from Performance Contracts.
- ✓ Repeal of Prior Conflicting Statutes
- ✓ Balance of Capital Contributions vs Savings

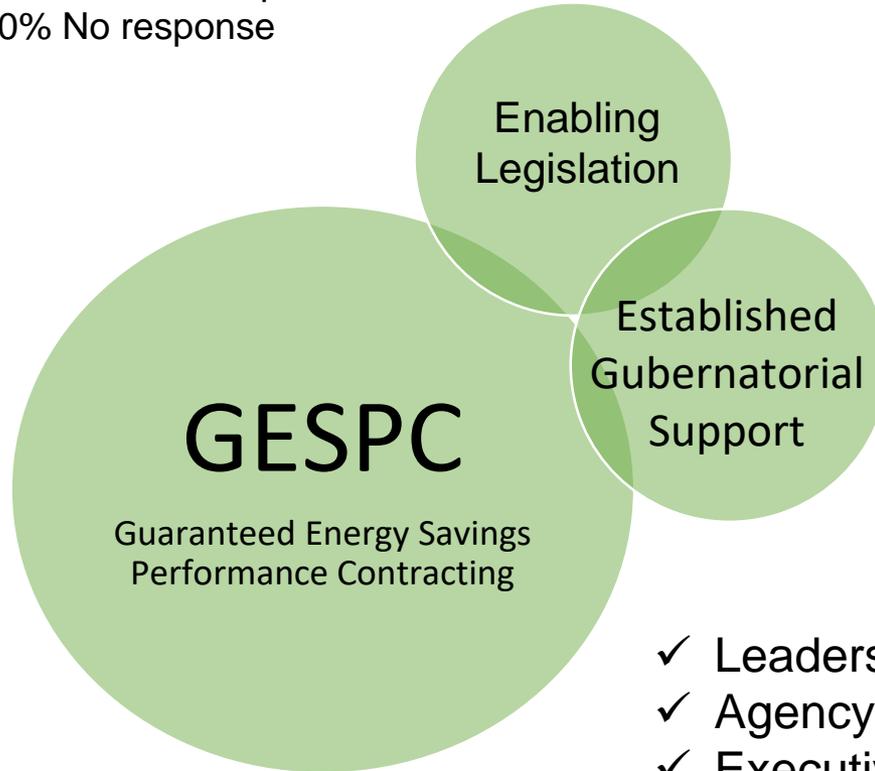
All respondents have legislation.

- 57% cover schools
- 57% cover local govt.
- 47% cover universities
- 43% one statute covers all markets

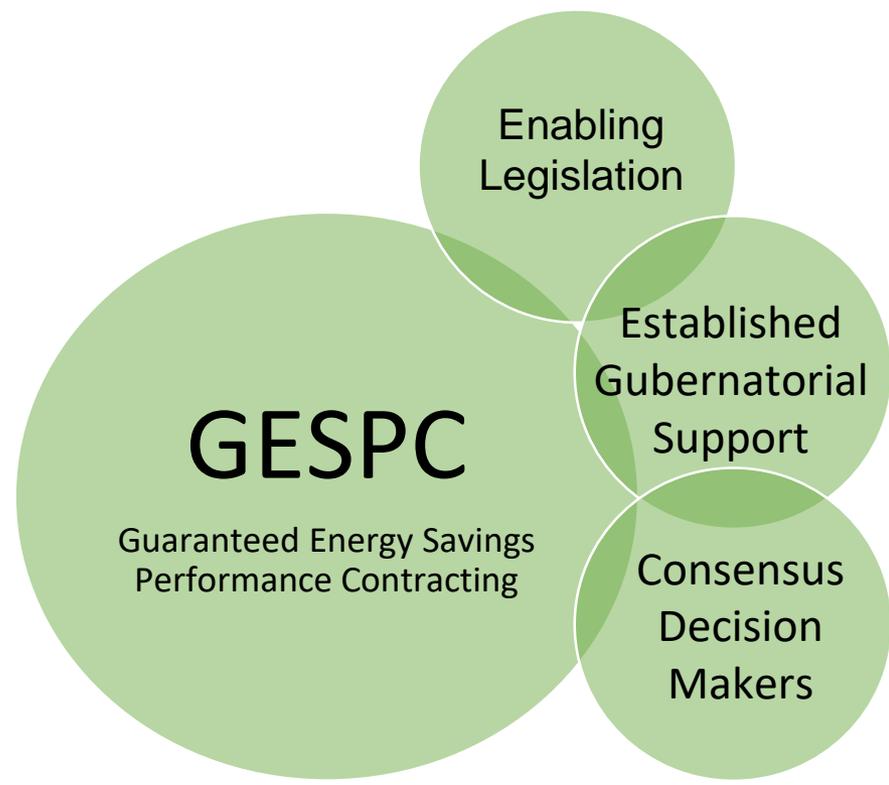
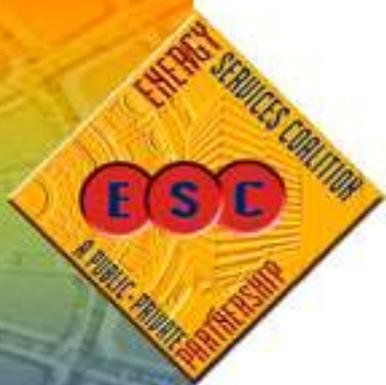


Gubernatorial Support

- 37% Knows benefits
- 7% Attend dedication
- 17% Issued press release
- 10% Receives reports
- 30% No response

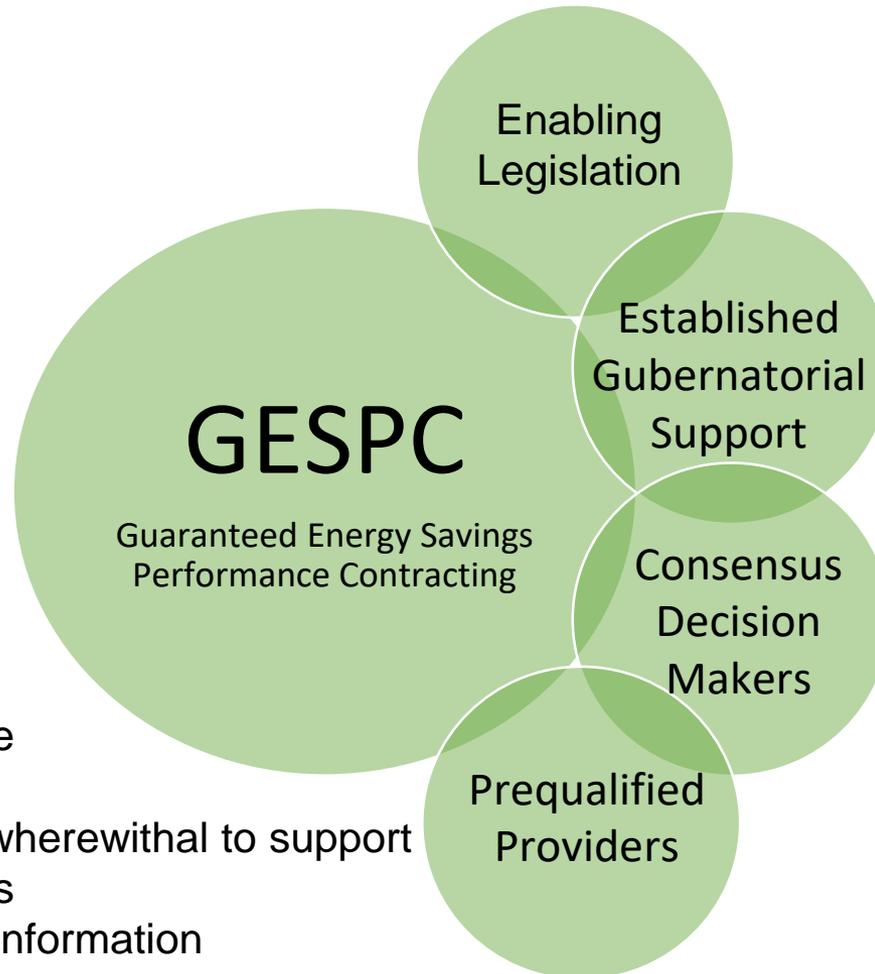


- ✓ Leadership
- ✓ Agency Directives
- ✓ Executive Orders
- ✓ GESPC First



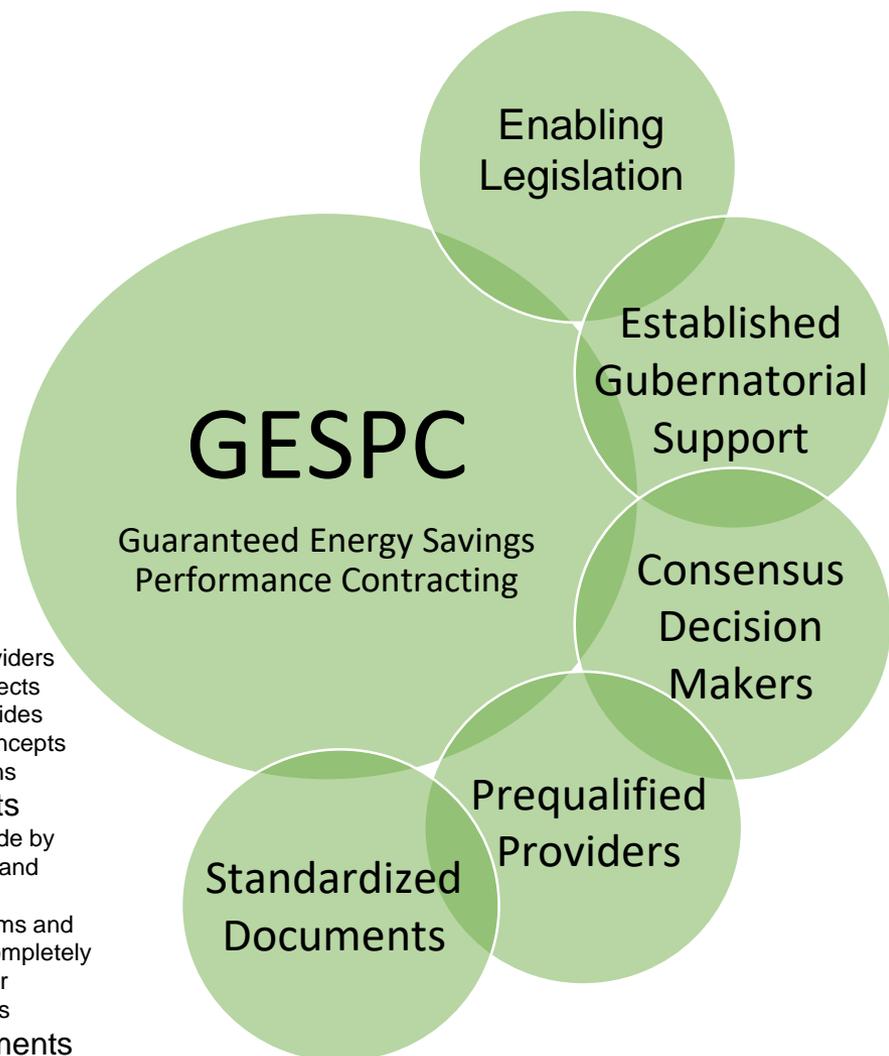
- ✓ Legal
- ✓ Procurement
- ✓ Finance and Budgeting
- ✓ Landlord Agency

63% of states responding have prequalified providers

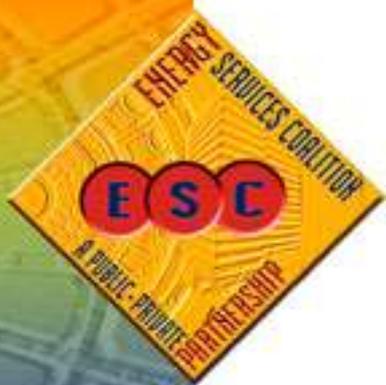


- ✓ Experience
- ✓ Expertise
- ✓ Financial wherewithal to support guarantees
- ✓ Managed information distribution
- ✓ Program commitment

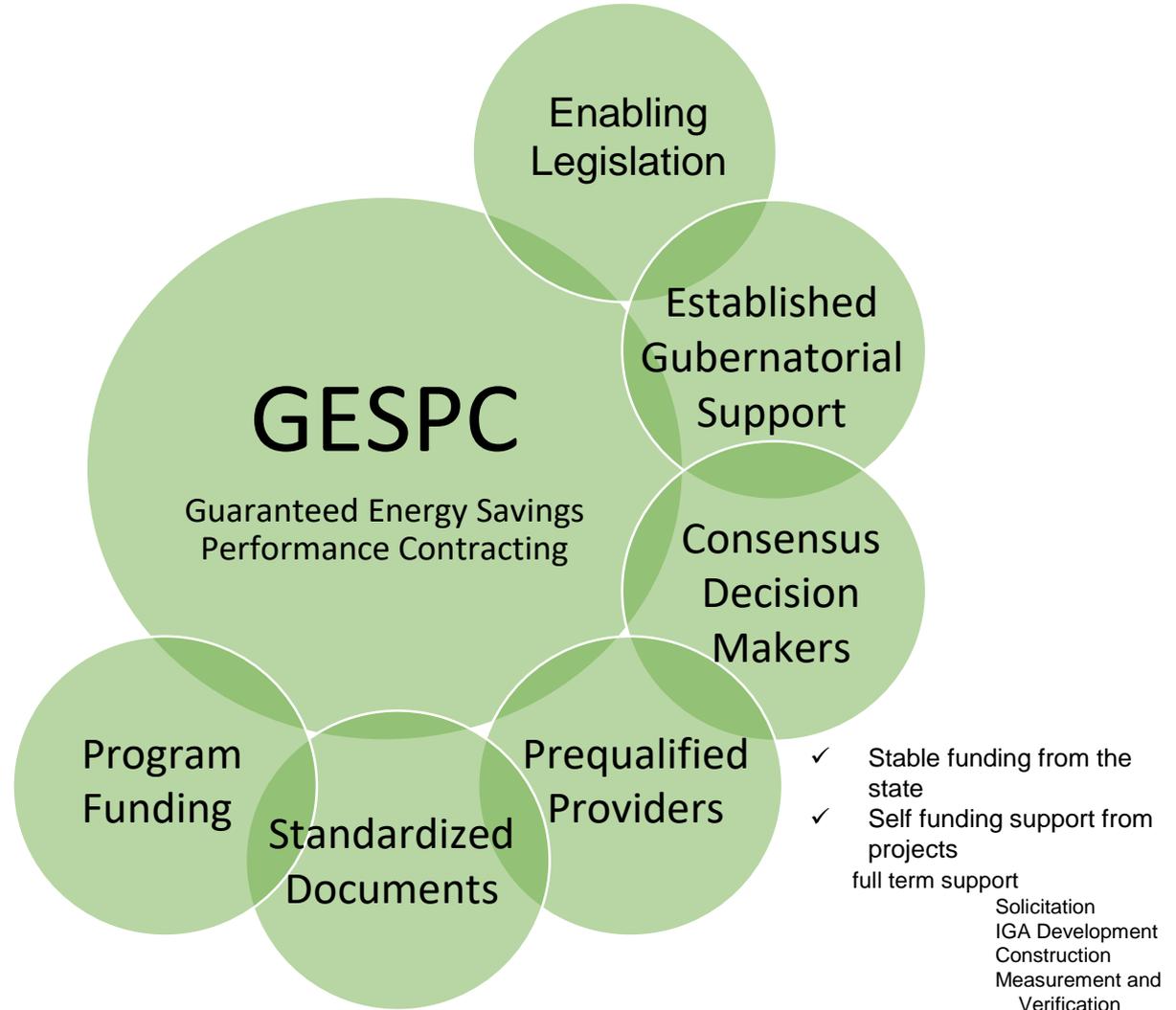
87% states have one or more standardized document

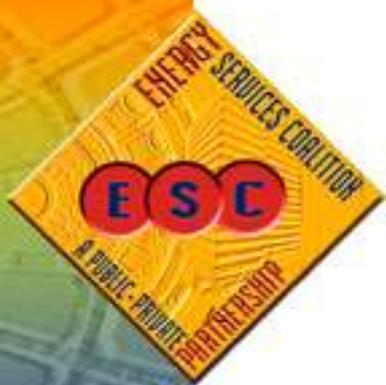


- ✓ Procurement Agreements
 - ✓ RFQ for Providers
 - ✓ RFQ for Projects
 - ✓ Selection Guides
 - ✓ Interview Concepts and Questions
- ✓ Legal Instruments
 - ✓ Vetted to abide by state statute and practices
 - ✓ Resolves terms and conditions completely
 - ✓ Schedules for completeness
- ✓ Guidance Documents
- ✓ Reporting Templates



- 32% of states responding have adequate and continuous program funding
- 47% report sporadic program funding
- 20% have a self-funding mechanism

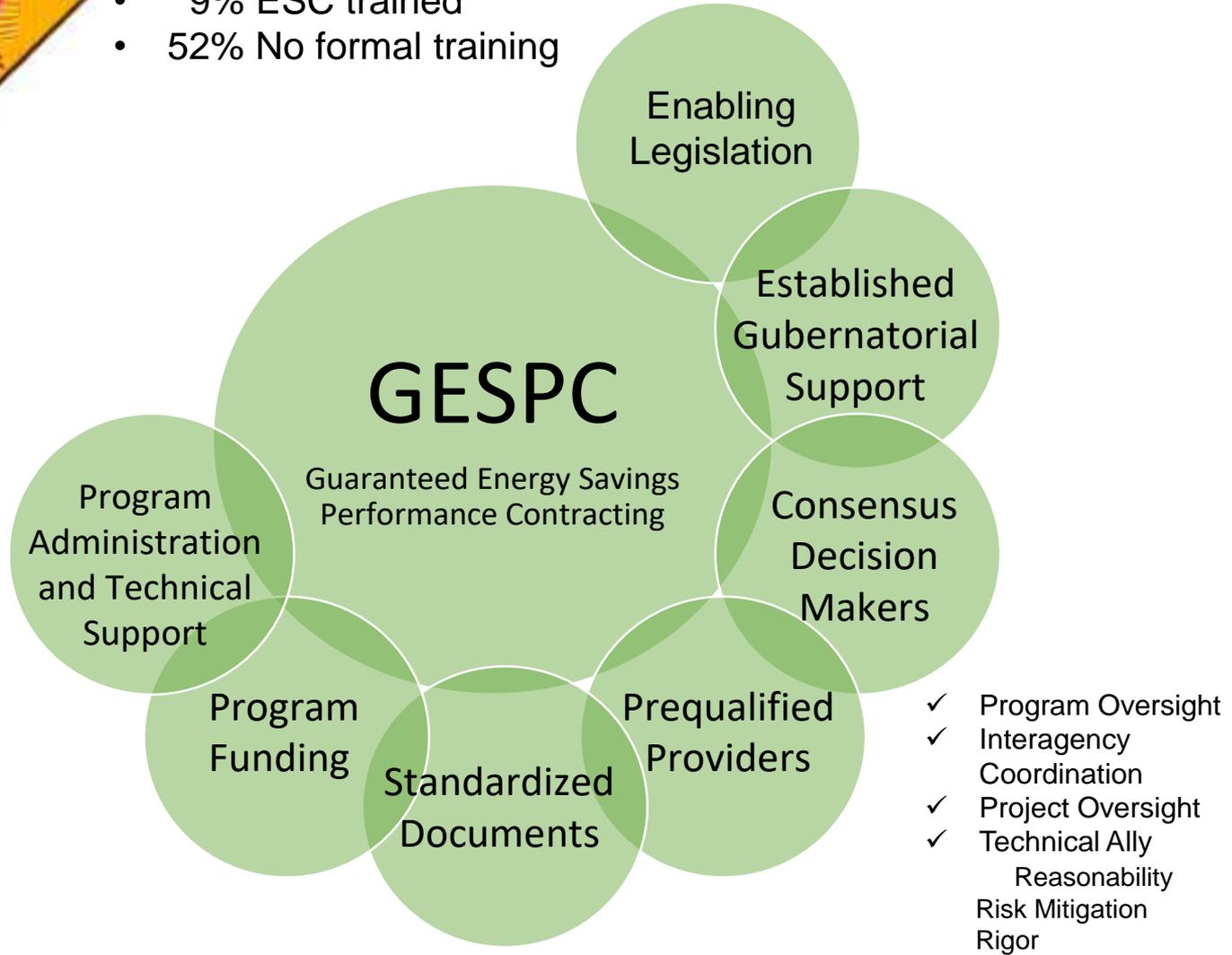




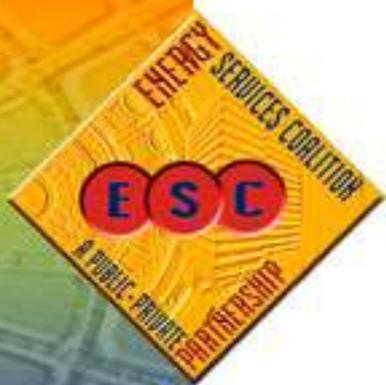
73% of states have oversight

Program Administrator Training

- 39% CEM trained
- 9% ESC trained
- 52% No formal training



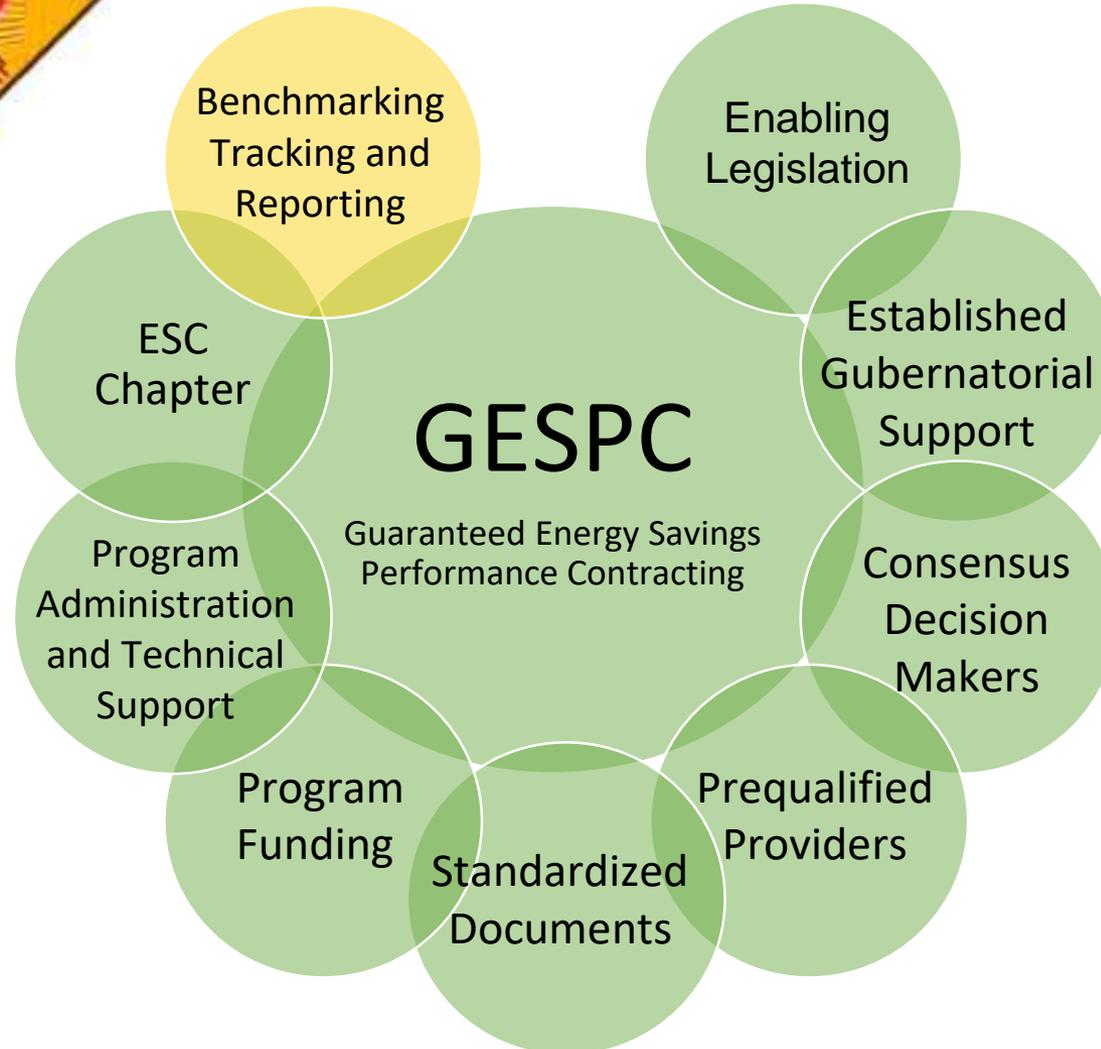
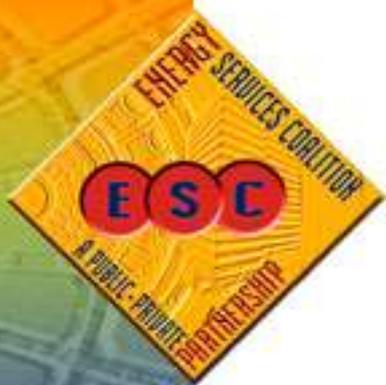
70% of the Energy
Stewardship Champion
States have ESC Chapters



- ✓ Public Private Stakeholder Group
- ✓ Forum for Open Exchange
- ✓ Outreach and Education

62% states responding
have some form of
benchmarking or reporting

38% require M & V Reports
48% do not



One Example

Virginia Beach City Public Schools



2016 ASHRAE TECHNOLOGY AWARD CASE STUDIES

Strawbridge Elementary School completed an energy retrofit project, featuring a new ground-source heat pump system. The project has resulted in a 44% reduction in energy use intensity (EUI) and a significant improvement of the school's ENERGY STAR score from 23 to 75.

HONORABLE MENTION
EDUCATIONAL FACILITIES, EXISTING

Lessons From the Ground Up

A Couple More



Connecticut

4.6 Energy Star Portfolio Manager

Describe your approach to using Energy Star Portfolio Manager to benchmark buildings, assess building opportunity, and aid in measurement and verification. Note the required use in the ESPCP.

10) Energy Star Ratings and Cash Flow Opportunity Calculator

Develop a EPA Energy Star Cash Flow Opportunity Calculator spreadsheet for the total project (including all facilities to be improved), with variables inserted that represent the most likely financing options available to the Department. This will enable the QESP and the Department to have an agreed-upon format for discussing project financing options and the potential costs of project delays.

Washington State

- a) *Scope of the IGA:* Include: (1) a list of any facilities that will be investigated in the audit. Energy consuming systems in a given facility need to be clearly defined directly or by exclusion of systems not to be investigated; (2) the area, in square feet, of the facilities to be investigated; (3) any additional deliverables beyond the ESP, (e.g., Greenhouse Gas Inventory creation or **Energy Star Benchmarking** establishment).



ENERGY STAR[®] CASH FLOW OPPORTUNITY CALCULATOR

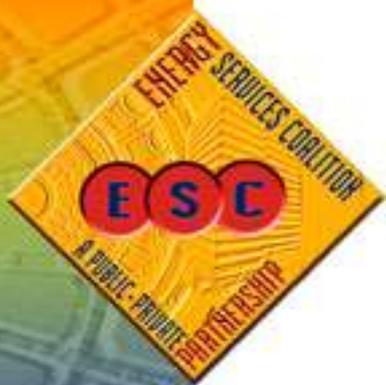
U.S. Environmental Protection Agency

Version 2.0 - 2009

Please send any comments to Katy Hatcher, ENERGY STAR National Manager, Public Sector at Hatcher.Caterina@epamail.epa.gov.

Developed by The Cadmus Group, Inc. and Catalyst Financial Group, Inc.,
under contract with the U.S. EPA, 2009

[Important Notice](#)



What Does it Do?

Addresses three critical questions about installing energy efficiency projects:

1. How much new energy efficiency equipment can be purchased from the anticipated savings?
2. Should this equipment purchase be financed now or is it better to wait and use cash from a future budget? (avoid paying interest)
3. Is money being lost by waiting for a lower interest rate?



Attachment F – Investment Grade Audit & Project Proposal Contract



This document is part of a collection of model procurement and contracting documents that represent best practices for state energy offices (SEOs) to launch and administer programs to increase energy efficiency through Energy Savings Performance Contracting. The documents draw from successful programs in various states and are continually updated to incorporate the latest strategies. They can be easily customized to meet the needs of any SEO or similar government department. It should be noted that these instruments do not constitute legal advice or legal opinion but are provided as samples for adaptation to the laws and regulations of the user.

DESCRIPTION –Investment Grade Audit and Project Proposal Contract:

This Contract for Investment Grade Audit & Project Proposal is the first of two contracts with the

- m. Utilize ENERGY STAR Tools. ESCO shall provide a Portfolio Manager rating and performance target score estimate. For each eligible building, ESCO shall provide retrofit Energy Performance Rating using EPA ENERGY STAR's Portfolio Manager weather normalized energy intensity in kBtu/SF, and an estimated post-retrofit Performance Rating. If the building type is not eligible for rating in Portfolio Manager the normalized source EUI will suffice. ESCO shall provide a completed Cash Opportunity Calculator (CFO Calculator) for the project, with variables inserted to represent the most likely options available to the customer. This will enable the ESCO the customer to have an agreed-upon format for discussing project financing options ; potential costs of project delays. The CFO Calculator will be provided in both hard copy and electronic format, so that the agency can run its own analyses on financing options in agreed format. ESCO will submit a completed Cash Flow Opportunity spreadsheet using the Cash Flow Opportunity Calculator (CFO Calculator) for the total project which shall include all facilities to be improved.

<http://energyservicescoalition.org/attributes/standardized-documents>

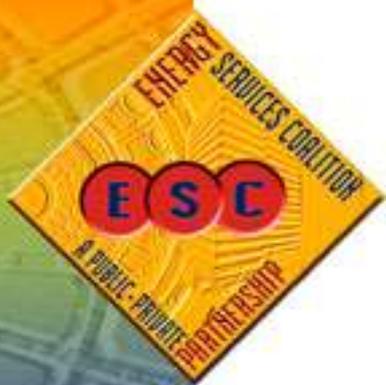
Visit the ENERGY STAR Certified Buildings & Plants Registry here.



ENERGY STAR Labeled Buildings as of January 23, 2017 11:47:09 AM

B_ID+A2:A2:N1	Building Name	Building Type	Label Year(s)	Rating(s)
3				
1836293	East Rochester School	K-12 School	2009	91
1836292	Rochester Middle School	K-12 School	2009	77
1800284	Adlai E. Stevenson High School	K-12 School	2009, 2001	79, 79
1151559	Blue Earth County Courthouse	Courthouse	2007, 2006	77, 78, 81, 75
1261718	Blue Earth County Government Center	Office	2009, 2008,	79
21269	Central Office	Office	2012, 2002	75, 87
6813	Centre Ave. Elementary School	K-12 School	2003, 2001	86, 89, 85, 79
6807	Mt. Pleasant Elementary School	K-12 School	2001	79
21263	Oak Grove Elementary School	K-12 School	2012, 2002	77, 75
6766	Rhame Ave. Elementary School	K-12 School	2003, 2001	77, 81, 75, 77
6711	Smithtown Elementary School	K-12 School	2002, 2001	83, 84
1054269	One Union Square	Office	2009, 2005	92, 76
2664584	Alanton Elementary	K-12 School	2013, 2012	85, 75, 82, 87
1469178	Rachel Carson State Office Building	Office	2009, 2008	88, 87
2813833	Bob Lanier Building	Office	2012	77
2403770	Chicago Public Schools Administration Building	Office	2010	83
12500	Allegheny Clarion Valley High School	K-12 School	2002	91
1286793	The Towers at Wildwood Plaza	Office	2012, 2011,	79, 87
20350	VA Ann Arbor Healthcare System	Medical & Surgical)	2007, 2006	82, 82, 81, 84
20335	Tucson	Medical & Surgical)	2002	80

81% of states responding have no recognition/award program







An Aha or 3!



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 dramatically 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.

Or 4 or 5!

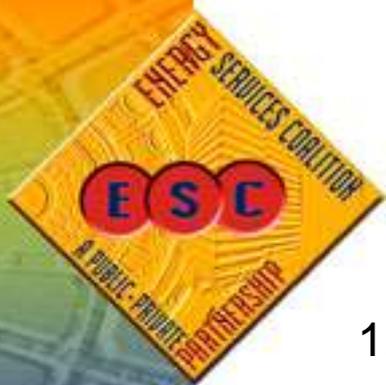
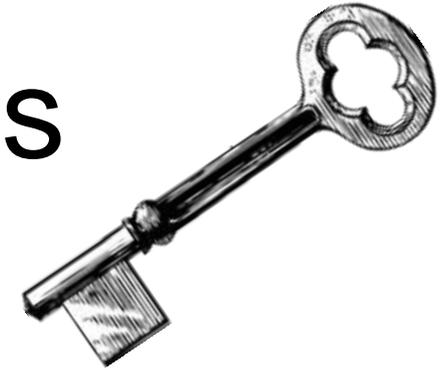


There is a significant disconnect between State Programs and local units of government with influencing success and tracking achievement.

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.



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Questions?

or

How Do I Find Out More About . . .

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Thank you!