

ENERGY SAVINGS PERFORMANCE CONTRACTING (ESPC) How to Select an Energy Service Company (ESCO)

- Looking for ways to maximize and leverage funding?
- Interested in learning more about how to finance your energy conservation measures without any upfront capital costs?

If so, consider Energy Savings Performance Contracting.

ESPC is a financial mechanism used to **pay for today's facility upgrades with tomorrow's energy savings** – without tapping your organization's capital budget.

An ESPC constitutes a partnership between a facility owner and an energy service company (ESCO), and is considered a time and cost-effective method for completing comprehensive energy upgrades.

Steps in Selecting an ESCO for Your ESPC

1. Investigate whether or not your State has an ESPC umbrella contract by contacting your State Energy Office.
 - If so, use it, provided your procurement agent agrees that you can do so.
 - If not, develop a Request for Proposal (RFP). Consider using a model/sample RFP available on the Energy Services Coalition website (<http://www.energyservicescoalition.org/>).
2. Select several ESCOs that operate in your geographical area. Identify ESCOs using the National Association of Energy Service Companies (NAESCO) website at <http://www.naesco.org/>, or the Energy Services Coalition website.
3. Collect building and utility data.
4. Issue RFP to selected ESCOs.
5. Hold a pre-bid meeting and walk-through of facility with all ESCOs at the same time.
6. Explain overall objective of the project to the ESCOs including minimum energy savings percentage goal.
7. Audit cost gets incorporated and financed with the final ESPC contract.
8. Limit the ESCOs to 30 days to develop proposals.
9. Receive proposals from ESCOs.
10. Review proposals and select the ESCO that appears to be best suited to your project and that you feel will be the best long term partner for your organization.

CONTACT THE TECHNICAL ASSISTANCE TEAM

Contact the ESPC Technical Assistance team directly by emailing solutioncenter@ee.doe.gov, or visit the Technical Assistance Center at <https://tac.eecleanenergy.org/>.

VISIT THE SOLUTION CENTER

Access project resources on the web at www1.eere.energy.gov/wip/solutioncenter.