



Tips for using this slideshow

- Customize this slideshow to present an overview of Energy Savings Performance Contracting (ESPC) to potential clients, and to describe your program's services.
- View the presentation in Normal View with Notes visible, to see talking points for each topic.
- Add your logo to the bottom right-hand corner of each page.

[Insert your logo here]



What is ESPC and How Does It Work?

[Organization Name]

[Date]

[Insert your logo here]



What problems do you face at your facility?

- ✓ Competing budget needs
- ✓ Maintenance problems
- ✓ Comfort complaints
- ✓ Limited expertise in technologies
- ✓ Too many demands on staff time to launch new projects



Yet, you want to replace equipment and modernize your building(s).

[Insert your logo here]



An innovative solution

Energy Savings Performance Contracting (ESPC)

Projects pay for themselves!



Savings stack up over time

- Upgrade your facilities without dipping into your capital budget.
- Use future efficiency savings to pay for projects.

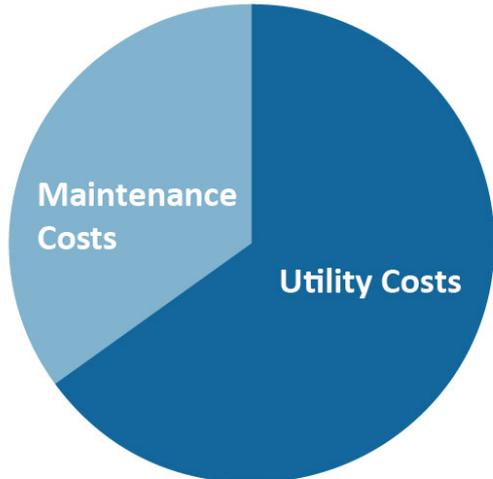
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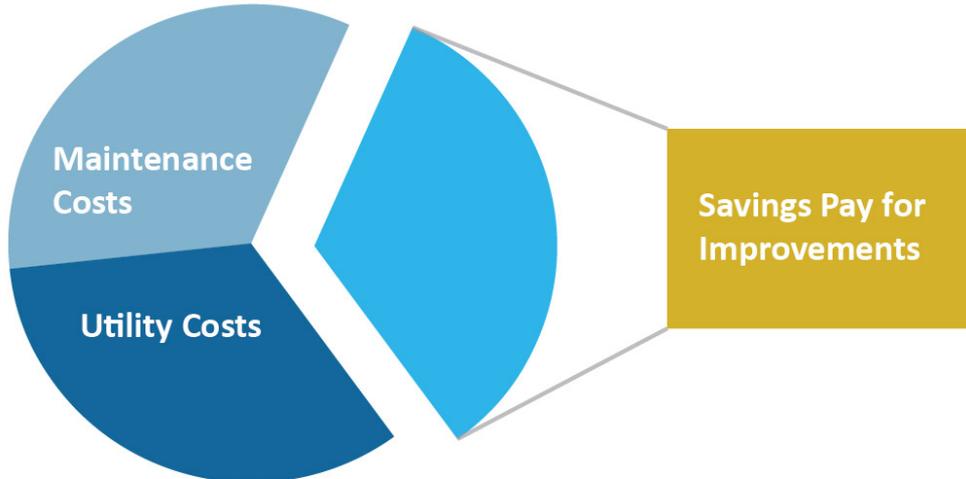
Annual savings pay for improvements

Each year money in your budget is freed-up to pay for equipment!

ANNUAL BUDGET
Before Improvements



ANNUAL BUDGET
After Improvements

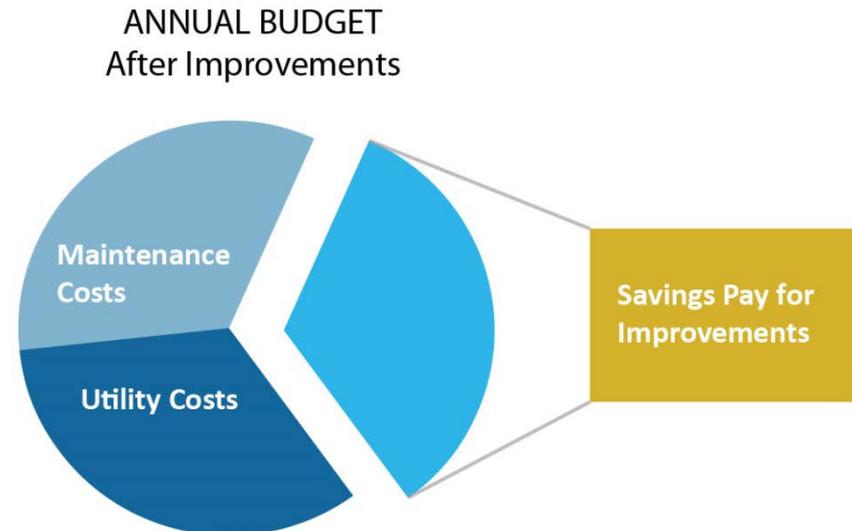


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Financing ESPCs

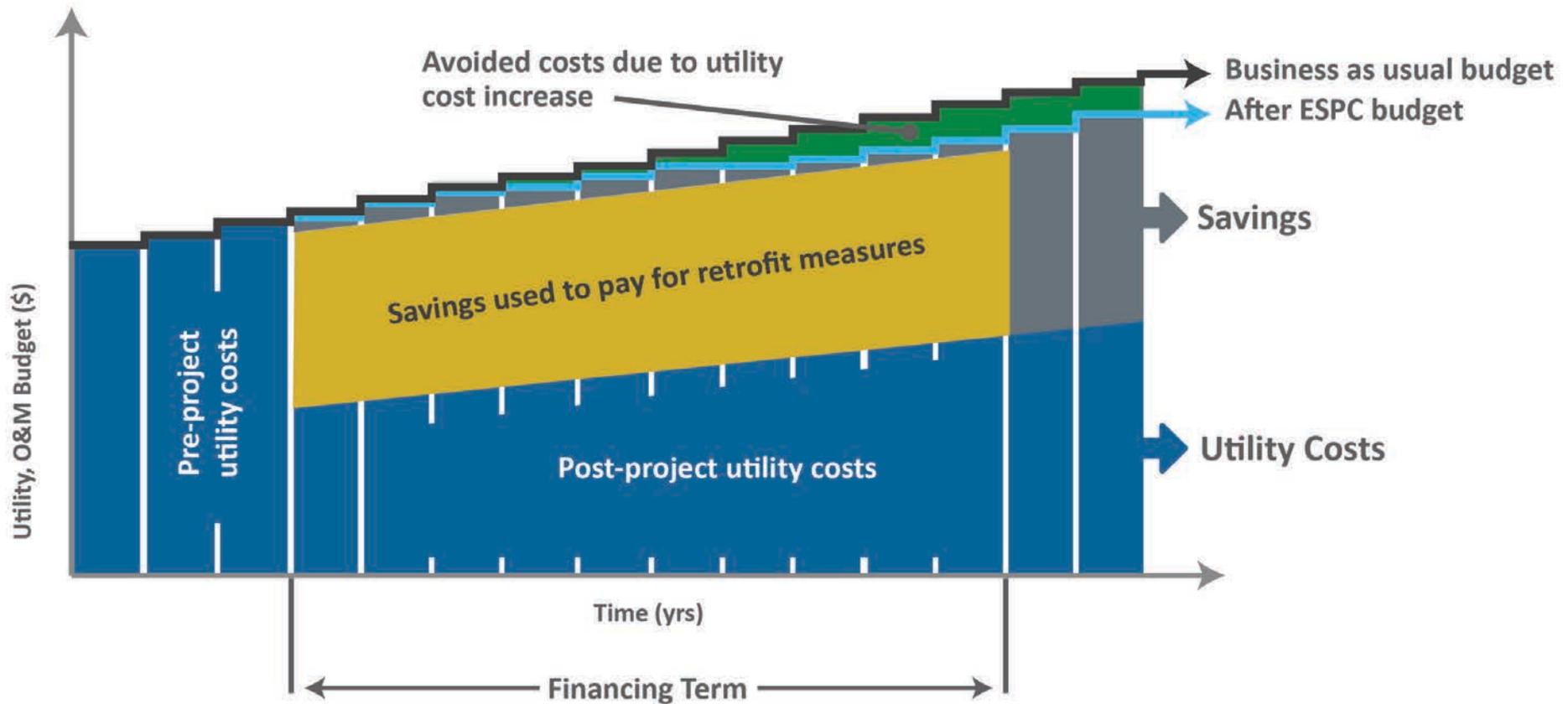
Multi-year lease purchase agreements

- Annual projected efficiency savings exceed annual payments
- Financing term is often 15–20 years (up to 25 years)
- Blend and leverage funds (savings plus utility rebates, grants, bonds, budgeted funds)



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How it works over time



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The ESCO partner

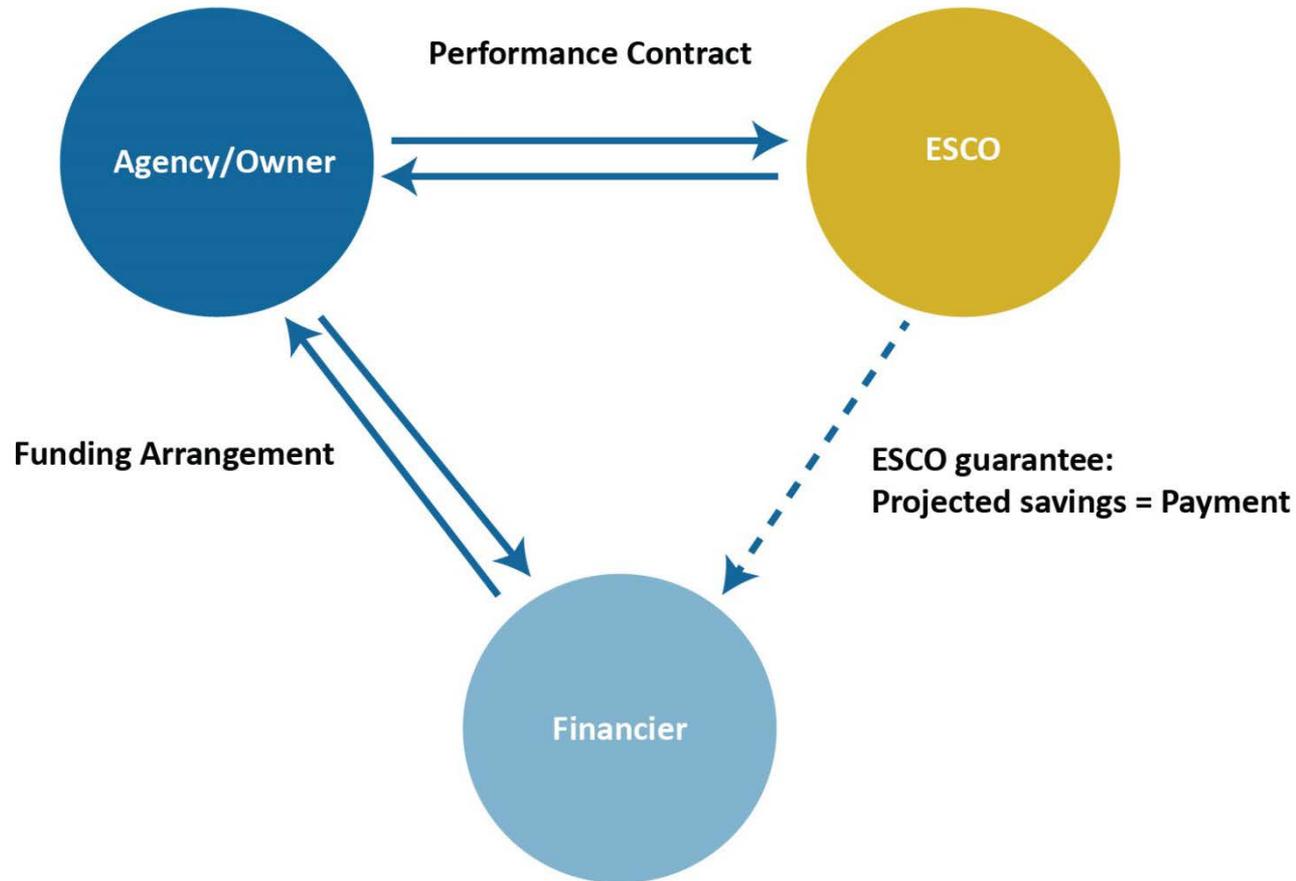
A qualified ESCO puts many different pieces together in a turnkey approach:

-  Identify and evaluate project opportunities
-  Educate on financing and other funding sources
-  Design, install, commission and manage projects
-  Measure and verify efficiency savings
-  Train staff, provide ongoing maintenance services
-  Guarantee performance

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Contractual arrangement

2 Contractual Agreements

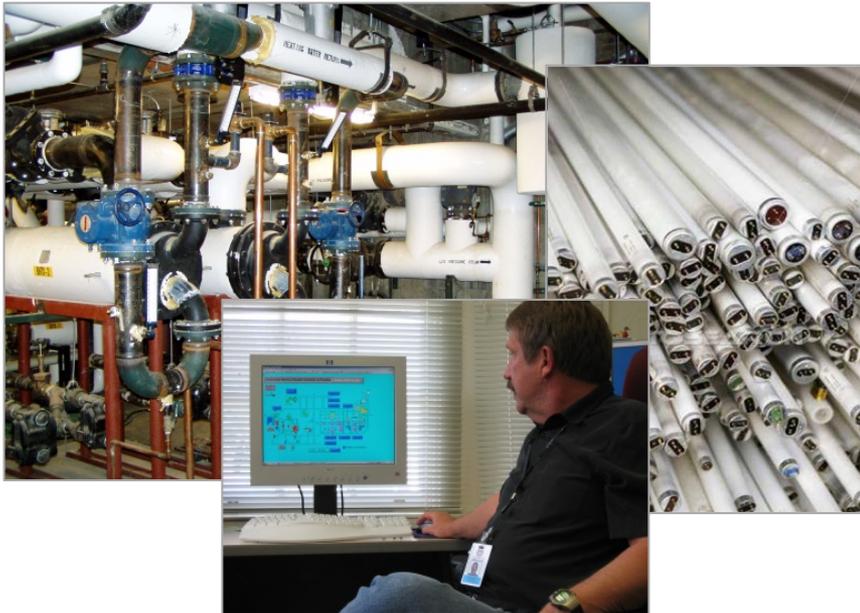


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ESPC scope

Savings streams:

- Energy/utility savings
- Water/sewer savings
- Operational, utility, maintenance costs
- And beyond (waste management and other infrastructure improvements)



A broad range of measures:

- Lighting equipment replacements
- Building automation system upgrades
- HVAC system improvements
- Boiler replacements
- Plant improvements
- Renewable energy systems
- Landscape irrigation
- Plumbing fixture replacements
- Commissioning
- Utility rate adjustments
- LED traffic and
- Street lighting systems

[Insert your logo here]

ESPC pros for government

Climate Change & Energy Savings Goals:

- Reduce long-term energy use

Modernize infrastructure:

- Better buildings now!

Good Environmental Stewardship:

- Reduce our dependence on fossil fuels
- Energy & water savings
- Pollution prevention

Wise use of government dollars:

- Reduce the taxpayer burden
- Divert wasted energy dollars to pay for infrastructure

Economic development:

- Create real jobs now
- Pump money into your local economy



[Insert your logo here]



ESPC pros for the facility manager

Solution to Limited Budgets

- Capital improvement without spending capital dollars
- Avoid the cost of delay – it costs money to wait
- Leverage other funds – utility incentives, grants, bonds, in-house funds
- Stabilize budgets – less risk from future energy rate increases

Better Buildings

- Comprehensive, whole-building approach
- Improve work/study environment
- Modern systems

Sustained Energy Savings

- Ongoing project monitoring to verify savings
- The ESCO takes on the risk of performance

[Insert your logo here]



ESPC pros for the facility manager (more)

Maintenance Problems – Solved

- Handle deferred maintenance (finally!)
- Manageable systems
- Trained staff members

A Good Process

- Time-effective, cost-effective approach for completing energy upgrades
- Guarantee of energy savings, offloads financial and performance risk
- One-stop shop = single point of accountability (ESCO)
- ESCO is selected for best value, not lowest bid
- Owner participates in final equipment and subcontractor selection
- Low-interest financing options available
- Annual savings verification

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Potential cons and how to overcome them

“It costs too much.”

Negotiate rates, ensure all rates are disclosed.

ESPC is considered comparable in cost to standard bid/spec process.

“I will lose control of my facility.”

Document each party’s responsibilities in the contract, agree to operational parameters, and engage facilities/maintenance staff members in contract negotiations with the ESCO.

“The savings won’t materialize.”

Develop sound contracts that include a detailed Measurement and Verification (M&V) plan following the nationally recognized protocol.

“It’s too risky.”

The guarantee for equipment and financial performance transfers much of the risk to the ESCO.

“The negotiations are too lengthy.”

Know what to expect and follow a proven process.

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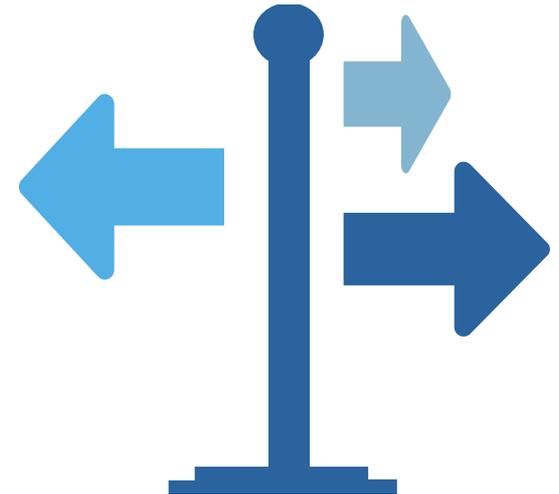
Getting Started

Get guidance from your state energy office

- Free up-front technical assistance to help you decide if performance contracting is right for you

Get buy-in from key departments

- Facilities, Operations/Maintenance
- Legal, Procurement
- Finance
- Executive management
- Engineering, project management
- Other – planning, environmental, IT, security

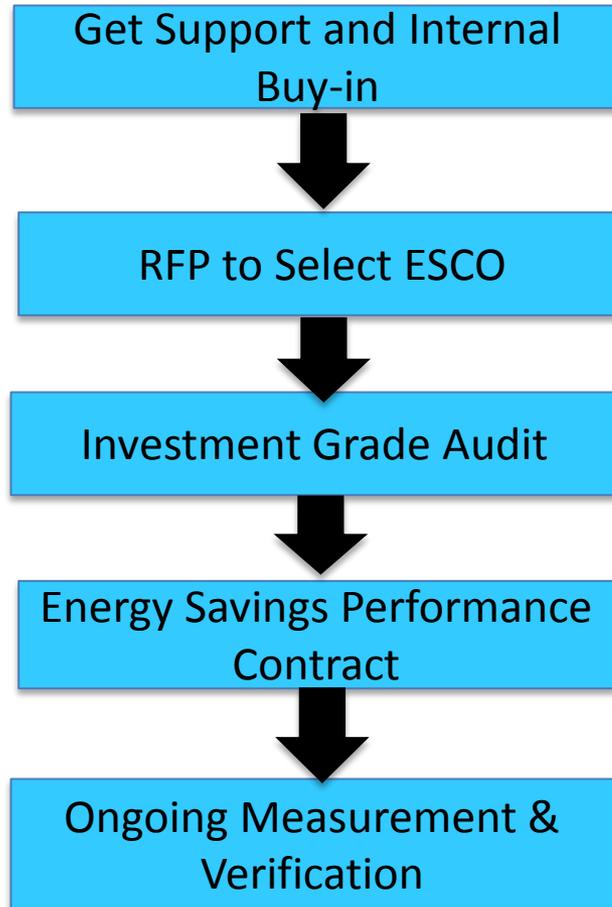


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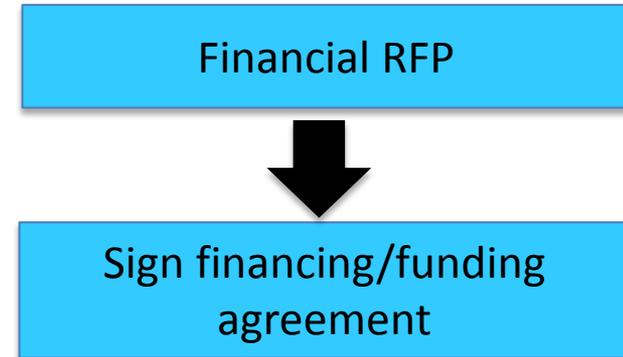


The process

EPC Process



Financial Process



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5 steps to success

1. Decide if performance contracting is right for you
2. Select an ESCO (RFP)
3. ESCO identifies energy-saving opportunities (Investment Grade Audit)
4. Implement the project (Performance Contract)
5. Verify savings and enjoy the benefits (Measurement & Verification)



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Best practices and tips

- Get internal buy-in (facilities, maintenance, legal, procurement, finance, engineering, executive management, and environmental divisions)
- Use a tried and proven process with model procurement and contracting documents
- Work interactively with your ESCO – it's a partnership!
- Review and discuss – hold bi-weekly meetings with your team and the ESCO throughout the process

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Best practices and tips (more)

- Fully document the contract to address roles, responsibilities and “what-if” scenarios
- Establish a M&V plan during the audit stage and incorporate a detailed methodology for each measure in the performance contract
- Establish a large project scope – it’s in everyone’s best interest
- Don’t go it alone – request technical assistance from your state energy office or hire a third party consultant

[Insert your logo here]



We're here to help you get started
and see you through.

Contact us:
[Name]
[Email]
[Phone number]

[Insert your logo here]