



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

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 (e.g., reach underserved communities)
 - Drive long-term sustainable impact by strengthening state ESPC technical 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
 - [NASEO-ESC-NAESCO State ESPC Program and Project Principles](#)
- **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 [eProject eXpress](#)
 - 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 → 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 above guaranteed savings to date**.

Given this **demonstrated success, performance contracting should garner increased attention**.”

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.

Partner Categories

Campaign Leaders

- **State Energy Offices** or other organizations ready to establish, strengthen, and/or expand technical assistance programs to **support others in using ESPC**, and **recruit ESPC Champions**

ESPC Champions

- State and local agencies, K-12 school districts, institutions of higher education, hospitals, and other public sector entities seeking to connect with peers and ESPC resources

Supporters

- Market stakeholders that support the goals of the ESPC Campaign and promote this initiative as a resource to the public sector

Example: Campaign Leader Leveraging Funds in State ESPC 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

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.

Solution



Enhance the value proposition of ESPCs for local governmental units—including community colleges, small public school systems, and county and municipal governments—by simplifying the contracting process for small projects and providing third-party technical assistance to help local officials identify opportunities, execute projects, and measure success over time.

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](#)

ESPC Campaign Partners

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!

Next Steps

Visit: www.energy.gov/scep/espc-campaign

Contact: ESPCcampaign@hq.doe.gov

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



**Join
Today!**

Thank You!