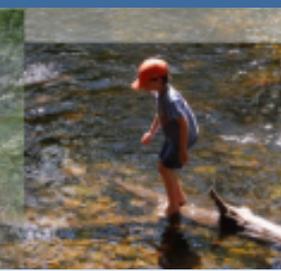
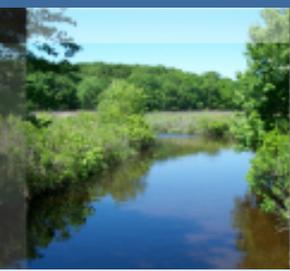




Connecticut Department of Energy and Environmental Protection



Connecticut Department of
**ENERGY &
ENVIRONMENTAL
PROTECTION**

CT's Standardized Process for **Energy-Savings Performance Contracting**

Lynn Stoddard

CT Dept of Energy & Environmental Protection

Lead by Example Program



Connecticut Department of Energy and Environmental Protection

What is ESPC?

Re-purpose wasted utility dollars to:

- Create jobs and help ignite local economies
- Stabilize energy costs, improve budget accuracy, stabilize load profiles
- Upgrade facilities to highly efficient energy systems
- Reduce budgetary burdens of deferred maintenance
- Eliminate costly emergency repairs
- Encourage thinking about efficiency – lead by example
- Further stimulate a clean energy economy in CT



Typical Energy-Savings Measures

- Lighting
- Heating ventilation & air conditioning
- Energy management systems
- Motors and variable speed drives
- Building envelope measures
- Water savings measures
- Renewable energy
- Other



Who Benefits?

- Municipal leaders – finance projects outside of capital budgets
- Taxpayers – reduced budget burden
- Building occupants – healthier working and learning environments, increased comfort
- Facility managers – improved efficiency, fewer complaints, fewer emergency repairs



CT Market and Potential Impact

- \$200 million in CT state agency energy expenditures
- \$200M+ in CT municipal energy expenditures
- Up to 30 -35% savings, yielding \$120 million in savings
- Reinvested into \$1 billion of efficiency projects
- With \$1 billion+ of savings
- 9,500 direct jobs, 11,400 indirect jobs

NAESCO figures



Development of CT Program

- Public Act 11-80 requires DEEP to develop standardized process
- Developed by Interagency Workgroup
 - Dept Energy and Environmental Protection
 - Dept Administrative Services
 - Dept Construction Services
 - Office of Policy and Management
 - Office of the Attorney General
 - Office of the Treasurer
- US Department of Energy provided technical assistance on best practices, process, standardized documents
- Started with templates developed out of years of experience in other states nationwide



CT Program Users

- State agencies, including higher education
- Municipalities *may* use program
- State/local government facilities including:
 - K-12 schools (including regional school districts)
 - Wastewater treatment facilities
 - Offices
 - Campuses, dormitories
 - Prisons
 - Hospitals



Goals of Standardized Process

- Clear, streamlined, repeatable, transparent process
- Designed to mitigate risk for agencies and municipalities
- Standards and requirements cultivate successful projects with guaranteed energy savings
- Consistent, level playing field for vendors



Confidence, Ease for Program Users

- Program approval by key state agencies provides legal, procurement, and financial confidence
- One base contract with exhibits for project-specific work that are pre-approved by Attorney General
- Users do not take on financial risk they cannot control:
 - payment is contingent on appropriation of funds
 - vendor's energy savings guarantee must be \geq total project costs
 - vendor pays if there is an energy savings shortfall



Major Program Elements



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Pre-Qualified Vendor List

- State contract with pre-qualified list of Energy Services Providers
- Municipalities can “piggy back” on state contract



Standardized Contract Documents

- Base contract between DAS and Qualified Energy Services Providers
- Pre-approved contract exhibits to be completed for each project
 - Fixed cost and pricing
 - RFP to select Qualified Energy Services Providers to do Cost-Effective Feasibility Analysis
 - Investment-Grade Energy Audit
 - Energy-Savings Performance Project Statement of Work, Schedules



Financing Options

- Contract documents allow for a variety of financing options
- Tax-exempt municipal lease, tax-exempt municipal loan documents developed by Treasurer's Office – provided as guidance
- Work with Clean Energy Finance and Investment Authority to provide additional financing options in the future



Technical Support

- Energy support:
 1. DEEP Program Manager
 2. Pool of vendors to provide 3rd party energy technical support for projects
- Financing support:

Staff at Clean Energy Finance and Investment Authority dedicated to assist towns with financing performance contracts



How Can You Prepare?

- Identify facilities and potential energy opportunities NOW
- Prepare your Technical Facility Profile – 3 years of energy use data and overview of facility's energy systems
- Think about the most appropriate financing options
- Learn more - talk to your peers that have implemented successful ESPC projects
- Build support in your town
- Caution: use discretion communicating with vendors during solicitation periods



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