



Empowering you to make
smart energy choices

CT's Standardized Energy-Savings Performance Contracting (ESPC) Program

Andrew Brydges

Director, Institutional Programs

Clean Energy Finance and Investment Authority (CT Green Bank)

Matt Cohen

Program Manager, CT ESPC Program

Department of Energy and Environmental Protection (DEEP)

January 2015

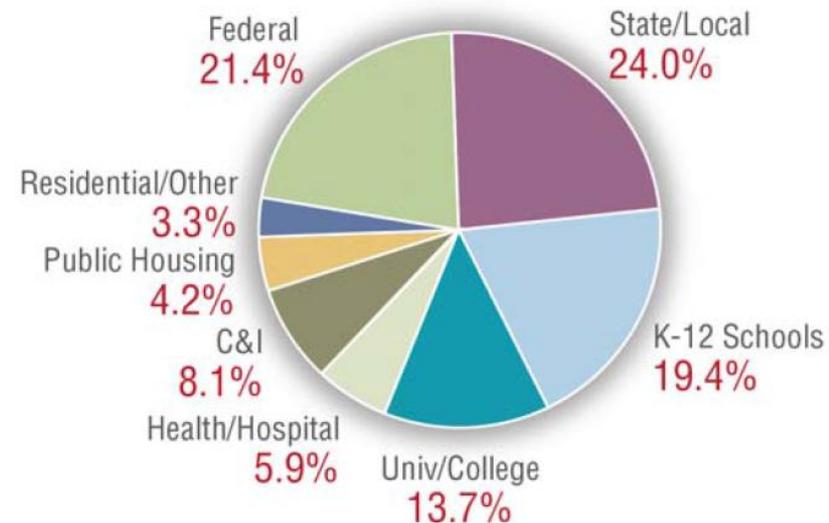
Agenda

- What is Energy Savings Performance Contracting?
 - Why should a municipality/agency do one?
 - Who benefits and when?
- How does the CT ESPC program work?
- How would I pay for an ESPC project?
- How do I take first/next step?
- Project Examples in CT

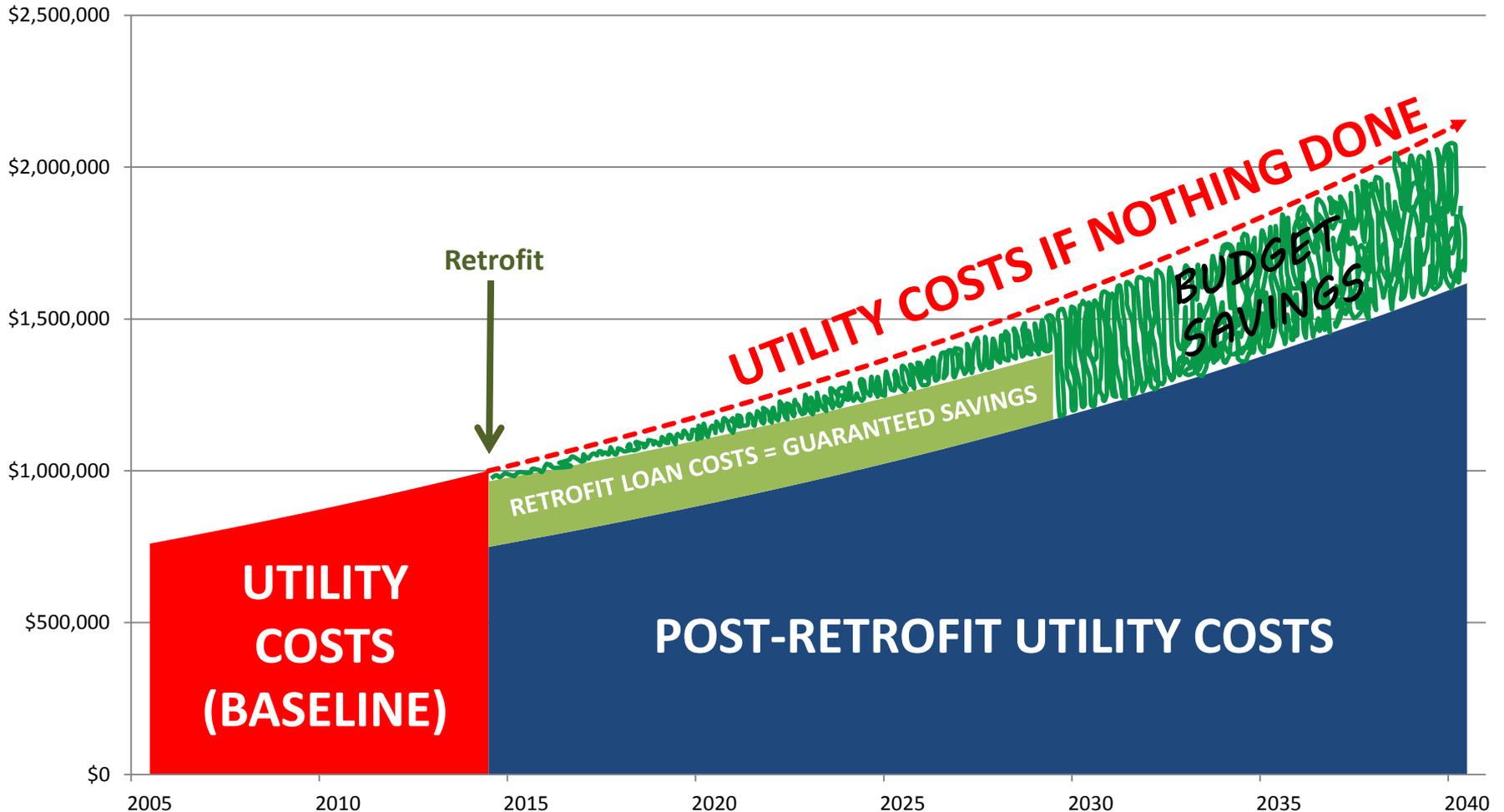
What is ESPC?

- Implementation of energy saving measures, paid for by guaranteed savings from future operating budget
- Approach is over 30 years old, approx. \$4.1 billion market in U.S. in 2013¹
 - “SMUSH” Sector > 50% of ESPC Market

¹ Lawrence Berkeley National Laboratory, “Current Size and Remaining Market Potential of U.S. ESCO Industry”. (Presentation to Energy Services Coalition, August 13, 2013)



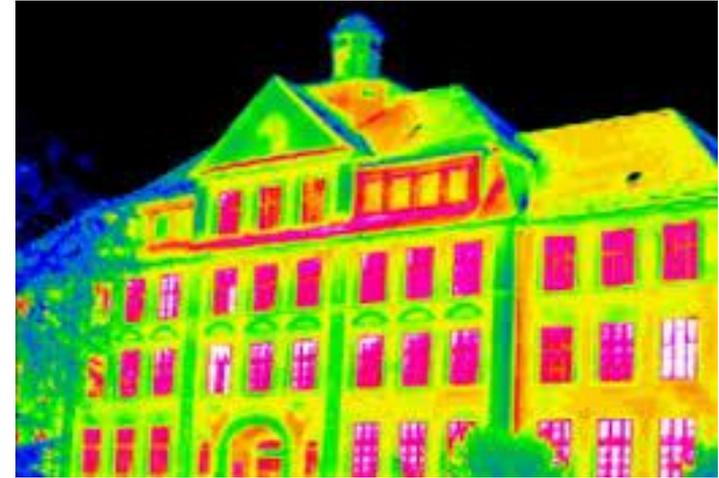
ESPC Concept



Why ESPC?

Repurpose wasted utility dollars to:

- Upgrade to high efficiency energy systems
- Stabilize energy costs, improve budget accuracy



- Address deferred maintenance
- Eliminate costly emergency repairs

Aggregated Measures Balance Payback

1-5yr Payback



– High Efficiency Lighting



– Optimized energy management systems

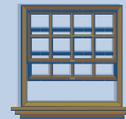


– Low flow fixtures

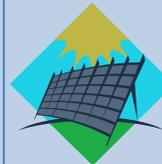
10-20+yr Payback



– Advanced HVAC Systems



– Windows and building weatherization



– Renewable energy systems

Who Benefits from ESPC?

- **Taxpayers**

- Fewer capital demands, increased longevity of municipal infrastructure

- **Municipal leaders**

- Can finance projects outside of capital budgets

- **Facility managers**

- Improved efficiency, fewer complaints, fewer emergencies

- **Building occupants**

- Healthier working/learning environments, increased comfort

How does the CT ESPC program work?



- Pre-approved, standardized documents and process
 - Required for use by state agencies, including public colleges/universities
 - Available for use by municipalities

- Pre-qualified vendors (QESPs = “ESCOs”)



- Technical Support



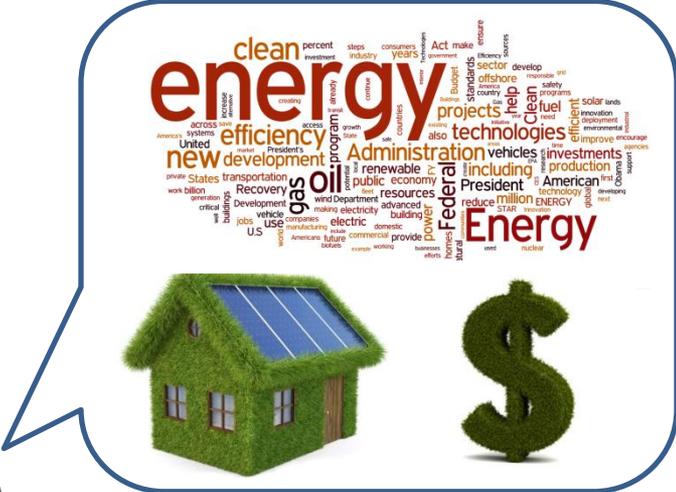
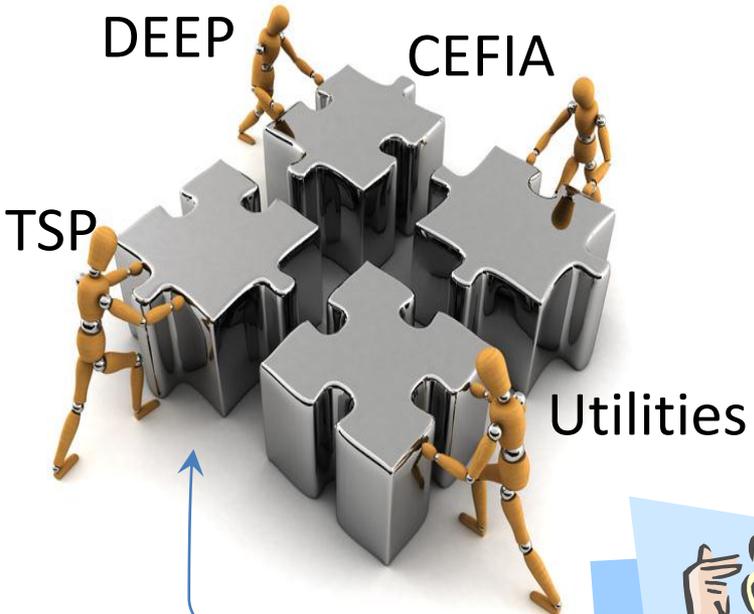
Pre-Qualified Vendors



- 13 Qualified Energy Services Providers (QESPs) are pre-qualified and on State contract



Support Services “Translate” ESPC Lingo



Support Services – Energy Engineering



- Program Manager at DEEP with energy efficiency expertise
- Utilities – Incentives through CT Energy Efficiency Fund
- 3rd party Technical Support Providers (TSP = “Owner’s Rep”)

Support Services - Financing

- CEFIA staff can provide advice and support on financing options, introductions to capital providers and financial institutions
- Tax-exempt municipal lease/loan guidance documents

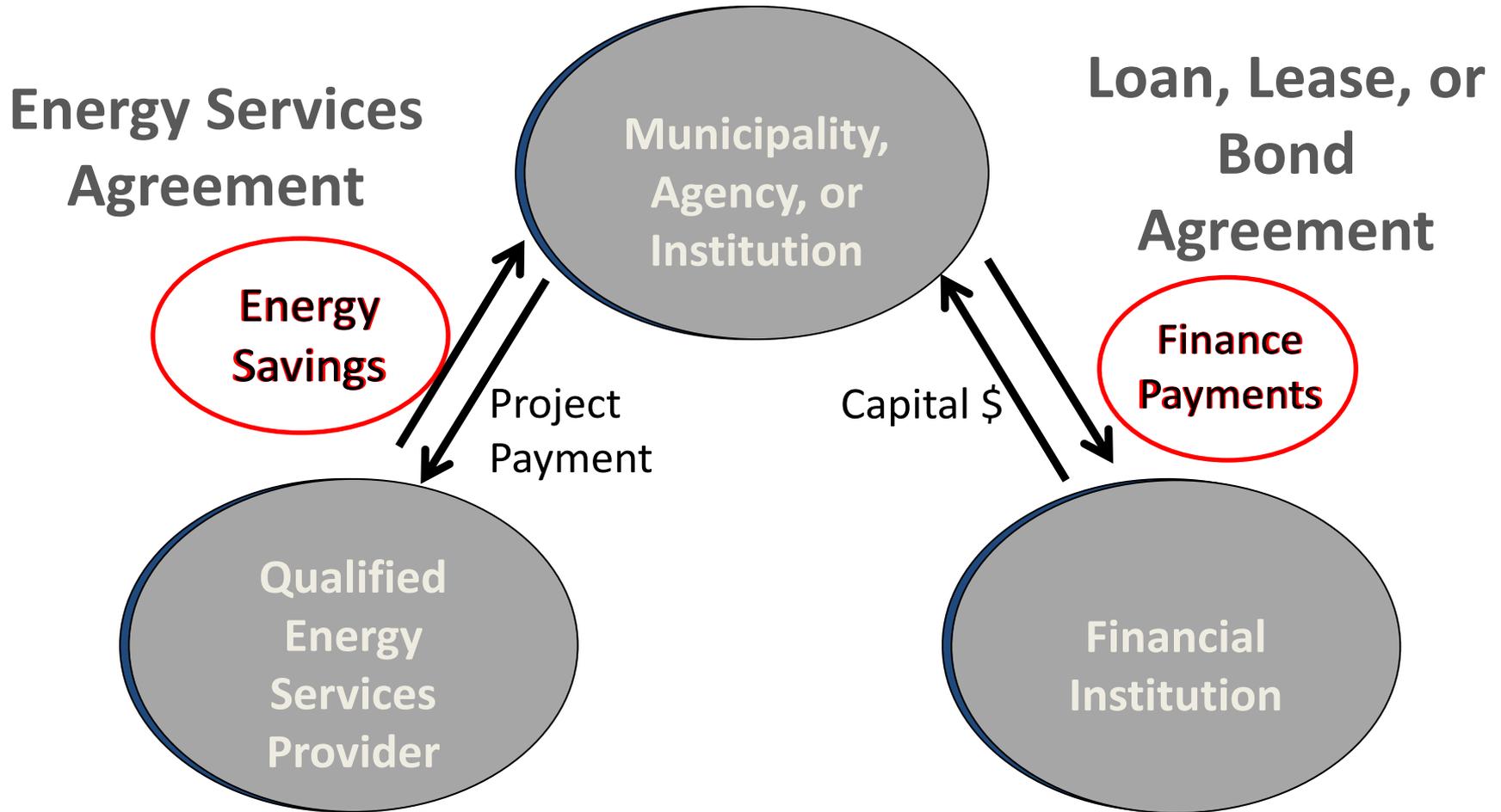


Typical Financing Methods

- State Agency projects will work with CEFIA/OPM to determine if bonds or private capital will be used for financing
- Municipal Bonds or Tax Exempt Lease Purchase (TELP) are most common financing mechanisms for municipal building or K-12 School projects

Basic Financing Concept:

Energy Savings > Finance Payments



How do I proceed?

Step 1: Select Qualified Energy Services Provider (QESP)

Step 2: QESP's Investment Grade Energy Audit (IGEA)

Step 3: Arrange Financing

Step 4: Finalize ESPC Contract...Construct

Goal: Streamlined, efficient process

1a. Reach out to DEEP/CEFIA

1b. Prepare Technical Facility Profile

1c. Issue Letter of Interest

1d. Issue RFP for Feasibility Studies

1e. Select QESP

1f. Contract QESP for IGEA



First Projects under CT ESPC Program



**Connecticut Valley Hospital –
IGEA phase**



**Dept of Corrections –
IGEA phase**



**City of Bristol –
Selected QESP, beginning
IGEA**



**Dept of Motor Vehicles -
IGEA phase**



**UConn: Storrs & Health Center
– Selecting QESPs**



**Town of Enfield –
Selected QESP, beginning
IGEA**



Empowering you to make
smart energy choices

www.ct.gov/deep/leadbyexample

Matthew Cohen, DEEP
matthew.cohen@ct.gov
860-424-3077

Andrew Brydges, CEFIA
andrew.brydges@ctcleanenergy.com
860-258-7834