



# Energy Savings Performance Contracting (ESPC)



General Administration  
STATE OF WASHINGTON

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# Legislative Finding

## RCW 39.35A.010

The legislature finds that:

- (1) Conserving energy and water in publicly owned buildings will have a beneficial effect on our overall supply of energy and water;
- (2) Conserving energy and water in publicly owned buildings can result in cost savings for taxpayers; and
- (3) Performance-based energy contracts are a means by which municipalities can achieve energy and water conservation without capital outlay.

# Legislative Authority

## RCW 39.35A.050

- ▶ The state department of general administration shall maintain a registry of energy service contractors and provide assistance to municipalities in identifying available performance-based contracting services.

# ESPC Definition

- ▶ A method of identifying, constructing and financing energy and utility conservation projects
- ▶ Uses energy and utility dollars saved to pay for the project costs
- ▶ Eliminates most of the risks associated with the design, bid, build (DBB) process

# Financing

## Budget Neutral Approach



# ESPC Benefits

- ▶ Low bid acceptance not required
- ▶ Owner involved with contractor selection
- ▶ Owner involved with equipment selection
- ▶ GA has over 20 years of successful performance contracting experience

## **GUARANTEED:**

- ▶ Maximum project cost
- ▶ Energy savings
- ▶ Equipment performance



# Qualifying Projects

## Energy, Water and Sewer saving projects such as:

- ▶ Lighting projects – lamps, ballasts & fixtures
- ▶ HVAC modifications
- ▶ Steam & condensate piping systems
- ▶ Boiler & chiller systems
- ▶ Energy management control systems
- ▶ Buildings and grounds water conservation
- ▶ State funding option for projects with 7 year simple payback

# GA Experience

- ▶ **Energy Conservation in Public Facilities (since 1991):**
  - ▶ \$155 million in total projects costs
  - ▶ \$23,600,000 in grant funds brought to the projects
  - ▶ \$11.7 million in annual energy cost savings

# Experience

## ▶ Cities, Counties and Ports

- ▶ City of Bellingham
- ▶ City of Bellevue
- ▶ Benton County
- ▶ City of Bothell
- ▶ Clark County
- ▶ Cowlitz County
- ▶ City of Fife
- ▶ City of Kent
- ▶ King County
- ▶ City of Kirkland
- ▶ Kitsap County
- ▶ City of Lynnwood
- ▶ City of Mountlake Terrace
- ▶ City of Newport
- ▶ Pend Oreille County
- ▶ City of Port Orchard
- ▶ City of Prosser
- ▶ City of Pullman
- ▶ Port of Seattle
- ▶ Port of Sunnyside
- ▶ City of Tacoma (Dome)
- ▶ Walla Walla County
- ▶ Whatcom County

# Sequence of an ESPC Project

- 1. Project initiated by an Interagency Agreement**
- 2. ESCO selection**
- 3. Preliminary audit**
- 4. Investment grade audit**
- 5. Design and construction**
- 6. Measurement and verification**

# Thank You



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