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Arizona's Energy Performance Contracting Experience

**Technical Assistance from
ESC, NAESCO, NGA,
NREL TAP**

**Arizona Department of Commerce
Energy Office - Jim Westberg
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The Basic: An Introduction to ESPC

- Financing Tool for Energy Efficiency Improvements
- Assistance to Identify Energy Saving Opportunities
- No Upfront Capital, Financing can be arranged
- Project installation provided by ESCO
- Savings Guarantee ensures savings over time
- Staff receives training on the new equipment



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Arizona's Goal: Accelerate Deployment of Energy Efficiency and Renewable Energy Technologies

Barriers

- Lack of Upfront Capital
- Piecemeal approach to energy improvements
- Agencies may not have Energy Experts on staff
- Limited staff to manage projects



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Arizona's Effort was a Collaborative

- **Energy Services Coalition**
 - **Planning Assistance & Program Design**
- **National Assn. Energy Service Companies**
 - **Guidance on Legislative Efforts**
- **National Governor's Association**
 - **Assisted to bring state agencies together**
- **National Renewable Energy Laboratory**
 - **Training needed to implement plan & actions**

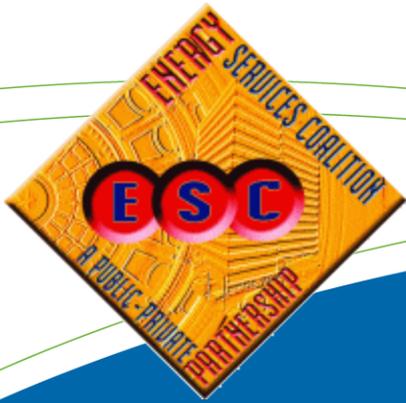


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Energy Services Coalition

- **Vendor's list – Fast Track**
- **Strong Gubernatorial Support**
- **Program Administrator**
- **Sample Contracts**
- **Self Supporting**
- **Enabling legislation**



Energy Services Coalition

- www.energyservicescoalition.org
- Starting point to learn about ESC
- Financing Options available
- Model Documents (RFP, Technical Audit, M & V, ESC Contracts)
- Information on State Chapters of the ESC



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2008 Governor's Executive Order

- All agencies must identify how they will reach 15% reduction goal in 2011.
- Arizona Department of Administration ordered to immediately initiate ESPC.
- Arizona Department of Commerce Energy Office must accelerate efforts to promote ESPC.



NAESCO

- **NAESCO helped to provide information to decision-makers in the legislative process.**
- **NAESCO shared examples of sample legislation from other states.**



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Spring 2009 Legislative Session

- **Governor and Legislature approve revision to School ESPC Legislation.**
 - **Expands list of allowable energy measures.**
 - **Stipulates that schools can retain savings.**
 - **Sets up an account to make paying leases easier.**
 - **Eliminated competitive sealed bids for ESPC.**

NGA's Policy Academy on Advanced Energy Strategies for Buildings

- **Seven States Given Opportunity to Participate**
- **Eight month program of technical assistance**
- **January & June 2009 3-day Workshops with Experts**
- **NGA Coordinated NREL Tap Assistance to Arizona**

Enter NREL: TAP Program

- NREL provided 4 days of comprehensive ESPC training
- 42 attendees from State agencies representing facilities mgt., procurement, contracting
- NREL provided CD to all attendees with all PowerPoint's and helpful reference materials
- NREL continues to answer our questions



Accomplishments

- **Governor's Office dedicated \$25 million of State Energy Program dollars to leverage ESPC projects for Schools & State Agencies.**
- **Anticipate over \$80 million in projects.**
- **Arizona has a Pre-Qualified list of ESCOs which state agencies, schools, cities, counties and hospitals can use to select an ESCO.**
- **Staff trained to administer these programs.**



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