



Energy Services Coalition

A Public-Private Partnership

Energy Services Coalition

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Connecticut ESC Program Launch

Announcing - Look at This - Heads Up!

Another ESPC State Program Launch

P R E S S R E L A S E

Connecticut Launches New Energy Savings Initiative Designed to Bring Down State and Local Energy Costs

Performance Contracting Latest Venture of "Lead by Example" Energy Efficiency Program

The State of Connecticut has launched an innovative energy savings performance contracting program that allows state agencies and municipalities to enter into performance contracting agreements with energy service companies. This program will upgrade facilities, reduce energy costs for the state and municipalities, create jobs, and drive investment in Connecticut's economy. The program has a number of support mechanisms - like pre-approved contractors, on-call advisors, standardized contract templates, and targeted financial assistance - which will help ensure that state agencies and municipalities see positive results from this program.

An energy savings performance contract is a tool that state agencies and municipalities can use to perform energy efficiency upgrades on their buildings with no up-front costs. The costs of the efficiency upgrades are paid for through guaranteed savings on future energy bills. The model contract will enable state agencies and municipalities to implement multi-million dollar energy retrofit projects that are paid for with future energy savings.

About the ESC



The Energy Services Coalition (ESC) is a national nonprofit organization composed of a network of experts from a wide range of organizations working together at the state and local level to increase energy efficiency through energy performance contracting.

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Recognition of Support

Market Transformation tools to accelerate energy performance contracting are made available

"The performance contracting initiative is yet another step forward in meeting our objectives for Connecticut's new energy future," said Governor Dannel P. Malloy. "It supports our push to bring cheaper, cleaner and more reliable electricity to our residents and businesses and also moves us closer to the goal of leading the nation in energy efficiency."

Governor Malloy also said, "Use of performance contracting is also another example of how we can leverage private capital to advance our energy agenda. Through these contracts state and local governments will immediately realize tremendous savings from energy efficiency projects without having to spend scarce dollars and then wait for the payback period."

"State and local government buildings and facilities provide important services for Connecticut's residents and businesses but are major consumers of energy," said Daniel C. Esty, Commissioner of the Department of Energy and Environmental Protection. "Performance contracting offers an attractive, low-cost approach to bringing down these energy costs, and our program will provide the support state agencies and municipalities need to take advantage of this tool."

Department of Administrative Services Commissioner Don DeFronzo said, "Performance contracting offers an enormous opportunity for the state and its municipalities to modernize our building stock and save money while doing so."

This program is a collaborative effort across state government, involving the Offices of Attorney General George Jepsen and State Treasurer Denise Nappier, the Clean Energy Finance and Investment Authority (CEFIA), the Departments of Administrative Services (DAS), Energy and Environmental Protection (DEEP), Construction Services (DCS), and the Office of Policy and Management (OPM). This initiative will be further supported by a public/private partnership with local non-profits such as the Tremaine Foundation, the Common Sense Fund, and the Hampshire Foundation, who will create awareness of the performance contracting opportunities among municipalities.

Energy Reduction Potential and Benefits

The State of Connecticut currently spends more \$200 million a year on energy (electricity and heat). It is estimated that the state's municipalities are spending in excess of this amount to meet their energy needs. Energy efficiency represents an enormous opportunity to reduce the amount of money spent on energy and save taxpayer dollars in the process. The major obstacle to most energy efficiency upgrades is the upfront investment required, particularly at a financially difficult time for the state and most

through support of the U.S. Department of Energy, Energy Efficiency and Renewable Energy (DOE/EERE).



municipalities. One solution to this problem is to engage in energy savings performance contracting, which enables the implementation of efficiency upgrades without the upfront costs. The state's "Lead by Example" (LBE) Program, spearheaded by DEEP and DAS, has identified uncertainty around the energy savings performance contracts as a key barrier.

In 2011, the legislature passed and Governor Malloy signed Public Act 11-80 to better position Connecticut for a cleaner, cheaper, and more reliable energy future. In addition to creating DEEP and directing the agency to reduce energy use by state government, Public Act 11-80 sought to better enable cities and towns to achieve the same kinds of energy and financial savings by requiring DEEP to create a standardized energy savings performance contracting program. This program was developed by LBE to provide support mechanisms including:

- A pre-qualified set of energy service companies, on contract with DAS, that will perform upgrades that meet stringent qualification criteria
- A program manager (based out of DEEP) who will be an on-call resource for state agencies and municipalities
- A financial advisor (based out of CEFIA) who will provide guidance to municipalities and ensure that municipalities are getting the best deal possible for financing their projects
- A set of contractual documents that offer a thoroughly-vetted, Connecticut-based template for energy savings performance contract projects
- Targeted technical assistance for municipalities and state agencies through the Connecticut Energy Efficiency Fund

Today's release of a Request for Proposal/Qualifications (RFP/Q) officially launches this program. Energy service companies from all over the country have the opportunity to respond to this RFP/Q. Interested energy service companies can respond to this RFP/Q at the following link:

http://www.biznet.ct.gov/SCP_Search/BidDetail.aspx?CID=25752.

Background on Lead by Example

DEEP and DAS jointly administer the LBE program. In addition to its performance contracting program, LBE has allocated more than \$10 million to 41 different energy efficiency projects across state government, with an average payback period of less than six years. LBE is also in the process of installing energy monitoring systems at up to 100 of the state's largest energy consuming buildings, which will reduce energy usage through targeted recommendations for low- and no-cost efficiency measures.

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