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Welcome
ESC Educational Webinar
ESC Beginnings

**For today's webinar support, contact
Skip Courtney at 615-477-9813**

If you have any questions or need additional information about today's webinar, please email Rhonda Courtney at rc@energyservicescoalition.org

To learn more about the Energy Services Coalition or to become a member go to www.energyservicescoalition.org



ESC Beginnings

ESC is delighted to host a webinar bringing together its early founders to share how and why the Energy Services Coalition got started and how it evolved while keeping its mission in focus. It's been a public-private partnership from the start. ESC's sole focus has always been on Energy Savings Performance Contracting (ESPC) - breaking down barriers and increasing awareness to increase energy efficiency through ESPC. Founding a chapter today is very similar to the founding of the organization - public and private participants working on a common mission.

Webinar support, contact Skip Courtney at 615-477-9813



The Energy Services Coalition presents a national education forum through the use of webinars to enhance the learning and awareness of performance contracting.

Go to www.energyservicescoalition.org

to view previous webinars:

- **Optimizing Economic Stimulus Dollars through Energy Savings Performance Contracting**
- **Biggest Bang for the Buck - Leveraging Funds**
- **LEED Green PC**
- **Build America Bonds**
- **ESPC National View**

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Outline

The State Perspective – Utah’s Beginnings and Success with a Public/Private Partnership

The ESCO Perspective – Expanding the Impact and Acceptance for Energy Savings Performance Contracting

Expanding to a Regional Coalition

Formalizing the Western Regional Coalition

Expanding to a National Coalition –

Formalizing the Energy Services Coalition



Overview:

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It's been a public-private partnership from the start.

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State Energy Office Perspective

Mike Glenn
ESC Co-Founder



“In those initial five years after adopting performance contracting for State of Utah facilities, energy improvements totaled almost \$66 million with \$11.9 million in energy savings.”

While serving as director of the Utah Energy Office, Glenn started the public-private partnership concept in Utah as a way to undertake and finance large energy efficiency projects. He helped build the Western Regional Coalition and mold it into the national Energy Services Coalition, served multiple terms as President and Vice President of the Board of Directors, led ESC's efforts to secure several grants from the U.S. Department of Energy, and influenced many public and private sector professionals to join the growing organization.

State Energy Office Perspective – Utah's Beginnings and Success with a Public/Private Partnership



- 1996 - DOE ends the Institutional Conservation Program (ICP) grants
- \$14 million in ICP grants (1978-96) to Utah that "skimmed the surface"
- "ICP in Transition": NYSERDA and Energy Savings Performance Contracting
- The value of partnerships - working towards a common goal
- Utah-based coalition: overcome barriers to ESPC, market ESPC, and develop a standard ESPC process
- Utah's results 1998-2003: ESPC-based energy improvements totaled almost \$66 million with \$11.9 million in total energy savings (state buildings)



ESCO Perspective



Bret Hunter
ESCO Co-Founder

“During my time in the ESCO industry, I felt that one of the things lacking was the credibility a local, state or federal agency could add. As an industry we did a great job sharing our successes and accomplishments but lacked that all-important cohesiveness. The ESC brought that to the industry. The ESC’s ability to take the industry from a 40,000 foot perspective down to the trenches has been so important to the continued success of ESCOs and affiliates alike. It has been one of the proudest associations of my career and I am happy the ESC continues to prosper.”

Formerly representing an energy service company (ESCO), Hunter inspired the public-private partnership concept in Utah along with Glenn, originated the concept of the Western Regional Coalition, helped grow the national Energy Services Coalition, served multiple terms as President of the Board of Directors, and along with Glenn set the tone for the public and private partnership.



ESCO Perspective

Expanding the Industry and Acceptance for Performance Contracting

- A public private perspective benefits all and garners higher regard
- Standardized processes makes it easier for all stakeholders.
- Better informed customers yields better projects
- More projects
- State energy office involvement provides public support and assistance for process and experience.



Expanding to a Regional Coalition



Linda Smith
ESC Co-Founder

With Colorado's aggressive performance contracting program, back when performance contracting was new to Colorado, I viewed the coalition as a way to learn from ESCOs and others in order to develop new program strategies to increase the acceptance of performance contracting in Colorado. Through the coalition's peer network of states, states shared program tools and strategies and we all benefitted. Colorado's continuing program efforts now total over \$250 million in performance contracting projects to this day, with continuing ESC involvement under the new program administration.

As the Sr. Program Manager at the Colorado Governor's Energy Office, Smith inspired the Utah coalition to expand beyond Utah into Colorado which led Hunter and Glenn to the concept of the Western Regional Coalition. Smith worked with Glenn and Hunter to develop the Western Regional Coalition and later expand it to the Energy Services Coalition, was elected to repeated terms on the Board of Directors and served in the executive positions as Secretary, Vice-President and Acting President. Smith remains active today in the organization.



Expanding to a Regional Coalition

Colorado's Interest Inspires Expansion beyond Utah

- Instead of replicating Utah's state coalition in Colorado, UT and CO joined forces in a regional effort

The Western Regional Coalition was Formalized

- Region: Utah, Colorado, Wyoming, Montana and North Dakota
- Coalition: State energy office program managers, ESCO representatives, and other professionals from financing companies, vendors and engineering firms
- Support: DOE grant funding



Expanding to a Regional Coalition

Why the West?

- Energy Savings Performance Contracting was slow to catch on in the west. ESCOs were busy in bigger more-established markets of the northeast, California and Texas
- Our lower utility costs in the west and less density meant smaller-scale projects - and fewer of them
- There was virtually no customer demand for performance contracting – it was either unknown, feared, distrusted, or considered “too good to be true”.



Expanding to a Regional Coalition

The Value of the Western Regional Coalition

- The West needed to create customer demand and then bring the industry to us
- The coalition seemed the perfect vehicle to do that:
- The state energy office brought experience and the public perspective and the energy savings performance contracting approach could break down legal or administrative barriers.
- A public /private voice in promoting ESPC resulted in a broader audience for the message.
- Peer networking of program managers from state energy offices – sharing strategies, materials and approaches to overseeing projects afforded a community of common thinking.
- ESCOs networking with program managers: a valuable training opportunity for state program managers to learn more about ESPC; a valuable resource to help guide the direction and development of program strategies so that we states kept it “real”, tracking industry trends rather than forcing the industry to re-tool itself.

The buzz kept growing

- More and more western states (state energy offices) participated – Nevada, Arizona, Washington, Kansas, Louisiana, Hawaii, Alaska, Texas, Oregon, New Mexico and more



Expanding to a National Organization



“Our goal was increased energy efficiency implementation by removing the information and knowledge barriers to use of energy saving performance contracting by state and local government agencies.”

Michael Army

ESC's First Executive Director

Formerly ESC's Executive Director, Army interacted with the fledgling Western Regional Coalition in his compatible role as a contractor with the U.S. Department of Energy, volunteered to help grow the organization, was hired as the Western Regional Coalition's first executive director in 1999, worked to expand the Western Regional Coalition into the highly-functioning national organization of the Energy Services Coalition. Leonardo Academy, Michael's non-profit organization, provided multiple services to the ESC as administrative manager through 2003 . Leonardo Academy continues today as a long-standing ESC member.



Work with US DOE and ORNL on Promoting PC

Michael Army, first at University of Wisconsin and then at Leonardo Academy:

- Recognized ESPC as an important tool for getting energy efficiency and emission reductions implemented
- Worked with Pat Hughes of Oak Ridge National Laboratory:
 - To develop and implement the U.S. DOE Energy Fitness Program that promoted use of ESPC
 - To integrate Energy Fitness Program into Rebuild America Program led by Mark Bailey of DOE to make ESPC an important implementation tool for the Rebuilding America Program
 - To support expansion of the regional Western Regional Coalition (WRC) into the national ESC



US DOE

Rebuild America Program

Provided start up funding for ESC 1999-2003

- Mark Bailey, manager of the DOE Rebuild America Program, made funding available through a series of competitively-won grants
- Support was delivered through Oak Ridge National Laboratory under leadership of Pat Hughes
- Supported ESC education and outreach program
- Supported expansion of ESC to national operation



Expanding to a National Coalition

Expanding interest beyond the West – public/private partnership is relevant for all states

Our Approach

- Formalizing the national organization
- Reaching out to all states
- Encouraging state chapters
 - Utah had started with a state partnership and worked through local barriers
 - We began to encourage states to establish state partnerships
 - Colorado tested the approach and soon Kentucky, Tennessee, Florida and others had effective chapters.
- Quarterly face-to-face meetings (held in different states, often held in conjunction with a state chapter kick-off meeting)
- Developing support materials and providing training



Thanks for U.S. DOE Support

U.S. Department of Energy



In Recognition:

The U.S. Department of Energy funded our multi-state partnership early-on and encouraged us to grow into a national organization.



Round-Table Final Thoughts

Public/private partnership -

still very relevant today as state chapters are demonstrating ESC State Chapters will continue to move the industry forward as states use energy savings performance contracting to meet utility/maintenance budget goals, emissions reductions (Climate Change) goals, economic stimulus and job creation goals, as well as a tool for better facilities management.

Energy Savings Performance Contracting continues to evolve and chapters keep the local practices current



Conclusion

Questions?