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North Carolina named Energy Stewardship Champion

Henderson, NV—The Energy Services Coalition (ESC) recently announced its 2017 Energy Stewardship Champion awards given to states in recognition of outstanding accomplishments in leveraging Guaranteed Energy Savings Performance Contracting (GESPC) to achieve energy savings, infrastructure modernization, environmental stewardship, and economic development.

North Carolina was among 12 state Champions recognized for this annual award during the closing ceremonies at the ESC's Market Transformation Conference in Henderson, Nevada on Friday, August 11th.

"GESPC is a financial strategy leveraging guaranteed future energy savings to pay for energy efficiency upgrades today," said Jim Arwood, ESC Executive Director. "North Carolina has achieved considerable success in support of implementing energy efficiency projects in public buildings through the use of a GESPC."

The way GESPC works is simple. A list of energy conservation measures is negotiated in the form of a contract between a public agency and an energy services company (ESCO). The ESCO will implement the contracted measures at no upfront cost to the public agency, with repayment coming through the monthly savings those facilities realize on their energy bills. If the energy savings do not meet their guarantee, then the ESCO pays the difference.

Arwood added that the example North Carolina has set through executive and legislative leadership, program design and technical assistance, and private sector investment in public building energy retrofits using a GESPC financing solution, is a

prime model of being a good steward of taxpayer's monies and using natural resources wisely.

The State of North Carolina and the North Carolina ESC Chapter have partnered to ensure that GESPC reduces the strain on taxes and supports a healthy environment for North Carolinians. The public/private partnership promotes solutions to failing and inefficient equipment in aging public buildings to reduce utility costs and energy and water consumption.

North Carolina boasts dozens of examples of energy contracts paying off. From schools to municipalities, universities and even prisons. Some recent examples include:

- In the summer of 2017 the North Carolina Department of Transportation replaced existing highway lighting statewide with energy-efficient LEDs as part of a massive GESPC project with a \$32.3 million price tag. The contract covers 15 years with a guaranteed savings of more than \$50 million in electrical and operational costs.
- North Carolina State University has reduced campus energy use by 33 percent and water use by 50 percent per gross square foot since the early 2000s despite a more than 50 percent increase in campus square footage. Among the largest single contributors to campus energy reduction is the addition of energy-saving cogeneration technology at NC State's Cates Utility Plant in 2012. The energy retrofits were funded by a GESPC.
- The \$6.2 million in energy efficiency retrofits being made throughout most of the Hoke school system in Sandy Grove - are being paid for by guarantees of \$8.1 million in energy savings over the next 15 years.

To date, over 75 public jurisdictions throughout North Carolina have executed guaranteed energy savings performance contracts, leveraging more than \$500 million in private sector investments into an estimated \$50 million in guaranteed annual energy cost savings.

For more than 40 years now performance contracting has proven over and over again to be a smart solution for public organizations -- allowing them to pay for much needed energy upgrades using avoided future energy costs.

About the Energy Services Coalition

The Energy Services Coalition is a public private partnership promoting the benefits of,

providing education on, and serving as an advocate for the widespread use of guaranteed energy performance contracting in public and private facilities. The ESC provides a unique forum in which all stakeholders can work together to address and overcome any barriers which are limiting the effective use of GESPC.