

# Guaranteed Energy Savings Performance Contracting:



## A Success Story

*It is my honor to share with you the Nevada Guaranteed Energy Savings Performance Contracting Success Story.*

**Jim Arwood, Executive Director  
Energy Services Coalition**

## Introduction

Guaranteed Energy Savings Performance Contracting (GESPC) is a well-established policy with a long history of bipartisan support among the Executive Branches and Legislatures. Nearly all states have some level of enabling legislation that allows GESPC to finance energy improvements and retrofits from actual energy savings (electricity, gas, fuel oil, water consumption, etc.) over an extended period of time.

More than 30 states have implemented statewide programs to encourage and promote GESPC to public entities at all levels – state agencies, county government, city government, school districts, community colleges, colleges and universities.

Nevada laws governing GESPC were adopted in 2003 and have been updated and revised over the years to improve their effectiveness. Besides enabling the use of energy performance contracting, the Nevada statutes also require the Nevada Governor's Office of Energy to provide support and assistance to local governments relating to cost-savings measures and energy performance contracting.

***Nevada Guaranteed Energy Savings Performance Contracting enabling legislation (Assembly 398 -- 2003) passed in the Nevada Assembly 42-0 and the Nevada Senate 21-0.***

GESPC has enjoyed strong bipartisan support in Nevada because all political persuasions want to operate efficient government at all levels by providing efficient operation of facilities in a comfortable environment. This strong leadership is a key ingredient that not only conveys priorities to public agencies and institutions, but is also critical to maintain consistency that allows state programs to build upon its past and current successes.

The Nevada Governor's Office of Energy's GESPC program is tailored to meet the legality within the enabling legislation and conformance to the state's procurement rules. Office of Energy's website provides education, tools, and outreach assistance to all government entities and private building owners on the subject of GESPC, including a step-by-step guide, resources, and case studies. Grants are offered through the Governor's Office of Energy's Performance Contracting Audit Assistance Program (PCAAP) offset the cost the cost of investment grade energy audits for public sector energy performance contract projects.

***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 savings performance contracting (GESPC) 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.***

# Public Interest Goals

The GESPC advances a set of public interest goals:

**II Energy Saving Actions.** Public officials are stewards of the public trust and are increasingly looking for methods to eliminate waste and save taxpayer funds. GESPC can often be one of the easiest and fastest way to provide energy savings for public facilities as a result of Executive and/or Legislative actions.

**II Facility Modernization.** The need for facility modernization in state and local government facilities strains capital and maintenance budgets of public agencies - large and small. In the absence of capital appropriations, a GESPC can provide the low-cost capital required to replace failing and inefficient equipment and make structural improvements to aging buildings.

**II Environmental Stewardship.** Energy efficiency is the least-costly way to meet state clean air policies.

**II Job Creation.** It can stimulate economic activity needed in both urban and rural areas since the vast majority of improvements are provide by local contractors and companies.

## How the GESPC works

**Guaranteed Energy Savings Performance Contracting Success Stories: Hundreds of millions of dollars in projects have been completed throughout the United States with millions of dollars in energy costs saved, and thousands of job years created. Examples of projects in Nevada include:**

- **Carson City:** In 2017, Carson City School District, began a series of building modernizations through a GESPC that will save the district \$357,000 annually through reduced utility and operational costs. These energy savings from improvements will pay for the \$6.1 million project over the next 18 years and will assist in improving the educational environment in eleven different campuses. Water conservation measures as part of project are reducing water usage and waste, with about 4.5 million gallons of water saved annually through the project.
- **Truckee Meadows:** In 2014, The Truckee Meadows Water Reclamation Facility (TMWRF) implemented a \$24 million GESPC. An energy audit revealed improvements were needed to keep the integrity of the plant and lower energy, chemical and operational costs. The audit included a retrofit plan that would make TMWRF 45 percent energy independent, saving more than \$1.1 million in energy, chemical and operational costs per year.
- **City of Henderson:** The city completed a \$23.1 million GESPC in 2015 to manage rising utility and operating costs. Building improvements included interior lighting, street lighting, and heating and cooling systems. The project is funded through nearly \$2 million annual guaranteed energy savings.
- **Douglas County School District:** Douglas County School District, the sixth largest school district in the state, had mounting maintenance needs and failing infrastructure with aging buildings. This was compounded by a budget already stretched to the limit, declining revenues and rising utility costs. GESPC ng fit the bill. A \$5.1 million project implemented in 2008 is paying for itself through \$456,000 in guaranteed annual savings.

For further information: <http://energyservicescoalition.org/>

ESC May/2018