

## Questions Asked by Attendees from the Energy Services Coalition's June 4, 2010 Webinar

Q: What are some resources that can help clarify to municipal staffs that amortized costs for a PC program are best handled on the OPERATING side of a ledger versus a CAPITAL cost component?

A: States and end users vary in their agreement with this issue. While the fundamental concept of Energy Savings Performance Contracting relied on the repayment of borrowed principal from the savings achieved, some programs allow the contribution of capital to effectively buy down much needed deep infrastructure improvements to meet the term limit imposed by legislation. Consequently the concept can vary from project to project.

Q: Do any ESCOs finance projects themselves? Or is there always a third party involved?

A: Some may finance projects themselves. Some may carry the financing for the contract execution and seek authority from the end user to assign the financing to a third party when the contract is signed.

Q: Where can ESCO's receive financing to help fund performance contracts for commercial building in these financial times?

A: Financiers committed to the ESPC industry can be found at <http://energyservicescoalition.org/resources/financing.htm>

Q: Thanks I would also appreciate links to the various sites mentioned in the talks.

NAESCO/LBNL reports on the ESCO industry: <http://eetd.lbl.gov/ea/EMS/ee-pubs.html>

Performance contracting best practices documents, processes, etc: <http://www.energyservicescoalition.org/espc/tools/index.html>

Performance contracting case studies:  
<http://energyservicescoalition.org/localgovernment/casestudies/index.html>  
<http://w.naesco.org/resources/casestudies/default.aspx>

Information on status of ARRA programs:  
[http://www1.eere.energy.gov/wip/recovery\\_act.html](http://www1.eere.energy.gov/wip/recovery_act.html)

Q: How are energy savings calculated with respect to energy costs? Are energy costs predicted or based on present market conditions?

A: Different ESCOs and other providers manage this in different ways. Some use present market conditions, some use average rates for savings calculations taking into consideration consumption and demand charges, some use actual rates, some anticipate rate escalation. Regardless of the methodology the owner or end user should be absolutely comfortable with the methodology and any assumptions made in the considerations of savings projections and how the guarantee will be reconciled.

Q: Guaranteed savings to pay the financing note on the operating side are NOT considered debt.

A: While this is generally true, each end user should verify what is and is not debt with their appropriate authority for their particular situation. Depending on the market segment this could be their accountant or state and local governmental authority.