

DAY ONE: SESSIONS AND PRESENTATIONS

All presentations from both days of the conference are now posted to the <u>final agenda</u> on ESC Conference website. In addition, the speaker bios are available by <u>clicking here</u>. In the event you missed the conference -- below is a short recap of the Day One Sessions and Presentations.

MARKET TRANSFORMATION THROUGH LEADERSHIP

The first session of the conference examined the state of the ESPC market, including the future of energy services, the impacts the industry is having on job creation across the manufacturing supply-chain, and state-led initiatives to speed the move toward deeper public facility retrofits.



"Everyone wins with energy efficiency, but the traditional PC won't cut it anymore. Our customers' needs are changing and they need more from this industry." Jenny L. Stentz, VP, Johnson Controls Energy Solutions



"Why do electrical manufacturers care about performance contracts? When we have an uptick in energy efficiency we have corresponding uptick in job creation." Patrick Hughes, Policy Director, National Electrical Manufacturers Association



"We are going to continue to see new people in the industry and the ESC Key Attributes and Best Practices are important components to a smooth transition and helping grow the market." Amy Butler, ESC Public Sector VP, Executive Director, OUInc, Oakland University

GOVERNMENT AFFAIRS

Energy Savings Performance Contracting offers considerable opportunity to advance energy efficiency in the public sector. Government policy, rules and regulations have a significant impact on the ability to seize these opportunities.



"EPA Clean Power Plan Proposed Rule is an opportunity for states. When you think about reducing emissions of utilities at the power plant – energy efficiency is the most cost-effective measure and states should have a way of doing that in a streamlined manner. Using ESPC to meet this rule is a no-brainer." David Terry, Executive Director, National Association of State Energy Officials.



"Across the country the utilities are looking to raise customer fixed charges to cover the utility fixed costs. What this means for our industry is unclear. By moving from variable to fix rates de-incentivizes our work."

Donald Gilligan, President, National Association of Energy Service Companies.



"Energy efficiency overall is a bipartisan issue. The challenge is there is just not enough knowledge about energy efficiency and ESPC because of the turnover in commissions, legislatures and governor offices." Stacey Paradis, Deputy Director, Midwest Energy Efficiency Alliance.

CHANGING AND CHALLENGING TIMES IN THE ENERGY BUSINESS

The rapid rise of distributed generation and the increased pressure to integrate more renewables into their operations is stressing the traditional utility model. This panel examined the potential implications for the utility and the customer – and how electric power will be supplied and used in an "integrated grid."



"Utilities see things from a cost basis because that is how they are regulated. Proposed changes to pricing schemes take two-year paybacks and make them seven-year paybacks," Steve Kihm, Director of Market Research and Policy, Energy Center of Wisconsin.



"What is the utility business model of the future? Can we sustained the present-day model? Utilities will have to address the question of what business they are in: Selling volumetric electrons -- or providing other services," Bill Grant, Deputy Commissioner of Energy and Telecommunications, Minnesota Department of Commerce.



"The traditional utility model allocates costs for generation, transmission and distribution to all customers as part of the per kWh charge. Solar is connected to the distribution grid – not the transmission grid, and its primary value is reduced energy costs for the owner," Laura McCarten, Regional VP, Xcel Energy.

ACHIEVING HIGHER SAVINGS WITH INNOVATIVE ESPC PROJECTS

This session highlighted three ESPC projects in various parts of the country where innovative energy efficiency and distributed generation projects have proven to be smart investments for public sector building managers and budget officers looking for ways to reduce energy costs.



"A 1.1 MW PV Project for the FAA was a three-party agreement between the customer, the ESCO and a tax equity investor. Private party ownership was able to take advantage of the federal tax incentives, the ESCO is reliable for the performance and the owner is liable for the generation," Doug Dahle, Sr. Program Manager, National Renewable Energy Laboratory.



"Boulder saw ESPC as a good way to get to their GHG emission reductions goals. Its People Power Planet is the name of behavior side of their program. Why focus on Behavior? It goes beyond the guarantee and reaches deeper savings. Need to have people in the buildings understand why they are doing this," Leslie Larocque, Director of Business Development, McKinstry Co.



"The goal of the Frederick -Winchester, Virginia was not only to
generate a self sustaining project
but to generate \$20 million in
energy savings for the community
when compared to currently
planned operating and capital
costs," David Wrightsman, Energy
Systems Group.

FACILITY INFRASTRUCTURE THROUGH STANDARDIZED TEMPLATES

During the past year the US Department of Energy has led an initiative with industry and stakeholders to update the ESPC standardized templates. The result is a refined and streamlined set of model contract documents for use in both state and local governments. This session provided a glimpse at the results of this effort as well as an update on DOE's ESPC Accelerator.



"We looked at what FEMP was doing to generate \$2 billion in projects through ESPC. We thought why not the state sector. We launched the ESPC Accelerator for state and local governments to achieve \$2 billion in projects by 2016 and to share best practices by demonstrating successful examples for public entities to use," Anna Garcia, Director of the Weatherization and Intergovernmental Programs Office, U.S. DOE.



ENERGY SAVINGS AND PERFORMANCE-BASED CONTRACTING INVESTMENT INITIATIVE UPDATE

The U.S. DOE's FEMP program provided a status report, including the roll-out of its new eProject Builder Database. The ePB is a web-based system that enables ESCOs and their contracting agencies to upload and track project-level information, generate reports, and benchmark new ESPC projects against historical data.



"A new program we have is enable – we have a problem in the federal government with bundling. This is an effort to encourage smaller projects. ORNL created a standardized calculation for savings and we reduced the number of ECMs available."

Dr. Tim Unruh, Program Manager, US DOE, Federal Energy Management Program "There has always been a lack of trust in the industry – this is a way to promote customer confidence through transparency. It standardizes data collection across, local, state and federal government agencies and reduces ESPC transaction costs," Peter Larsen, Senior Engineering Associate, Lawrence Berkeley National Laboratory.

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