Dear Linda,

Welcome to the newsletter of the Energy Services Coalition (ESC). We launched this to communicate exciting news to ESC members on the many ESC activities now happening around the nation. I’m sure you’ll share in the Board’s enthusiasm related to these new and important developments.

Ray Hinson, President of the ESC Board of Directors

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ESC Tools - What's in the Box?

What's in the Box? That's the question Dale Hahs asked from the podium at the 2008 Annual Conference of the National Association of State Energy Officials (NASEO). Hahs, one of ESC’s Market Transformation Committee Co-Chairmen and Past President of the Board, then went on to answer the question as he pulled file after file out of the box symbolizing the virtual “Program in a Box” on ESC’s website. The virtual files include: Model procurement and contracting documents designed for state programs; Legislation - not just the enabling legislation that has been circulating for years but an update including a formal program role for the state energy office; Outreach materials on performance contracting including how-to tips for putting on a workshop; A way to compare successes from state to state; and MORE!

Working with the National Association of State Energy Officials (NASEO), the National Association of Energy Service Companies (NAESCO), and the National Conference of State Legislatures (NCSL), with funding from the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy, ESC compiled these tools to aid and encourage state energy offices to more easily develop a state-wide program to promote energy performance contracting.

**A challenge to state energy officials:** See the Race to the Top map and compare your state's level of performance contracting activity with other states. Then contact ESC to make that race to the top. ESC’s State Technical Liaisons will provide their considerable experience to help you use energy performance contracting to pay for up-front costs of energy-saving projects, eliminating the need to dip into capital budgets.
esc's Alabama chapter, with the 
Alabama Department of Economic and Community Affairs (ADECA), hosted 175 
people at the third annual Alabama Energy Efficiency and Renewable Energy 
Conference in Montgomery. High-profile 
speakers including a state representative, 
a state utilities commissioner, ADECA's 
director and local technology experts 
inspired all to take a closer look at energy efficiency, renewable energy, 
water-saving opportunities and sustainability solutions.

Larry Knox, the state's Energy Management Engineer through ADECA-Energy 
Division, said state agencies have been challenged to reduce energy 
consumption by 20% by FY 2010. "Many agencies have significant deferred 
maintenance, with budget problems getting worse. Since most agencies do 
not have money to invest in their facilities, performance contracting is a great 
option."

"These conferences are invaluable for getting the word out about 
performance contracting and the many opportunities available to make 
facility improvements," said Knox, who also serves as the Public-Sector Co-
Chair of the ESC Alabama Chapter and represents Alabama on ESC's Board of 
Directors. "We have already started planning for next year's conference," 
he added.

Knox credits the ESC chapter for doing much of the legwork to make this 
conference successful year after year. He thinks this is such a winning 
approach that he invited staff from neighboring state energy offices to come 
see for themselves. They came! Representatives from Mississippi, Georgia, 
South Carolina, Florida and Alabama all said "lots will happen" as a result of 
this close-up view of how a chapter can host a successful conference.

For more information on Alabama's experience, contact Knox.

What's New in Performance Contracting? LEED for Existing Buildings

Project Managers of a $23 million energy 
performance contracting project for Colorado's 
Capitol Complex applied LEED for Existing Buildings 
as a pilot project. They quickly learned that it's a 
great project management tool. Lance Shepherd, 
Manager of Design and Construction Programs for 
the state through the Department of Personnel and Administration (DPA), said "it's a key way to sustain 
savings and support verification, helping facility 
managers better understand how to operate their 
facilities." In this time of tightening budgets, he emphasized that no added 
tax dollars were needed for this entire project as it was funded through 
savings.

The ESCO representative told Shepherd they could have "tightened up their 
numbers" if they had known the project managers would be using this 
approach. LEED for Existing Buildings is a rating tool developed by the U.S. 
Green Building Council (USGBC) to help building owners and operators 
measure operations, improvements and maintenance, while maximizing 
operational efficiency and minimizing environmental impacts. It addresses 
whole-building cleaning and maintenance issues (including chemical use), 
recycling programs, exterior maintenance programs and systems upgrades.
DPA achieved five LEED-certified buildings and interestingly has three "firsts": the first capitol building in the country to achieve this designation, the first building certified under the new version rolled-out in late 2008 (LEED for Existing Buildings: Operations and Maintenance), and the first Governor's residence in the country to be LEED certified.

LEED for Existing Buildings was a hot topic at ESC-Colorado's workshop on "Greening Facilities in the New Energy Economy," co-hosted by the Governor's Energy Office, where it was described as "Performance Contracting on Steroids."

State to State Peer Networking

Linda Smith, ESC; Tom Fuller, Wyoming; Bruce Nelson, Minnesota; Joel Asrael, Colorado; and Georgia Brensdal, Montana met in Denver in an ESC-sponsored peer exchange.

ESC promotes peer exchanges of state officials who can accelerate energy performance contracting in their states through effective programs that apply ESC's Best Practices. Over ten states have very well-established, successful programs to promote and oversee performance contracting efforts statewide. Many other states offer technical assistance and education while others focus in on providing educational workshops, a popular focus of ESC's state chapters. Others are just beginning to ramp-up their efforts as energy performance contracting more than ever becomes the best option for governments to achieve efficiency and climate change goals.

ESC is providing a variety of opportunities for peer networking with the support of the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy along with voluntary contributions of ESC members. In the past year, peer networking opportunities included Alabama's hosting of southern states mentioned above, a midwest webinar, a four-state series of meetings in Denver, and the recent conference call of program managers from ten of the most progressive states. ESC's State Technical Support Liaisons (Linda Smith and Eddie Riddle) facilitate these efforts that are met with much enthusiasm.

"A key way to accelerate performance contracting is through state-based programs," says David Terry, the program manager of this DOE-funded market transformation effort, "and in the process these participants share program strategies, learn more about performance contracting and find already-developed resources from ESC and their neighboring states that they can apply to their programs." Read more about Accelerating ESPC and contact ESC for more information.

I hope you enjoyed this issue of the ESC Newsletter. I invite you to join the ESC organization and get involved. There has never been a better time to add your support to the growth of the energy savings performance contracting industry.

Sincerely,

Ray Hinson,
President of the ESC Board of Directors