

Charting a Course to Energy Independence

Providence, RI
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What is an ESPC?

- ESPC is a no-upfront-cost contracting method to implement large scale energy efficiency and renewable energy projects
- The contractor incurs the cost of implementing energy conservation measures (ECMs)
- The contractor's costs are "paid from savings" (energy, water, and operations) resulting from these ECMs
- The customer keeps energy savings above project cost recovery, and 100% of savings after cost recovery is complete



Energy Independence & Security Act

- Effective date - December 2007
- Permanent
- Financing Flexibility
 - “...may use any combination of appropriated funds and private financing...”
- Repealed Congressional Notification
- Prohibits agency-wide policy limiting contract term (statute allows 25 years) or investment amount
- Allows sale of electricity off site



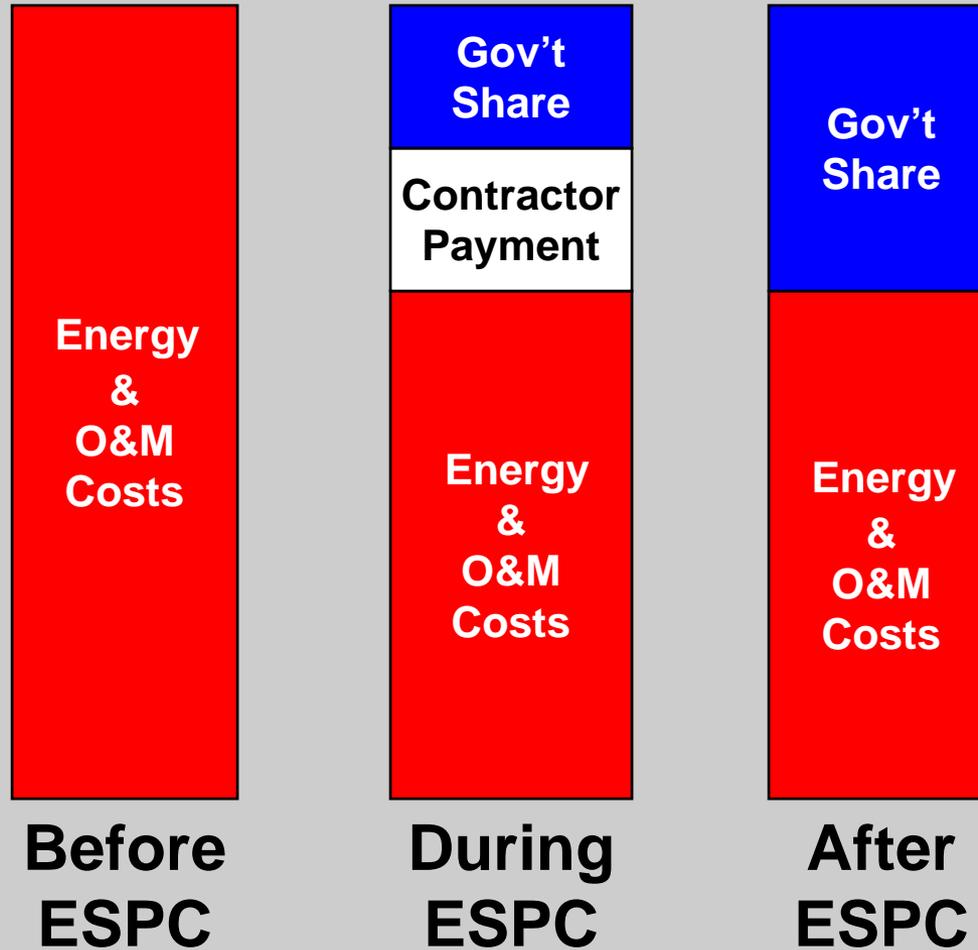
Proven Record of Success

- Over 300 projects throughout 19 Federal Agencies in 47 states
- Over \$2.3 billion in private sector investment
- Energy savings
- 18 trillion Btu annually = 143,000 households or a city of a half million
- Dollar Savings
\$7.1 Billion Total
\$5.7 Billion Investment payback
\$1.4 Billion net savings to government

ESPC projects are essential to achieving agency energy reduction goals

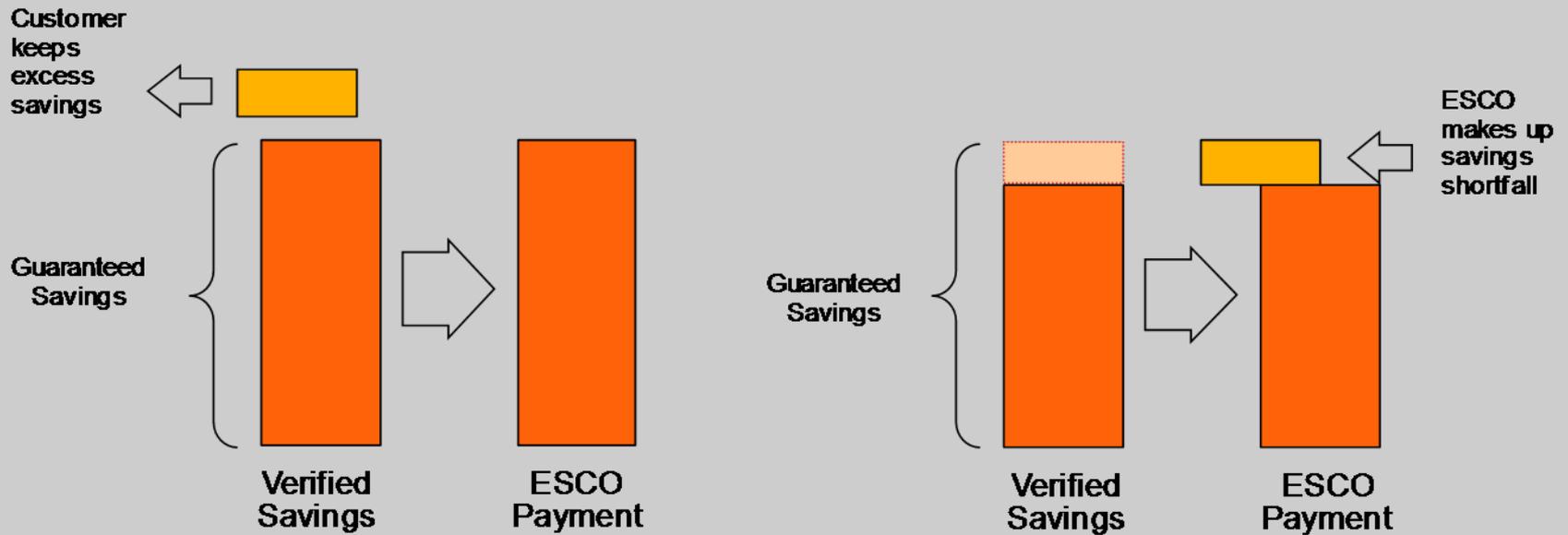


Essence of ESPC



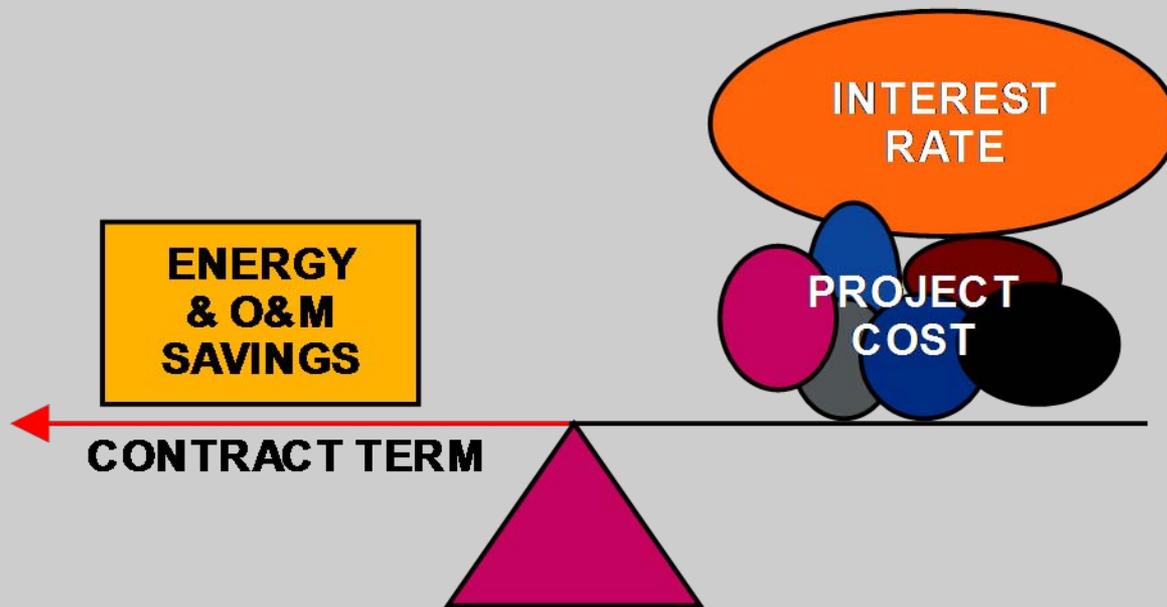


Transfer of Risk





It's a Balancing Act





Why do an ESPC?

- **Meet energy reduction goals**
- **Implement comprehensive projects**
- **Improve facilities: reliability, comfort and mission readiness**
- **Avoid change orders – fixed-price contracts**
- **Guaranteed savings**
- **Measurement and verification (M&V) of ECMs**



Additional Details Available

- ESPC Keys for Success
- Key Steps in the ESPC Process
- How to Get Started on ESPC Projects
- Specific Energy Conservation Measures
- Renewable Energy Applications in an ESPC

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