

NAESCO



National Association of
Energy Service Companies

NAESCO News

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September 2017

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Join Us for A Pre-Conference Workshop in Los Angeles, November 15

Preventing and Resolving Disputes on Performance Contracting Projects

Steve Schiller and Steve Lindemann have been helping clients involved in the performance contracting industry prevent and resolve disputes for over twenty years. NAESCO asked the Steves to share a preview to the workshop through a series of questions they answered below.

At the Workshop, they will share their insights and engage participants in a discussion of the root causes of disputes arising out of performance contracting projects, early warning signs of such disputes, how to avoid these disputes, and how to positively resolve them when they do occur. An introduction to dispute resolution methods will also be presented, with a focus on mediation. As part of the workshop, interactive case studies will be used to explore strategies for avoiding and resolving common performance

contracting disputes.

The workshop is complimentary with Annual Conference and Vendor Showcase registration and will be held Wednesday, November 15 from 10:00 am to Noon. For questions about registering, or, to add the workshop to an existing conference registration, please contact Nina Kogan – nina@naesco.org

We asked presenters Steve Lindemann and Steve Schiller to sit down and give our readers a brief preview of the issues they will address in their workshop on November 15th. The Q and A follows:

1. What is the most common root cause of disputes arising out of performance contracting projects?

Real or perceived failure to perform on the part of the ESCO or its customer is the most common root cause of a dispute – for example, failing to install expected equipment, meet a savings guarantee, sign off on project completion, operate and maintain equipment properly, or inform the other party about significant changes in operations. However, what usually causes these problems to escalate into a time consuming and expensive dispute is a breakdown in communication. Lack of communication or poor communication can turn relatively manageable problems into full-blown litigation. Turnover in personnel on one side or the other, usually without a good transition plan, often exacerbates the problem. During our workshop, we will be talking more about what causes disputes and how to avoid them.

2. What are the 2–3 most critical steps ESCOs and their customers should take prior to project development and implementation to reduce the chance of disputes arising?

Every ESCO should have systems in place to assess and to mitigate risk before any project is approved, and those systems should be followed rigorously. Seemingly minor issues are magnified by the long guarantee periods associated with many performance contracts. Also, as mentioned above, disputes are aggravated by a lack of communication. It is important to establish good communication and to build strong relationships long before the first worker shows up at the job site.

This means that during the marketing and contracting phases there should be clarity – in writing – on the work scope and deliverables. Each party should know what it is responsible for. Also, setting up a system for regular reporting to the customer and conducting frequent status meetings with the customer are helpful practices to avoid disputes. Contract negotiation is the start of a formal relationship that should support good communication. It should not be viewed as an end unto itself or a battle to be won or lost. Finally, including a dispute resolution clause in the contract that clearly delineates the steps to be followed is critical. When a dispute arises is not the time to figure out if you have a good dispute resolution clause. We will talk about dispute resolution clauses in the workshop.

3. What should be the first step when an ESCO or their customer undertakes to address a dispute?

Listen to the other party! Litigation is generally a lose–lose proposition, and no one

should rush into a dispute resolution process without understanding where the other side is coming from. While the first reaction might be to fight back or complain, that creates escalation not resolution. During the workshop, we will talk about important steps that can be taken before a dispute arises (such as good documentation) and after a dispute has started (such as frank, early risk assessment) to move beyond the dispute and to reestablish good relationships that can build ongoing business with your customer.



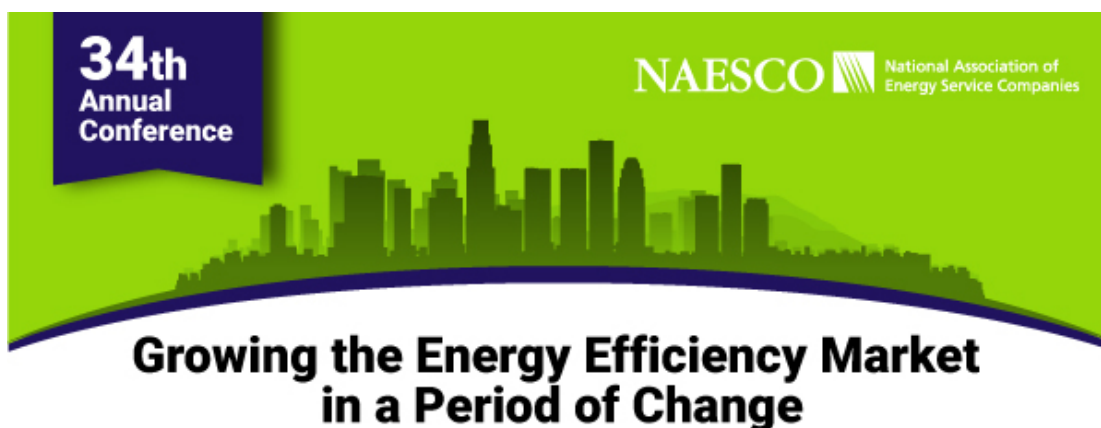
Steve Lindemann, Stinson Leonard Street, is an attorney who has been working with ESCO clients for over 25 years to avoid and successfully resolve disputes on performance contracting projects. He is currently chair of the law firm's construction practice group.



Steve Schiller, Schiller Consulting, Inc., has been engaged in implementing efficiency projects and programs for over 30 years. He is also an internationally recognized expert for the measurement and verification of energy and non-energy impacts of efficiency and other distributed resource projects.

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Don't Miss the 34th Annual Conference and Vendor Showcase - November 14-16, 2017 in Los Angeles, California



Exciting Program and First Rate Networking Opportunity

Conference Sessions Include:

- Quantifying Non-Energy Benefits
- Blending CHP and Renewable Technologies with Energy Efficiency Retrofit Projects
- Financing a Blended Technology Project through a PPA
- Smart Cities: New Ideas for Building a Connected Infrastructure

- Big Data: Do Intelligent, Interoperable Building Systems Create New Business Opportunities for Energy Efficiency?

Pre-Conference Workshop – Morning of November 15th *Complimentary with conference registration*

[Preventing and Resolving Disputes on Performance Contracting Projects](#)

Presenters are Steve Schiller and Steve Lindemann. See previous article for details about the workshop and the background of the presenters who have been helping clients involved in the performance contracting industry prevent and resolve disputes for over twenty years.

Confirmed Speakers Include:

- **Josh Alpert**, Director of Special Projects, C40 Cities
- **Marissa Aho**, Chief Resiliency Officer, City of Los Angeles
- **Shay Bahramirad**, Director, Distribution System Planning, Smart Grid and Innovation, ComEd
- **Nicole Bulgarino**, Executive Vice President and General Manager, Federal Solutions, Ameresco
- **Margie Gardner**, Executive Director, California Efficiency + Demand Management Council
- **Howard Geller**, Executive Director, Southwest Energy Efficiency Project
- **Noah Goldstein**, Director, Navigant
- **Sergio Islas**, Distributed Energy Resources Portfolio Design and Acquisition Lead, Southern California Edison
- **Robert Johnson**, Senior Vice President, Hannon Armstrong
- **Rawlson King**, Communications Director, Continental Automated Building Association
- **John Kliem**, Executive Director, Resilient Energy Program Office, U.S. Department of the Navy
- **Steve Lindemann**, Partner, Stinson Leonard Street
- **Leslie Nicholls**, Acting Director, Federal Energy Management Program, U.S. Department of Energy
- **R. Paul Robinson**, Chief, Energy Division, U.S. Army Engineering & Support Center
- **Rob Rouse**, Business Development Manager, AECOM
- **Steve Schiller**, Principal, Schiller Consulting
- **Isaac Sevier**, Clean Energy Advocate, Natural Resources Defense Council
- **Natasha Shah**, Vice President, NORESKO and Chair, NAESCO Board of Directors
- **John Shonder**, Manager, Federal Business Development, NORESKO
- **Elizabeth Stuart**, Program Manager, Electricity Markets & Policy Group, Lawrence Berkeley National Laboratory
- **Johan Ulloa**, Manager, Distributed Energy, Constellation

[Registration and Updated Agenda](#)

Details:

- [Preliminary Conference Agenda](#)
- [Pre-Conference Workshop – Preventing and Resolving Disputes on Performance Contracting Projects](#)
- [Conference Registration](#)

- [Virtual Vendor Showcase](#) – Meet our 2017 Exhibitors!
- [Sponsorship Opportunities](#)
- [Exhibitor Information](#)
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Thank you to our 2017 Annual Conference & Vendor Showcase Sponsors!

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NAESCO Advocacy Update

September 2017

NAESCO continues to work on several major programs and legislative issues that are important to the growth of the ESCO industry.

Performance Contracting Challenge

NAESCO is working with the FPCC to ensure the implementation of the \$2 billion extension of the Challenge announced in October, 2016 with its new focus on both water and energy efficiency, and is also supporting the FPCC's effort to get the Trump Administration to raise the goal to \$10 billion. FEMP has announced the next round of IDIQ awards to 21 ESCOs, and has published a revised estimate of \$200–300 billion for the US performance contracting potential market. [Market Potential Report](#).

Policy Agenda for the New Administration

NAESCO worked with the EE Strategy Group coalition to develop a "wish list" of EE programs that we think should be part of the Trump Administration's infrastructure program, which now seems to be delayed until 2018, because the Congress is dealing with other issues, such as the stabilization of the Affordable Care Act, tax reform, disaster relief and the 2018 federal budget. All indications are that performance contracting has strong support in the Administration because it is perhaps the best example of a public–private partnership.

179D Deduction

NAESCO is once again coordinating a 179D Working Group of NAESCO members, to secure the extension of the Section 179D deductions for energy efficiency work in commercial buildings. We are working once again with the lobbying firms Van Ness Feldman and Prime Policy Group, with whom we were successful in getting extensions that covered the 2014 through 2016 tax years. We are positioning the extension of 179D to be part of either comprehensive tax reform or a more limited tax extenders package.

HUD Programs and Procedures

NAESCO and a number of ESCOs have re–established bi–monthly conference calls, hosted by HUD, to discuss several chronic problem areas in the HUD PHA ESPC program, including the difficulties of implementing ESPC projects with the Rental Assistance Demonstration (RAD) program that is changing the federal funding of PHAs, the lack of knowledge of local HUD staff and PHA managers about the HUD Rate Reduction Incentive program, and the HUD initiative to stimulate EE projects in federally assisted multifamily housing.

State Issues

NAESCO state advocacy has focused on four states where we have defended the industry against potentially damaging legislation, two states that offer legislative opportunities to improve ESCO industry opportunities in the short term, and two precedent–setting states where we are working to assure that multi–year proceedings to re–vamp energy efficiency programs and utility regulation offer new opportunities for ESCOs.

Illinois

NAESCO organized a group of ESCOs and their lobbyists to defeat legislation that was sprung on us at the end of the state legislature's 2016 session. The promoters of the 2016 legislation introduced the same legislation (SB 1287) in early 2017. NAESCO has

organized a 2017 lobbying campaign, funded by a 9-member ESCO Working Group, to fight the legislation, which has not advanced in the state Senate. The legislature is now scheduled to meet for only a few days in late October and early November, so we think that SB 1287 represents a low-level threat for 2017, though it will stay alive during 2018. The ESCO Working Group is also drafting an RFP template for K-12 projects as an alternative to a template being drafted by the SB 1287 proponents.

Wisconsin

Governor Walker has introduced, as part of his budget package, a provision that would revoke the Revenue Limit Exemption (RLE) for K-12 ESPC projects. The RLE allows school districts that implement ESPC projects to avoid the referenda that are normally required to raise school district debt limits because ESPC projects pay for themselves from savings. NAESCO is working to defeat the legislation and continue the RLE, but recent developments, like the pending deal to provide up to \$3 billion to persuade the electronics manufacturer Foxconn to locate in Wisconsin, are making the legislature inclined to suspend the RLE for 1-2 years.

Ohio

In late December, Governor Kasich vetoed legislation, heavily promoted by fossil fuel interest groups that would have made the suspension of the state's EERS and RPS goals permanent. Unfortunately, the legislation has been reintroduced in the 2017 legislative sessions, has already passed the House and is scheduled for Senate action later in the year. NAESCO is working with the national Business Energy Coalition (BEC) to defeat this legislation, as well as coordinating pro-EE advocacy activities with BEC in Arizona, Connecticut, North Carolina, Colorado, Maryland and Michigan.

North Carolina

The state budget for the Department of Environmental Assistance and Customer Service (DEACS) was cut by the House, threatening the funding for the Utility Savings Initiative, whose staffers oversee the state's successful ESPC program. NAESCO is working with the Business Energy Coalition, a national organization of manufacturers of energy efficient equipment, to restore the DEACS budget in the Senate and through the budget conference committee process.

Connecticut and Rhode Island

The state legislatures in both states are threatening to appropriate ratepayer funding for EE programs to fill holes in the state general funding budget. NAESCO is again working with the Business Energy Coalition to combat these funding grabs.

California

In California, a multi-year proceeding of the CPUC that is re-working the structure of the ratepayer-funded EE programs has reached a critical phase. Utilities filed their 10-year EE Business Plans in January and the CPUC ruled that the Plans had to be supplemented with additional information by mid-June. NAESCO and other parties believe that the Plans, as supplemented, do not conform to explicit CPUC guidance and rulings and have requested the Commission to address issues such as the minimum 60% of the portfolio that is to be

outsourced to third parties, doubling the state's implementation of energy efficiency (SB 350), and modifying the programs to recognize savings above existing conditions, with M&V based on normalized meter readings (AB 802). We expect two Commission orders on the 2018 programs, as well as additional Commission guidance on the major issue by the end of 2017.

New York -- Reforming the Energy Vision

The New York State Public Service Commission is in the middle of a proceeding to restructure the state's utility industry to enable customers to implement the full range of Distributed Energy Resources (DERs) -- EE, RE, DR, CHP, DG -- with utility support rather than resistance.

The first stage of the proceeding established the fact that widespread DERs are technically feasible and valuable to all ratepayers, and the NY Public Service Commission (PSC) ordered each of the utilities to begin pilot DER programs.

The second stage moves the utility revenue model away from the old centralized system, in which utility financial health and profitability are dependent on kWh throughput, to a system in which the utility acts as the operator for a complex network of DERs.

It is important to note that while the PSC is moving ahead with this development, it is maintaining its commitment to NYSERDA and utility-administered EE and R&D programs, as well as to the DER financing initiative of the Green Bank and Energize New York. NAESCO served as part of the Best Practices Working Group, which surveyed EE programs around the country and made recommendations about initial programs that the utilities should implement.

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Industry Reports

Report Identifies DER as Most Disruptive Trend for the Utility Industry

According to a report and reader survey issued in late summer by Public Utilities Fortnightly and Navigant Consulting, a conversation among a group of leading thinkers involved in the utility industry identified distributed energy resources as the most disruptive trend within the industry. The report entitled *State & Future of the Power Industry Year Two* said that net metering and its impact on rate design were also identified along with DER as leading disruptive forces. Data analytics were identified as an important technology change but in general the PUF readership did not see advanced data analytics or machine learning (AI) as future drivers of revenue growth. Interestingly, several panelists highlighted the lack of load growth caused by energy efficiency as the most disruptive trend. Energy efficiency itself was a top disrupter for more than one panelist.

Some envisioned energy storage as another DER disruption further down the road although there seemed to be some agreement that energy storage was the most likely DER to be owned and operated by the utilities. A significant percentage of respondents saw a supportive regulatory environment as the most important tipping point for utilities to own and operate DER.

According to the survey of PUF readers, electrification of transport was identified as the number one technology that will offer the greatest revenue growth potential for utilities. As load growth is declining across every customer class, the panelists said the key issue is finding a revenue model for a new technology platform and the single greatest threat is how utilities price their services. Read the special issue here: [July 2017 Special Report](#).

DOE Releases Staff Report to the Secretary on Electricity Markets and Reliability Study

The Department of Energy recently released its long-awaited Grid Study (the [Staff Report to the Secretary on Electricity Markets and Reliability](#)), which, identified several critical issues central to protecting the long-term reliability of the electric grid. The study was prepared in accordance with an April 14 memo from the Secretary of Energy, which asked staff to explore the evolution of wholesale electricity markets, including the extent to which Federal policy interventions and the changing nature of the electricity fuel mix are challenging the original policy assumptions that shaped the creation of those markets.

A central thesis in the report is the extent to which continued regulatory burdens, as well as mandates and tax and subsidy policies, are responsible for forcing the premature retirement of baseload power plants. According to the report, the recent and unprecedented rise of natural gas as a top electricity generation resource, the increase in Variable Renewable Energy (VRE) penetration, the flattening of electricity demand growth, and a host of policy issues—regulations, mandates, and subsidies at the state and Federal levels—have negatively impacted traditional baseload generation, particularly coal and nuclear power plants. The report does note that demand response has helped to meet peak demand.

Energy Efficiency is recognized in the report as contributing to a decline in the demand growth rate for electricity. Between 1970 and 2005, total U.S. electricity generation to meet customer demand grew at a compound annual growth rate (CAGR) of 2.7 percent. But since 2005, generation growth has stalled with a CAGR of only 0.05 percent from 2005 to 2015, even as the Nation's GDP grew by 1.3 percent per year over the same period. **Electricity demand historically had risen with economic growth (real GDP), but the two began decoupling around 2000. EIA attributes this decline in the demand growth rate to a variety of factors, including the cumulative impact of energy efficiency programs, standards, and codes; technology improvements in appliances, lighting, and other end-use equipment; (Editor's emphasis) and broader structural changes, such as a shift toward less electricity-intensive industries and slower population growth.** The report states that over the past several decades, new Federal and state policies, market forces, and broader economic factors have contributed to lowering levels of electricity consumption compared to what was expected to occur in absence of any new policy, as shown by the comparison of historical reference case projections to actual U.S. electricity sales. – [Continue Reading Summary](#)

- [Read Full Report](#)

Navigant Research Report, Predicts the Global Smart Buildings in Smart Cities Market to Exceed \$10 Billion by 2016

A new report from Navigant Research evaluates the relationship between smart building technologies and smart city goals, providing an analysis of market issues and global

forecasts through 2026.

In major cities, buildings are responsible for approximately 30 percent of global greenhouse gas emissions and 70 percent of energy consumption. To better align with climate and sustainability goals, and to help improve public health and safety, smart cities are looking to smart building technologies to drive impactful changes in facilities management.

According to the report, smart buildings can also become part of urban infrastructure to aid government operations and services by means of building security and motion sensors; remote shutdown of electrical equipment; temperature and humidity sensors for libraries and other sensitive environments; and building door and window sensors associated with alarm systems for security.

The report, *Smart Buildings and Smart Cities*, examines how smart city agendas encourage smart buildings market growth and how smart building technologies contribute to smart city goals. The study provides an analysis of the market issues, including regional trends, case studies at the city level, and market drivers and barriers. Global market forecasts for revenue, segmented by region, user type (institution / assembly, education, and healthcare), and product type (advanced sensors, building data analytics, submeters, and connectivity hardware) extend through 2026. Read the full report here: [Smart Buildings and Smart Cities](#). *There will be a session at the upcoming NAESCO Annual Conference on Smart Cities.*

International Energy Agency Releases its World Energy Investment 2017 Report

This year's edition examines the financial landscape for energy investment and how financing flows are evolving in relation to renewable energy expansion, shorter-cycle oil and gas projects, and innovations in energy efficiency financing.

Findings include that total energy investment worldwide in 2016 was just over \$1.7 trillion, accounting for 2.2% of global GDP. Investment was down by 12% compared to IEA's revised 2015 energy investment estimate of \$1.9 trillion.

Spending in energy efficiency rose by 9% while spending in electricity networks rose by 6%, yet these increases were more than offset by a continuing drop in investment in upstream oil and gas, which fell by over a quarter, and power generation, down 5%. Falling unit capital costs, especially in upstream oil and gas, and solar photovoltaics (PV), was a key reason for lower investment, though reduced drilling and less fossil fuel-based power capacity also contributed.

For the first time ever, the electricity sector edged ahead of the oil and gas sector in 2016 to become the largest recipient of energy investment. However oil and gas still represent two-fifths of global energy supply investment, despite a fall of 38% in capital spending in that sector between 2014 and 2016. As a result, the share of low-carbon supply-side energy investments, including electricity networks, grew by six percentage points to 43% over the same period. Read the full report here: [WEI 2017](#).

Welcome New Members!

Read about our new members in their own words:

ESCO

[ADI Energy](#)

ADI Energy develops sustainability programs for its clients aimed at reducing their carbon footprint through the installation of energy efficiency and renewable energy measures. ADI designs and installs solutions with guaranteed performance for commercial and industrial customers, federal, state and local governments, utilities, healthcare and educational facilities with flexibility, transparency and accountability as our guiding principles. Our experienced team delivers millions in integrated energy solutions to both the public and private sectors throughout the Americas.

[The Efficiency Network, Inc.](#)

The Efficiency Network – TEN – is an independent energy efficiency firm dedicated to complete customer satisfaction. TEN staff members are an experienced, close-knit team with decades of experience in developing and delivering energy efficiency and environmental solutions. TEN offers its core value propositions of performance contracting, design/build building efficiency services and distributed generation, often including project financing, to commercial and institutional customers across the United States.

Associate Energy Service Affiliate

[Abraxas Energy Consulting, LLC](#)

Founded in 2001, Abraxas Energy Consulting provides PAs, IGAs, Baseline Measurements, RCx, Cx of ECMs, M&V Plans, and M&V Reports for ESCOs. We have implemented RCx retrofits as part of several RCx contracts. We have provided energy consulting services for over 7 ESCOs in the past 5 years. In addition, we provide Option C M&V software, Metrix4, that is used by almost all of the large ESCOs in the US. We work world-wide. We have engineers in California, Colorado, Texas, Pennsylvania, and South Carolina. Our engineers have P.E.s, CEMs, CEAs, CxAs, CMVPs and other certifications. We also provide energy audits and retro-commissioning for the Federal Government, including, the Army Corps of Engineers, US Navy, US Air Force, US Coast Guard, the Marines, GSA, the FBI, Fish and Wildlife, VA Hospitals, US Forest Service, USGS, CDC, and others.

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Accredited Member Spotlight

[Brady Services, Inc.](#)

Brady Services, Inc. is headquartered in Greensboro, North Carolina with locations in Raleigh, Durham, Fayetteville, and Wilmington. Founded in 1962 by Chairman Don Brady, the company remains a family owned enterprise, today employing over 420 associates. The company works with building owners, facility managers, developers, architects, engineers and contractors providing sustainable, comprehensive building solutions for commercial and industrial facilities.



Brady provides customers with a diverse range of HVAC and building solutions including building automation, energy conservation, green design, performance contracts, access controls, security, mechanical systems, parts and supplies, as well as world-class technical support.

"Receiving NAESCO accreditation is an honor that reflects the close relationships we have with our customers, the world-class nature of our engineering talent, and the documented reliability of our offerings," said Patrick Tonker, Vice President of Energy Services and Controls. "We are excited to use our NAESCO-accredited status as a springboard to continue our growth by connecting the performance of our customers' buildings and people to their business results."

Faced with aging roadway lighting infrastructure, shrinking budgets, a service level around 65%, and new technologies that seemed out of reach, the North Carolina Department of Transportation (NCDOT) knew they had to do something, but what? By forming strategic partnerships and harnessing the power of laws already on the books, Brady helped NCDOT take action to transform their roadway lighting with statewide LED conversions, nearly 11,000 luminaires, all connected to a secure control center, with all warranty and maintenance handled by Brady, and all paid for by energy and operational savings guaranteed by Brady. NCDOT was able to increase the safety of North Carolina roadways, significantly decrease emissions, and lay the foundation for the smart highway of the future, all without a tax increase or bond issuance. See our [past recipients](#).



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Member News

ABM Industries to Acquire GCA Services Group, a Facility Services Leader in the Education and Commercial Industries

ABM recently announced it has entered into a definitive agreement to acquire GCA Services Group ("GCA") from affiliates of Thomas H. Lee Partners, L.P. and Goldman Sachs Merchant Banking Division for approximately \$ 1.25 billion in cash and stock.

GCA is a leading provider of facility services in the education and commercial industries, specializing in facilities maintenance, janitorial services, grounds management, vehicle services and outsourced workforce solutions. With over 37,000 employees in 46 states, the District of Columbia, and Puerto Rico, GCA is headquartered in Cleveland, OH.

Scott Salmirs, President and Chief Executive Officer of ABM Industries, commented, "This transformative and accretive acquisition will accelerate our 2020 Vision by creating a broader platform upon which we can grow profitably and further distinguish ABM as an industry-focused solutions provider. We look forward to gaining insights from GCA, a well-established industry leader with top talent. GCA's client-centric goals and philosophies align closely with those of ABM, and we are excited about the value this combination will bring to our clients, our employees and our shareholders."

Brewer-Garrett Significantly Reduces AEP Customer's Emissions

AEP Ohio recently recognized **Brewer–Garrett** for their commitment to both energy efficiency and the environment. By taking part in AEP Ohio's Energy Saving Programs last year, Brewer–Garrett significantly reduced AEP Ohio customers' emissions by saving 429,064 kWh, which saved 328.7 Tons of CO2 from being produced. These savings are equivalent to taking 69 cars off the road per year, an annual CO2 generation of 35 single-family homes, and 8,514 additional tree seedlings grown for 10 years.

Entegriy Named as One of the 2017 Best Places to Work in Arkansas

Entegriy was recently named as one of the Best Places to Work in Arkansas. This fifth annual program was created by Arkansas Business and Best Companies Group to identify, recognize, and honor the best employers in Arkansas.

"Being named as one of the best places to work in Arkansas is especially gratifying because it recognizes that our employees are engaged, excelling and enjoying what they do," said Matt Bell, Partner at Entegriy. "We have worked hard to create a culture and environment where our employees thrive – from compensation and benefits, to workplace health and a casual atmosphere, to the tools that we provide for learning new skills – all have cultivated an environment in which our employees can grow and succeed."

The 2017 Best Places to Work in Arkansas list is made up of 36 companies from across the state.

GEM Energy Ranked 26th Among *Solar Power World's* Top U.S. Solar Developers of 2017

GEM Energy of the Rudolph Libbe Group, was recently ranked 26th among *Solar Power World's* Top Solar Developers of 2017, the only Ohio-based firm to make the top developers' list.

GEM Energy also is 130th among the magazine's Top 500 Solar Contractors and 53rd among the Top Solar Utility Contractors. GEM Energy has installed a total 41,700 kilowatts, with 8,200 kilowatts installed in 2016.

Silver Lake Construction Creates Joint Venture with Global Energy Services to Form First 8(a) ESCO Provider

Silver Lake Construction, an 8(a) American Indian Tribal company, has partnered with **Global Energy Services (GES)** to form the first and only 8(a) Eligible Joint Venture energy services provider to Energy Service Companies around the world. Silver Lake GES JV, LLC (SLG JV) will provide lighting efficiency, water conservation, and building envelope expertise.

Silver Lake founded in 2015 and based in Milwaukee, Wisconsin, is a heavy and engineering construction company engaged in new builds, reconstruction, rehabilitation, repairs, and building renovations to its federal government clients. As a 100% tribally-owned small business of the Forest County Potawatomi Tribe, Silver Lake possesses the capabilities, capacities and financial backing to meet nationwide requirements.

Global Energy Services is a woman-owned, lighting retrofit, water conservation and building envelope services company providing cost-effective solutions though energy

efficient products systems and measures.

As an 8(a) American Indian Tribal business, SLG JV will offer customers and partners several unique opportunities such as the Indian Incentive Program (25 U.S.C. § 1544).

JAYKAL Expands Growth Strategy into MUSH Market by Adding ESCO Relationship Executive to their Organization Team

JAYKAL LED Solutions adds **Joe McGowan** to their team to lead their growth strategy into the ESCO MUSH market. Joe has 30 years' experience in the energy services industry with significant success in all market sectors.

"By quantifying both energy savings and health & wellness benefits, ESCOs can realize larger monetized savings for ESPC projects," says McGowan.

"Joe will utilize his experience in the Energy Services Industry to advance JAYKAL's LED lighting solutions for exterior and interior LED technology at the local ESCO market," noted Sanjay Kapuria, President of JAYKAL LED Solutions. "He has an excellent grasp of life-cycle costing, LED applications and appropriate operational savings benefits for ESPC projects. He has a passion for providing solutions that incorporate low-flicker, full color-spectrum LED products and we are very excited to have him on our team."

Before joining JAYKAL, Mr. McGowan led sales efforts at Honeywell International, Schneider Electric, Comfort Systems USA and Energy Focus. He obtained numerous sales and revenue growth awards at these companies as well as at industry associations, including being named Person of the Year for both BOMA (Buildings Owners & Manager Association) and IREM (Institute of Real Estate).

Johnson Controls Partners with Higher Education Non-profit to make Texas Campuses Safer, Smarter and More Sustainable

Independent Colleges and Universities of Texas (ICUT) is partnering with **Johnson Controls** to assess and evaluate campus-wide infrastructure needs for more than 40 member institution campuses. Through this collaboration, ICUT and Johnson Controls are helping members make campuses safer, smarter and more sustainable.

In the past five years, Johnson Controls has invested \$15 million in infrastructure renewal programs for higher education institutions nationwide to transform campuses and engage students through experiential learning.

McClure Joins Forces with Burns Mechanical

McClure Company and Burns Mechanical from Philadelphia have joined forces in a management led private acquisition of the firms from Talen Energy. MBMH, LLC, was created as a vehicle for conducting the transaction and a platform for future growth. Together, McClure and Burns will cooperate fully to achieve mutual success.

The two firms are longtime sister companies, most recently operating under the umbrella of Talen Energy Services. The companies will continue to work under their existing company management structures. McClure president, Chip Brown, has been with the firm for 32 years and has served in his current capacity since 2002. Burns president, Dan Kerr, PE, was a 16-year veteran of McClure prior to joining Burns in 2013. The management

teams together can boast more than 500 combined years of experience in the industry at McClure and Burns.

The McClure and Burns brands will remain unchanged and the companies will continue to provide value added mechanical and energy services to their clients.

Collectively, the firms deliver \$174 Million in annual revenues through six offices throughout Pennsylvania, including: Horsham, Harrisburg, Wilkes-Barre, State College, Williamsport, and Washington.

Mitsubishi Electric VRF Technology Now Eligible for Massachusetts Clean Energy Center Rebate Program

The Massachusetts Clean Energy Center (MassCEC) Clean Heating and Cooling programs now provide rebates for the installation of pre-qualified Variable Refrigerant Flow (VRF) products in all building applications. **Mitsubishi Electric US, Inc.** Cooling & Heating Division a manufacturer of Zoned Comfort Solutions™ and Variable Refrigerant Flow (VRF) cooling and heating systems, has several VRF systems that qualify as part of MassCEC's five-year, \$30 million investment in clean heating technologies throughout the Commonwealth.

VRF systems were recently added to the list of rebate-eligible products due to their reputation for efficiency. Heating accounts for around 30 percent of the greenhouse gas emissions in Massachusetts, according to MassCEC.

Mitsubishi Electric's VRF systems, such as CITY MULTI® Air-source systems, save architects space and building managers money while providing occupants reliable, consistent temperature control and quiet operation. A MassCEC qualified, pre-approved VRF project can earn a rebate between \$800/ton and \$2,000/ton up to \$250,000 depending on the project type, the system's heating capacity and the product's heat-recovery capability.

MassCEC's Clean Heating and Cooling programs, funded in partnership with the Massachusetts Department of Energy Resources, aim to increase awareness of the practical, financial and environmental benefits of clean heating products, while providing rebates to individuals, businesses and developers who help Massachusetts reduce carbon emissions and meet long-term energy goals. Mitsubishi Electric will continue to work with MassCEC to provide clean heating technology to the residents and building owners throughout the state.

NAESCO Members LRI and RTS Merge

On June 30, 2017, **Retro-Tech Systems** ("RTS") which includes RTS Lighting, RTS Water, RTS Utility Metering, and RTS Building Envelope, merged with **LRI Energy Solutions** ("LRI"). LRI Energy Solutions includes wholly owned subsidiaries Lighting Retrofit International, LLC, Water Savers, LLC and recently acquired Enlight Energy Efficient Lighting.

Both RTS and LRI enjoy established reputations as leaders in cost-effective, advanced, creative solutions for energy, water, building envelope, and metering – focused on energy service companies supporting the Federal government, MUSH, and utility providers. Both

companies' customers rely on the similar core competencies of design, engineering, project management, analysis, and market knowledge.

Stephen J. Troese, Jr., CEO of LRI stated, "RTS has distinguished itself for years by providing exceptional value to its customers. Together, we can now reach more customers with more savings solutions. We are delighted to welcome RTS into the family with this merger." "This is a great day our customers." Kurt Minko, President of RTS, continued, "Our organizations have enjoyed tremendous mutual respect and admiration for several decades making RTS and LRI natural partners. With our team of professionals, we can deliver an enticing value proposition across the combined national footprint. We look forward to realizing our collective growth potential." – **FMI Capital Advisors** acted as the exclusive financial advisor to RTS for this transaction.

Engie, Parent Company of OpTerra Energy Services, Purchases Six Mechanical Services Companies

The parent company of **OpTerra Energy Services**, Engie, recently announced that ENGIE North America has completed the purchase of six mechanical services companies from the Talen Energy Group. The companies include, B-G Mechanical Contractors, B-G Mechanical Services, Elmsford Sheet Metal Works, Inc., Fred Williams, Inc., H.T. Lyons, and TryState Mechanical. These companies are based in Pennsylvania, New York, and New England and will be part of a new holding company named ENGIE Services Northeast LLC that will report to John Mahoney, President and CEO of OpTerra Energy Services.

This acquisition will provide a platform to deliver mechanical contracting services to commercial and industrial and public sector customers in a region characterized by substantial population, large, sophisticated buildings with high energy intensity and seasonal demand, and, as such, a commercial and regulatory framework that supports energy efficiency and carbon reduction. The companies have direct relationships with owners and operators of complex, critical, and large mechanical systems to provide them with a single point of contact for a range of services and engineered solutions.

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Member Projects

Luzerne County Community College Partners with Ameresco for a GESA EPC

Ameresco announced that Luzerne County Community College in Nanticoke, Pennsylvania has contracted with the company to renew and upgrade LCCC's campus energy infrastructure and to institute energy efficiency measures at the College. The nearly \$8 million Guaranteed Energy Savings Act Energy Performance Contract project is expected to save the College more than \$576,000 annually in energy costs and operation and maintenance savings for the next 15 years. In addition, the College will earn \$122,757 in energy rebates and incentives as a result of implementing these measures under the GESA project.

The project includes energy efficiency and infrastructure upgrades to 17 campus buildings and over 474,900 square feet of space. Some key capital improvements include the replacement of 21 outdated electric-resistance heating Roof Top Units, Heating and Ventilation Units, and Air Handling Units with 21 new, natural gas fired RTUs and AHUs.

The GESA energy efficiency project is expected to reduce energy use by 4,571,800 kWh annually, and save the College more than \$11,000,000 over the 15-year repayment term. It will also help to reduce the College's greenhouse gas and carbon emissions by approximately 41,000 pounds. Work for the project will begin this fall.

Con Edison Solutions Partners with Putnam Valley Central School District, New York On EPC

Con Edison Solutions has signed an energy performance contract with New York's Putnam Valley Central School District that is designed to significantly improve the energy efficiency of the District's buildings and infrastructure, enhance the learning environment through improved comfort, and slow the pace of escalating energy costs. The contract will result in guaranteed annual cost savings of more than \$380,000 for the District.

The energy efficiency project addresses more than 275,000 square feet of space, including Putnam Valley Elementary School, Putnam Valley Middle School and Putnam Valley High School. Working closely with the District's facility management as well as KG&D Architects to develop a cost-effective project plan, Con Edison Solutions will provide the following energy conservation measures: LED lighting and control, geothermal heat pump system (Elementary School), premium efficiency motors and variable frequency drives, building management system upgrades, installation of demand controlled ventilation, replacement of windows and doors (Elementary School), building weatherization improvements, installation of solar photovoltaic and sustainability kiosk, and solar/wind educational curriculum.

CTS Group Helps Argo High School Upgrade Controls and Other Systems

Argo, a 340,000 Sq. Ft. high school facility in Illinois that serves over 1,800 students and 118 teachers, was experiencing significant issues. Originally built in 1920 and expanded in 1980, aging mechanical equipment and controls were affecting comfort with some systems being nonfunctional, and were excessively expensive to maintain.

CTS Group investigated the issues on site as well as conducted a thorough analysis of energy bills and discussions about the District's goals for the schools. Comfort was a top priority through the use of energy efficient systems which could be easily maintained to provide years of service.

The \$2.3 million contract included temperature control upgrades, a chiller/tower plant upgrade and an air handling system upgrade. The project savings is about \$250,000 annually over ten years.

ECO Engineering and Performance Services Implement Project for Covington, Kentucky School District

Covington, Kentucky Independent Public Schools is the first District in the state of Kentucky to utilize the new Kentucky Educational Development Cooperative (KEDC) guaranteed energy savings price contract to execute a comprehensive energy efficiency program. Through a transparent, competitive selection process, the district awarded a multimillion dollar project to **Performance Services**. Both the design/audit and

implementation phases were conducted by **Eco Engineering** on behalf of Performance Services.

The district had lighting maintenance issues due to fewer maintenance personnel on staff. The lighting project incorporated LED interior fixtures across multiple primary and secondary schools, administrative facilities and the vocational center. Exterior lighting was included as well. Occupancy sensors were installed in bathrooms, hallways, conference rooms and cafeterias to reduce operating hours in non-occupied areas.

The results included \$91,000 in annual energy savings and an additional \$24,900 in sustained annual maintenance savings through a ten year product warranty. The project also qualified for a substantial rebate from Duke Energy in the amount of \$292,000.

Neosho County Community College Approves Energy Performance Contract with Energy Solutions Professionals

The Neosho County Community College Board of Trustees recently approved an energy performance contract with **Energy Solutions Professionals**. The contract is for a \$3.3 million project to upgrade several items on campus for improved energy efficiency and pay for it out of utility savings over a period of 10 years and four months. It will include upgrading lights to LED, replacing water fixtures in older buildings, weather stripping around doors and a Variable Refrigerant Flow system replacing the old two-pipe HVAC system in several buildings. The bulk of the HVAC upgrade is expected to be finished for the fall semester, but the control systems will not be completely installed.

IES Helps Panama-Buena Vista Union School District Save Energy

Indoor Environmental Service (IES), along with the Panama-Buena Vista Union School District (PBVUSD) in California, implemented major changes across the District to significantly reduce the District's energy costs. IES conducted a full facility audit and energy utility analysis to offer the district a project with the most effective solutions.

With mechanical systems and controls updates already completed, IES installed 5 MW of solar photovoltaic (PV) systems and upgraded lighting systems – both interior and exterior – to LEDs and other, more energy efficient fixtures across 23 sites within the District. The PV systems are comprised of carport structures, on-campus shade structures, and a few ground mounted systems. Construction of the PV systems and completion of the lighting upgrades were accomplished in just 8 months.

Utilizing a combination of funding sources, PBVUSD's up-front costs were minimal. The use of Proposition 39 funding from the California Energy Commission in conjunction with Qualified Zone Academy Bonds (QZAB) allowed the District to complete this last phase of planned energy projects seamlessly. These upgrades are projected to save nearly \$2 million in utility costs and produce 7,662,068 kWh of energy annually, which is more than 60% of the District's prior annual usage.

In addition to the project, IES continues to work with the District to manage and maintain their energy systems while training designated personnel to manage these new systems as well as to educate staff and students on energy efficiency and methodologies to improve energy usage. Educational opportunities include in-class energy lessons and hands on

activities to demonstrate the importance of energy conservation and management through technology and behavioral changes.

IES has implemented energy conservation measures, renewable energy systems, and energy management programs for over 1500 California School Sites leveraging 4217, 17406, Proposition 39, QZAB, and K-12 specific utility rebate program funding options.

Johnson Controls to Install Solar at Wastewater Plant in Chowchilla, California

Chowchilla plans to clean its dirty water using solar power with help from **Johnson Controls**.

The plan is to shift 80 percent of the wastewater plant's power supply from Pacific Gas & Electric Co. to more than 2,100 solar panels, as well as to use solar to power city buildings and wells, leaders said. The Chowchilla City Council sold bonds to finance an energy efficiency program meant to save about \$28 million dollars. The city also used Clean Renewable Energy Bonds, a federal program for energy savings projects that reduces interest costs by 50 percent.

The savings will be created at a 2.5 million-gallon water storage tank and an upgrade to the city's drinking water system, including installing new wells and booster pumps which should also improve water pressure throughout Chowchilla.

The city also has plans to enhance external lighting at police and fire stations, and City Hall; install security cameras around the city; convert streetlights over to energy-efficient systems; and install drinking water meters, among other plans.

NORESCO's Distributed Generation Solution with Microgrid to Help Hanscom Air Force Base Increase Energy Resiliency

NORESCO is implementing \$43 million in facility improvements at Hanscom Air Force Base Massachusetts, through a guaranteed energy savings performance contract. The distributed generation solution, along with other measures, will deliver more than \$94 million in guaranteed savings over the life of the project and will improve energy resiliency on base, supporting the Air Force initiative to provide mission assurance through energy assurance.

"NORESCO is honored to continue our long-standing support of the U.S. Air Force through this exciting ESPC project for Hanscom AFB," says Michael Beccaria, senior vice president, NORESKO. "This project will augment energy resiliency and significantly reduce energy costs to support the critical mission at Hanscom AFB."

The cornerstone of this project is a new 4.6-megawatt cogeneration plant that will deliver significant utility cost savings and improve electrical and steam generating reliability. The cogeneration plant will operate on a microgrid to provide emergency power to critical locations on the base during utility outages. The central steam plant will be powered by the electric and steam output of the cogeneration plant if power from the traditional grid is unavailable.

The project will also improve lighting quality, reduce maintenance costs and provide a more reliable supply of lower cost fuel as NORESKO implements long-lasting LED

technology, extends natural gas service to select buildings, and replaces oil-fired boilers and burners with gas-fired equipment.

The project is among the first developed through a memorandum of understanding between the U.S. Air Force Civil Engineer Center and the U.S. Army Engineering and Support Center, Huntsville. Team members from the Air Force, Army and NORESCO worked together to meet an aggressive project development timeline of eleven months from selection to award, expediting realization of project benefits to Hanscom AFB.

Opterra Installs Solar Energy Project

The Contra Costa County Fire Protection District is partnering with **OpTerra Energy Services** in launching a solar energy project to help bring down utility costs while using those savings to pay for upgrading outdated heating and air conditioning equipment. Work on upgrading heating and air conditioning systems at 13 district facilities is expected to be completed by the end of the year. The project also includes water conservation measures at 22 district sites.

Once completed, one of the solar projects will generate power for Pacific Gas and Electric that will offset the district's utility costs. Solar panels being installed at three district fire stations will also help lower the district's energy costs.

The solar panels are expected to result in a yearly energy savings of \$ 192,000 while upgrading the heating and air conditioning equipment will add another \$72,000 in yearly savings. This is the first venture into solar power for the district, which includes 25 fire stations, along with training, fire prevention, administration, communications, logistics offices and an apparatus shop.

Performance Services Uses Solar to Provide Clean, Renewable Energy for Oak Hill United School Corporation

Performance Services will begin working with the Oak Hill United School Corporation in Converse, Indiana to install two ground mounted solar photovoltaic arrays at the Oak Hill Senior High School and Oak Hill Junior High School and new LED lighting that is expected to generate a combined 1.89 megawatts of clean, renewable energy and offset approximately 78% combined electrical usage at the two buildings. The project is made possible by a guaranteed energy savings contract which will result in a cumulative net energy estimated savings of \$6.3 million over 30 years. Approved by the school board on August 14th, the project will be completed in December 2017.

The project will reduce the Corporation's carbon footprint of its buildings and grounds. The energy produced by the solar array will reduce greenhouse gas by 1,756 metric tons, equivalent to the electricity needed to power an estimated 185 homes in a single year.

Siemens to Help Manchester Housing Authority Achieve Energy Efficiency and Sustainability Goals

Siemens has begun working on infrastructure improvements for Manchester Housing Authority located 11 miles east of Hartford, Connecticut. Valued at almost \$2.7 million, the 20-year performance contract is projected to generate annual energy savings

through use of solar photovoltaic as well as other energy efficiency measures. The project is part of a comprehensive modernization plan for approximately 60 percent of the Authority's portfolio of housing units and developments.

"This project means a great deal to Manchester Housing Authority. We're excited to make these energy efficient and sustainable improvements to our developments," says Joseph D'Ascoli, Executive Director of the MHA. "We're proud to be one of the first housing authorities in the Northeast region to begin using solar energy for consumption."

MHA had also considered fuel cell electrical generation as an alternate renewable energy source. But in researching it further, the Authority discovered that the smallest fuel cell would far exceed its power need. The designed solar field can fit in a community meadow, and will be able to provide power to all 199 apartments and MHA's office building, which will reduce the power they are purchasing from the utility. Solar photovoltaic will also allow MHA to claim more than \$12,000 annual credit for 15 years in Connecticut's Zero Renewable Energy Credit (ZREC) program.

In addition to solar PV cells, other energy efficient improvements include boiler replacements and LED exterior and interior lighting upgrades in parking lots, community rooms, and individual units. Water conservation improvement efforts will also be addressed with new toilets, aerators, and showerheads. All energy efficiency and water conservation upgrades are expected to be completed in September.

The City of Poughkeepsie Saves Through ESPC with Wendel Energy Services

The city of Poughkeepsie, New York has teamed up with **Wendel Energy Services** to improve upon energy and operating efficiencies for the city. Through an Energy Savings Performance Contract, Wendel is assisting the city to obtain their goals and to reduce their carbon footprint.

The city of Poughkeepsie is looking to build on previous EPC work with Wendel, which focused on the City's water and wastewater infrastructure. This time around, the city has set its sights on street lighting and traffic light upgrades. In order to reduce energy consumption and environmental impact, the city's streetlights and traffic signals are being converted to more efficient LED technology. The city will purchase approximately 1,500 street lights which were previously owned and maintained by the local utility. This means that by the end of the project, over 3,300 street lights will be converted in total. Not only will the newly implemented technology reduce the city's energy consumption, decreases in operations and maintenance costs will result as well.

In order to assist in offsetting a portion of the nearly \$4.5 million project fee, Wendel has been able to secure roughly \$266,000 in incentives for the city. Combining the incentives with an annual savings of over \$450,000, the project will pay for itself in approximately 10 years.

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New Product and Services Showcase

HyLite LED Lighting Introduces Ballast Compatible Plug-in Lamps

HyLite's new line of lamps allows plug-in CFLs to be upgraded to LED with no rewiring required. For years, HyLite's series of direct-wire LED PL Lamps have allowed facility managers, building owners and contractors to replace a range of Gx24/G24 plug-in's by wiring around the ballast. www.hyliteledlighting.com



LFE Solutions Represents LINMORE Labs

LFE is excited to announce its new partnership with LINMORE LED. LINMORE manufactures in the United States so this adds to the extensive LFE product line offering of BAA/Made in America products. LINMORE designs its luminaires and retrofit kits using thermal management and optics to deliver high efficacy solutions.



The culmination of the LINMORE LED Labs ultra-value proposition is:

- Maximum Foot Candles per Watt of Energy: The ultimate lighting ratio!
- Minimum Watts per Square Foot
- Maximum Longevity
- Maximum Warranty

To learn more about **LINMORE LED LABS** www.LinmoreLED.com. For **LFE Solutions** go to www.LFESolutions.com. Contacts: Frank@LFESolutions.com or Bruce@LFESolutions.com

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Industry News

The eProject Builder (ePB) team hosts regular webinars to introduce ESCOs, ESPC customers and other interested parties to ePB and provide a forum to ask questions. All webinars cover the benefits of using ePB, project workflow, a walk-through of the data template, and a demonstration. Upcoming webinars will be held **Tuesday, September 26th, 1:00pm-2:30pm EDT** and **Wednesday, October 18 from 2:00-3:30 pm EDT**.

To participate in a session, log in to: www.readytalk.com and join the meeting by entering access code 4952370 shortly before the start of the webinar. The call-in line is 866-740-1260, with access code 4952370 (same as the webinar code). If you would like

to receive a calendar invitation, please e-mail epb-support@lbl.gov

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