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NASEO, ESC, NAESCO Join Forces on ESPC Principles and Collaborate with DOE on New ESPC Resources

[The National Association of State Energy Officials \(NASEO\)](#), [Energy Services Coalition \(ESC\)](#), and [National Association of Energy Service Companies \(NAESCO\)](#) joined forces in establishing [principles](#) for strengthening and expanding the use of guaranteed Energy Savings Performance Contracts (ESPCs) to cost-effectively upgrade the performance and energy efficiency of state, local, and institutional buildings and facilities.

As the most successful form of public-private partnership, delivering over \$50 billion of cost-effective upgrades over the last 30 years, ESPCs offer a means for customers to make facility improvements without expending upfront capital while guaranteeing that utility and operational savings more than pay for projects. An estimated \$300 billion market remains for ESPCs to address deferred maintenance, modernize facilities and infrastructure, achieve resource and operational savings, and improve building performance. However, ESPCs can be unfamiliar and seem complex to some agency, municipal, and institutional managers and facility operators. Also, there have been occasional instances where misunderstandings or poor project structuring have led to inadequate outcomes. These have impeded wider opportunities to achieve ESPC benefits.

The [NASEO-ESC-NAESCO Principles](#) seek to strengthen the quality and performance of ESPC projects and confidence in them by clarifying the roles and responsibilities of customers and the energy service companies (ESCOs) that construct the projects. The Principles identify the use of guidelines, standardized documents and methods, technical assistance, strong energy savings measurement and verification (M&V) practices, and robust management and tracking as key to successful projects and programs. State Energy Offices can provide critical support for strengthening ESPC programs and amplifying their benefits.

NASEO, ESC, and NAESCO also participate in a U.S. Department of Energy-led collaborative along with the [Efficiency Valuation Organization \(EVO\)](#) and the

Lawrence Berkeley and Oak Ridge National Laboratories to develop and deliver resources to improve understanding and implementation of ESPCs. These organization have collaborated to develop three resources to be released at the NASEO Energy Policy Outlook Conference on February 7, 2019, including:

- [Understanding Your ESPC Savings Guarantee](#)
- [The Business Case for Applying M&V in State and Local Government ESPC Projects](#)
- [Energy Performance Contracting for State and Local Governments: Strategies for Successful M&V](#)

NASEO, the U.S. Department of Energy, and the other partners in this collaborative are working together to offer these and other resources and technical assistance to states to help them strengthen their state, local, and institutional ESPC programs.

NASEO - represents the nation's 56 governor designated State and Territory Energy Directors and their offices. Formed by the states in 1986, NASEO facilitates peer learning among state energy officials, serves as a resource for and about state energy offices, and advocates the interests of the state energy offices to Congress and federal agencies.

ESC - The Energy Services Coalition (ESC) is a national public private partnership promoting the benefits of, providing education on, and serving as an advocate for the widespread use of energy performance contracting in public and private facilities. The ESC has a network of State Chapters that provide a unique forum in which all stakeholders can work together to address and overcome any barriers which are limiting the effective use of ESPC in individual states.

NAESCO - The National Association of Energy Service Companies (NAESCO) is a trade association representing and advocating for the Energy Service Company industry. NAESCO advocates for the use of Energy Savings Performance Contracts (ESPCs) in renovating, retrofitting and reducing the costs of the nation's building infrastructure.