



Washington State
DEPARTMENT OF
ENTERPRISE SERVICES

Energy Program

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TOPICS BEING COVERED

Overview of ESPC
Energy Program

- PM role
- Types of projects
- Process overview

Decarbonization
Plans (HB 1390)

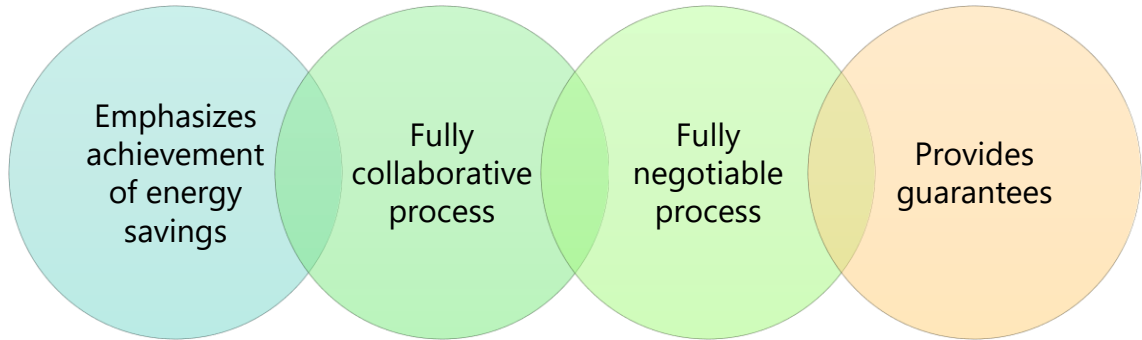
CBA Compliance
Assistance

Summary of EaaS

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WHAT IS ESPC

Energy Savings Performance Contracting (ESPC)



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WHAT IS THE ROLE OF DES?



RCW
39.35 A and C:
Legislative
Authority to
DES



Prequalified
Providers



Project
Oversight



Contractual
Framework &
Coordination

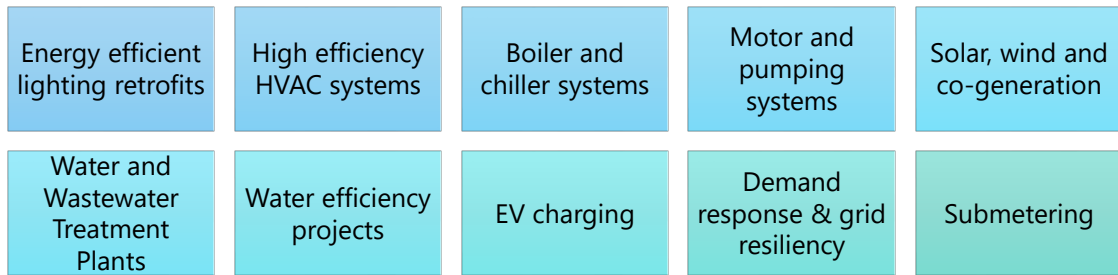


Financial
Transparency

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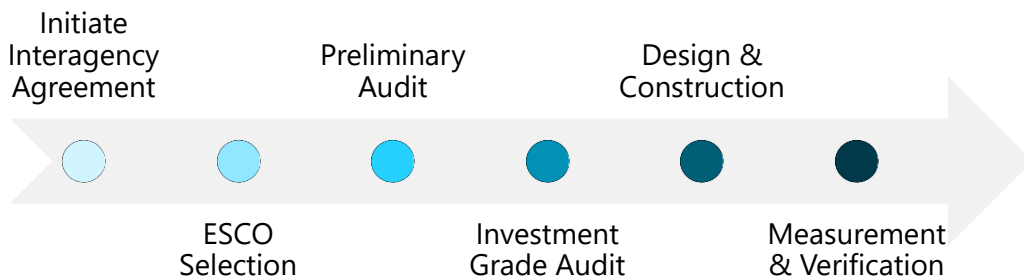
QUALIFYING PROJECTS

Conservation projects resulting in cost savings or benefits:



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SEQUENCE OF AN ESCO PROJECT



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1: INTERAGENCY AGREEMENT



DES initiates an Interagency Agreement (IAA) between the State and the client agency



DES management fee schedule is included in the IAA



The Client signs and DES executes the IAA

Becomes a fully negotiable process at this time per RCW 19.04.170

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2: ESCO SELECTION



DES pre-qualifies Energy Service Companies (ESCOs) every biennium and creates a registry through an RFQ



The client reviews qualifications and chooses the ESCO that is right for them



ESCO Interviews are optional

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3: PRELIMINARY AUDIT

- Walkthrough to identify facilities and systems to study
- Project team determines desired project outcomes
- Client establishes cost-effectiveness criteria
- ESCO provides preliminary audit results
- Project team review list of energy efficiency measures proposed

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4: INVESTMENT GRADE AUDIT & ESP

ESCO and DES sign investment grade audit agreement, Client signs funding authorization.

ESCO conducts detailed site investigation, energy analysis, and cost estimation of proposed scope.

Client may identify preferred subs and equipment.

IGA report delivered identifying energy savings and costing for each measure investigated.

Energy Services Proposal (ESP) outlines scope, guaranteed savings, detailed budget, guaranteed costs, schedule etc. for measures agreed to.

Client and DES review energy services proposal. ESP is basis for construction contract set.

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5: DESIGN AND CONSTRUCTION

- ESCO and DES sign construction contract set
 - Client signs funding authorization and IAA amendment
 - DES issues notice to proceed to ESCO
- Client and DES review design documents
- Project documents prepared by ESCO
- Sub-contractors and equipment selected
- DES PMs provide management and review of construction meetings, invoicing, change orders, substantial completion/commencement of energy savings, closeout, NOC, intents, affidavits, apprenticeship, etc.



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6: MEASUREMENT AND VERIFICATION

- ✓ First year measurement and verification (M&V) is part of every project. ESCO to provide report.
- ✓ Longer term of M&V is recommended for systems which require frequent adjustments, such as controls systems.



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DECARBONIZATION PLANS

- Only applies to campus with a district energy system(s) serving 3 or more buildings and at least 100k sf
- Allows for 15-year time horizon to implement energy efficiency and decarbonize campus facilities
- Must be approved by Commerce
- Updated every 5 years
- Provides compliance pathway for CBA



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CBA COMPLIANCE ASSISTANCE

ESCO staff meet qualification requirements for auditing

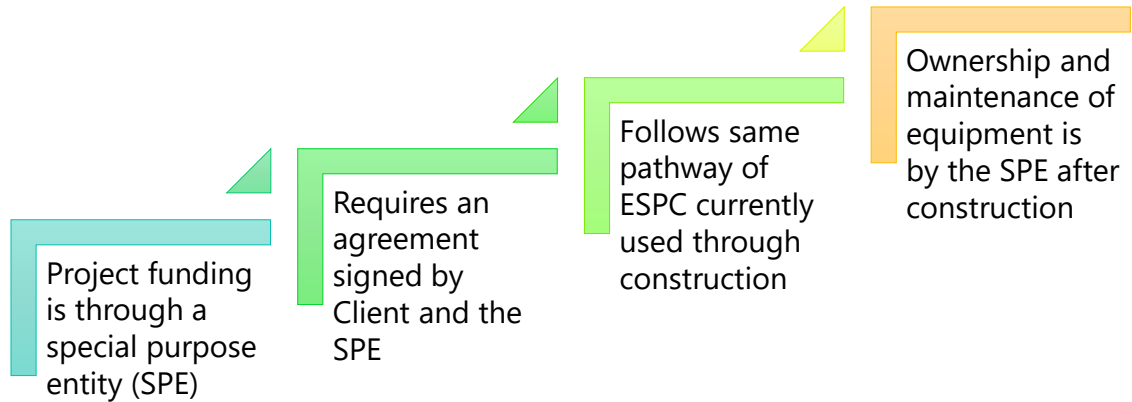
ESCOs are required to validate ESPM data and determine EUIt

ESCO assists in developing energy management and O&M plans

DES Energy requires Level 2 audits

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ENERGY AS A SERVICE



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THANK YOU



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