



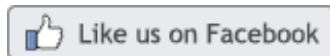
## Energy Services Coalition

**A Public-Private Partnership**

June 2020: ESC Special Report

For Members Only

### News & Updates from our members and ESC State Chapters



## ESC Conference Update



In May, the ESC announced the rescheduling of our 9th Annual Market Transformation Conference. In the past month the ESC has been in discussions with the hotel and the Texas Chapter and are working to finalize plans for holding our next annual conference in Austin the fall of 2021.

Over the past decade the ESC national conference has grown into the premier public-private gathering of practitioners involved in the delivery of GESPC programs, projects, products and services. We thank

our Chapters, members and sponsors for their support of the Market Transformation Conference and helping us highlight the latest technologies and trends in energy efficiency products, strategies and services for performance contracting. We invite you to follow the links below to past conference agendas and to view the presentations of our speakers:

- [2019 ESC Market Transformation Conference](#) Aug 21-23, 2019 - The Curtis, Denver, CO
- [2018 ESC Market Transformation Conference](#) Oct 4-5, 2018 - Georgia Tech Hotel and Conference Center, Atlanta, GA
- [2017 ESC Market Transformation Conference](#) Aug 9-11, 2017 - Green Valley Ranch Resort & Spa, Henderson, NV
- [2016 ESC Market Transformation Conference](#) Aug 23-24, 2016 - Galt House Hotel, Louisville, KY
- [2015 ESC Market Transformation Conference](#) Aug 31 - Sept 2, 2015 - The Westin Charlotte, Charlotte, NC
- [2014 - ESC Market Transformation Conference](#) July 29-30, 2014 - Crowne Plaza Hotel, St. Paul, MN

- [2013 ESC Market Transformation Conference](#) Aug 13-14, 2013 - Grand Hyatt Hotel, Denver, CO
- 2012 ESC Market Transformation Conference (presentations unavailable) Aug 28-29, 2012 - The Loews Hotel, Nashville, TN

Stay tuned as we hope to see you next year in Austin.

## Covid-19 State Updates

Like other segments of the economy, the performance contracting industry is dealing with the impacts of the COVID-19 pandemic. Over the past three months the ESC has reached out to our chapters, state energy offices, equipment suppliers, contractors, and project owners about COVID-related impacts and implications they've encountered.



We continue to receive periodic updates from members and chapters on GESPC projects in their state and we share these updates in the "State Update" section below.

In general, while most states report construction was deemed an essential service and not affected by restrictions to business activities, the public sector was limited in how it was able to participate and as a result numerous projects experienced delays. (Note: States are in various phases of lifting restrictions and as they do the impacts on projects are also changing.)

We ask our Chapters to continue to provide information as we all navigate this unprecedented crisis in real time. Send updates to [info@energyservicescoalition.org](mailto:info@energyservicescoalition.org). We will provide regular reports as we all work our way through these challenging times.

## The Fundamentals of Performance Contracting Training

The ESC remains committed to our mission of providing education on the benefits of GESPC and in the coming weeks we will be conducting new education and outreach efforts. The ESC is holding a live training, "The Fundamentals of Performance Contracting," sponsored by the National Association of State Energy Officials. The training, for NASEO members, is tentatively scheduled for the end of June.



## More to Come . . .

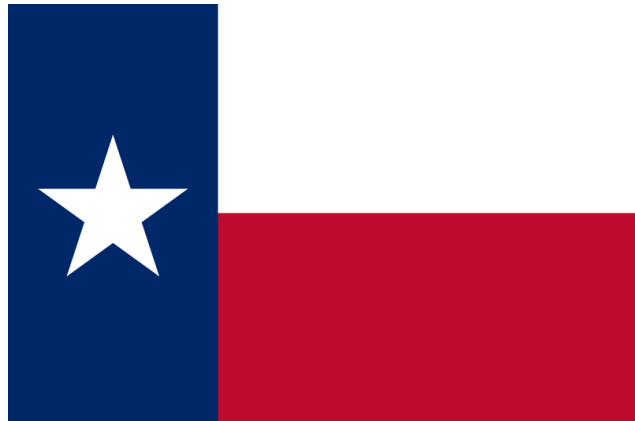
A webinar, "Charting The Path to Success," for all ESC State Chapters, is in the planning stages for July. Additional live training and webinars are in development. In addition, the ESC is the official training partner for eProject Builder hosted and managed by Lawrence Berkeley National Laboratory and sponsored by the US Department of Energy. You can join us for free as the ESC walks

through why and how ePB can work for you. Upcoming eProjectBuilder Introductory Training Schedule and registration links:

- Thu, Jun 11, 2020 1:00 PM - 2:30 PM EDT | [Register here](#)
- Tue, Jun 23, 2020 1:00 PM - 2:30 PM EDT | [Register here](#)

## Update from Texas

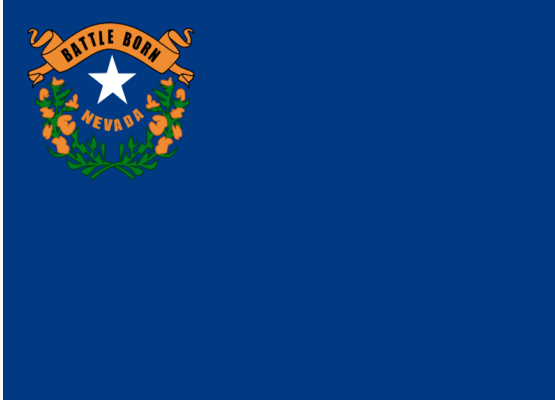
**June 2020:** The Texas ESC Chapter held its quarterly meeting June 3 via zoom. The Zoom platform is consistent with how other workshops and conferences are proceeding in Texas at this time. During the recent quarter the Chapter presented through electronic platforms to the North Central



Texas Council of Governments and the State Agency Energy Advisory Group. Upcoming presentations are planned to Texas Energy Managers Association in September.

After a brief lull in the first quarter, work on projects is getting back to normal. Texas Chapter members are adapting well to the new work environment and are reporting normal or above normal ESPC activities.

In 2019, the Texas Comptroller of Public Accounts issued a notice to state agencies and institutions of higher education encouraging the use of Guaranteed Energy Savings Performance Contracting (GESPC) citing the success of the Texas Facilities Commission (TFC) contract. Recently, The TFC has achieved \$624,293 in measured cost savings in four existing state facilities under a 2018 GESPC. Phase two of the TFC project is underway and will retrofit around 800,000 square feet in nine state facilities. TFC expects to achieve \$237,800 in annual cost savings. Two additional TFC projects totaling 4.5 million square feet are in development. Financing for these and other public energy and water conservation projects is provided through the LoanSTAR (Saving Taxes and Resources) Revolving Loan Program operated by the State Energy Conservation Office (SECO).



## Update from Nevada

**May 2020:** The state has two projects in the active stage - and one school in the construction phase. Since the school was closed because of Covid-19, it enabled the ESCO to move forward with construction without interruption. Another project has completed the preliminary phase but has not yet signed a contract

and is running up against deadlines for the contract signing and is in jeopardy of not moving forward.

## Update from Kansas

**May, 2020:** For the most part projects under consideration when the pandemic hit have been put on hold.



Construction continued without interruption for one project and is nearing completion. Several other projects were recently completed and are in the M&V phase. Before the pandemic, there were four projects in the development phase (i.e., scheduling walk-thru, etc); now all four are on hold including one school district that is paused waiting to figure out what the school situation will be in fall and whether they will still be conducting classes online. ESCOs operating in the state have reported layoffs and pay cuts.



## Update from Colorado

**May, 2020:** Although construction did not stop in Colorado as a result of the Covid-19 pandemic -- one project is on hold right now. The project on hold, a community college, is planning to move forward. The pause was the result of a

cancelled board meeting. The GESPC was on the board agenda scheduled for action in March but was delayed because of the pandemic. Other projects in the development phase were also paused but are beginning to move forward now.

The Chapter is exploring conducting webinars in place of in-person workshop presentations that were in the planning stages.

At the State there is increased interest in GESPC as rates for funding for projects are at or near historic lows. The State is contemplating \$500 million for all construction projects. But budgets overall are being impacted with Higher Ed hit the hardest. The State is implementing a 10% budget cut this year, and



a 10% cut next year because of the impacts of Covid-19 on revenues.

## Update from New Mexico

**May, 2020:** There are a number of GESPC projects under construction in the state. Some projects were vacated and worked stopped, while work moved forward and even accelerated on others.



The IGA process was impacted the most as there has not been a new IGA initiated since the emergency was declared in March. Four IGAs in process continue although slowed, with the hopes of completion in the next few months.



## Update from Nebraska

**May, 2020:** As a state, Nebraska has limited GESPC activity. The state has been doing outreach to educate public schools and other government entities on GESPC. The progress on projects currently in development has not been shared with the state

energy office. Nebraska does have a state energy loan program that can provide financing for GESPC projects.

## Update from Delaware

**May, 2020:** All current GESPCs are wrapping up and finishing final phases of the projects. Construction has been completed and they are going through the balancing and commissioning stages of the project required for issuance of certificates of completion. In general, GESPC projects did not appear to have been seriously impacted as a result of COVID-19 as projects even in the design and development stages continued.



As a state, Delaware is in the Phase One of the reopening process and some employees are returning to the office after working from home for the past couple of months. Where and when employees can, they are encouraged to continue to work from home. Many construction jobs continued since the onset of the pandemic as long as the work could be performed in a safe manner as it relates to Covid-19.

## Update from North Carolina

**May, 2020:** The North Carolina ESC



Chapter was most surprised by the flexibility of the MUSH market leaders in rapidly converting to digital operations, while continuing to serve the state's communities with excellence in education, healthcare, food service, and other necessary means.

Although many of government facilities were immediately closed, many facilities departments did not have the ability to instantly change their building automation systems to unoccupied mode. For many government units, due to having outdated controls or only stand-alone thermostats, it took weeks to change over their systems, if they changed them at all. As a result, many government units were unprepared to capitalize on the potential savings that could have been captured during the shutdown.

NAESCO released data showing public buildings only reduced their consumption by 5% during the shutdown. This missed opportunity to save could have helped to offset unforeseen expenditures caused by COVID-19, such as cleaning/medical supplies, food service, and digital learning tools. These increased costs, in addition to declining tax revenues, are expected to significantly impact funding for government units for at least a couple of years.

In response to the shutdown, the ESCOs with active GESPCs in North Carolina proactively reached out to their customers to offer support in shutting down their buildings, preventing humidity during the shutdown and season change, and actively discussed how this shutdown will impact construction or measurement and verification for each individual project. This helped provide transparency to all of the governmental units and build confidence in GESPC in North Carolina.

For all upcoming borrowings, including GESPC, the State Treasurer's Office is asking each unit of government to fill out a questionnaire about COVID-19's projected impact to their revenues and how it may impact their ability to pay off any debt. GESPC is uniquely positioned in North Carolina, a state where projects have to be self-funding, because savings to current expenditures are used to pay off 100% of the debt and not tax revenue. This means GESPC has much lower risk than typical installment financing contracts, and does not result in asking taxpayers to raise taxes when many families are struggling during this economic downturn.

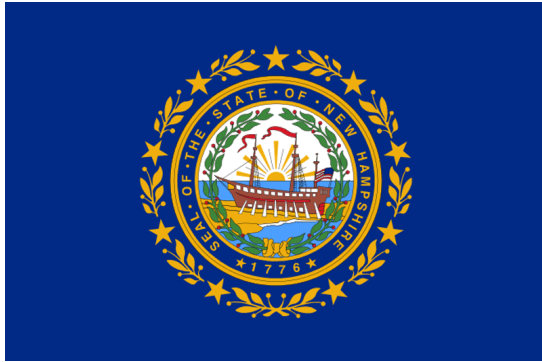
The State Chapter is having a meeting on Tuesday, June 9, 2020.

## Update from Montana

### May, 2020:

Montana is in Phase One of its reopening plan and the state is slowly starting the process of returning to normal. For the most part the construction industry

continued to work throughout March, April and May, but on the downside there wasn't a lot of project work. The limited number of projects included mainly schools and educational institutions, as commercial construction in general was negatively impacted. Currently a couple of performance contracting projects are still in process and in discussions but there hasn't been any new project RFPs issued during the past few months. Statute requires the notification of the State Program for GESPC projects but there have been no notifications as of late.



## Update from New Hampshire

**May, 2020:** The newly formed New Hampshire ESC Chapter held its second meeting on March 11, 2020. The Chapter was working on plans for outreach and education, and getting the word out about the new chapter. As a result of the pandemic these plans have been put on hold. All conferences and events in New

Hampshire have been postponed or cancelled.

State of New Hampshire GESPC projects continued with construction but did experience some delays due to subcontractors closing down and supply chains being interrupted. Construction practices have changed slightly, although some work is going more smoothly and quicker due to sparsely populated facilities. One project is scheduled to wrap up construction this month and another in March 2021. However, the state's next RFP is on hold until such a time when it can bring ESCOs through their buildings again to provide proposals. K12 has been especially challenged with the plan of getting students back to school safely and maintaining a safe, comfortable environment dominating planning efforts.

On the private side, ESCOs have been engaged in more outreach and education and extensive training on remote viewing platforms like Microsoft Teams and Zoom and when customers request scheduling face to face interaction. Reports of companies conducting weekly webinars for building operators and managers with the focus being on discussions about the challenges to opening and maintaining their buildings going forward and the challenges faced both operationally and financially.

Customers that have projects in development are moving forward cautiously as everyone adjusts to new ways of communicating.

Cost of money is at an historic low and Chapter members expressed it will take performance contracting types of projects to re-engage local vendors and start putting investment back into the economy.

## ESC Website Modernization

## Update

**June, 2020:** The ESC website modernization effort continues with a late summer launch planned. We are looking for contributions of project related photos for possible inclusion on the new site. Please send any photo for consideration to [info@energyservicescoalition.org](mailto:info@energyservicescoalition.org). Photos must be royalty free and to be considered permission for usage must be given at the time of submission.



## ESC Website Resources

**June, 2020:** The ESC resources remain available during "website construction." Materials include a variety of educational pieces for Chapters, state program managers, facility owners and private sector contractors and suppliers. We encourage our members to visit our [resource](#) offerings. Also, we have an easy to use [case study submission form](#) for members to upload a project pdf to the database of case studies.

