


## The ESCO's Role in Energy Performance Contracting

**Presented by the Energy Services Coalition (ESC)**

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 Siemens



## Colorado ESC Chapter

**Mission**  
 To promote the benefits of, provide education on, and serve as an advocate for the widespread use of energy performance contracting in public and private facilities.

**The diverse membership of the ESC provides a unique opportunity to:**

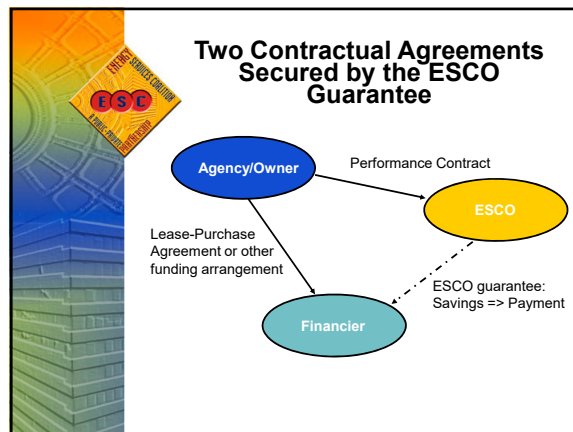

- Provide independent third party information and education
- Identify and overcome barriers in Colorado



## Your ESCO Partner


A qualified ESCO combines multiple disciplines into a turnkey approach for your Energy Performance Contract including:

- Identification/evaluation of project opportunities
- Financing and other funding sources (grants/rebates, etc)
- Installation, project commissioning, and construction management
- Measurement and verification of energy savings
- Staff and building operator training
- A savings guarantee that covers the cost of the total project

## Energy Performance Contract Scope

- LED interior and exterior lighting systems
- Building automation system upgrades
- HVAC system improvements
- Boiler replacements
- Plant improvements
- Renewable energy systems
- Landscape irrigation
- Plumbing fixture replacements
- Commissioning
- Utility rate adjustments
- Building envelope – windows, roofs, doors



## A Typical Project Includes Bundling these Measures

<b>Typical Payback of 13+ yrs</b>	Larger Capital Improvements, Lower Savings or Return Items • Major mechanical replacements (ERV, AHUs, boilers) • Capital improvement item priority list • Central plant and/or heating & cooling system replacements • Renewable technology
<b>Typical Payback of 7-12 yrs</b>	Medium Capital Cost, Medium Return/Payback Items • Wastewater and water process optimization & reductions • Safety & environmental controls • Water conservation & irrigation
<b>Typical Payback of 0-6 yrs</b>	Lower Capital Cost, High Return/Short payback Items • Interior and exterior lighting, controls, HVAC • VAV/VRD retrofits • On-site Energy Manager, retro-commissioning


**Combined Projects**  
 Typical EPC Program Term - 10 to 20 yrs.




## Financing & Funding Your Project

- Lease-purchase finance agreement where savings meet annual payments
- Other financing sources (bonds, COPs)
- Internal "borrowing"
- Supplemental funds for cash infusion to expand the project funding and scope (utility rebates, grants, in-house funds, etc.)
- Blend lease-purchase financing with supplemental funds
- ESCO facilitates financing but does not profit from financing


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## ESC / CEO Collaboration



- CEO membership in ESC (CO chapter and National)
- CEO officer posts in ESC (Co-Chair; Outreach Committee; Water Subcommittee).
- Shared participation in EPC contract development and updating
- ESC meetings as a forum for ongoing coordination



## Questions?

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