

ESCO Association Perspective

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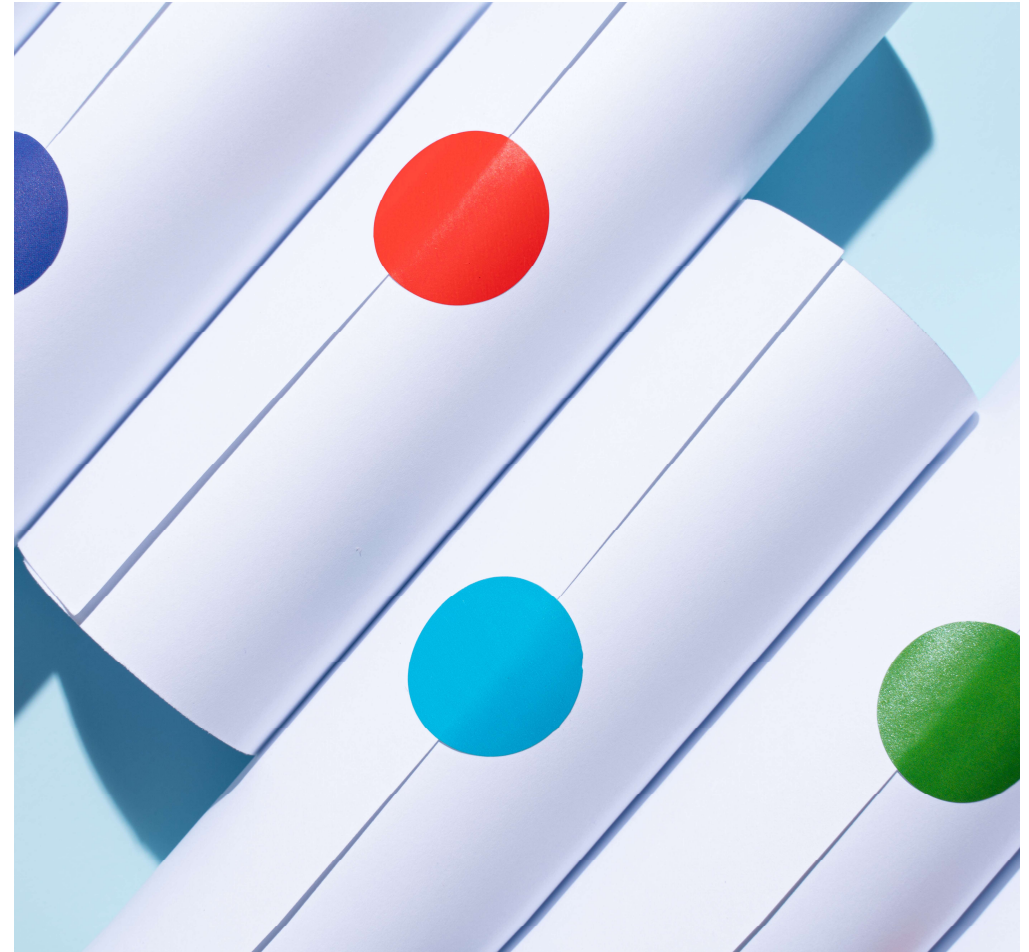
What is the ESCO Association Role in Policy?



- Forming laws that support the industry
- Shaping programs that structure the process
- Training participants in their roles and duties
- Maintaining market integrity
- Defending laws that are threatened
- Rebuilding programs that degrade

Forming Laws that support the industry

- In the United States, each state and the Federal Government must have laws that allow the contract for energy savings funding capital replacements
 - Within a state, there may be several laws
 - K-12 Schools
 - Universities
 - Local Government
 - State Government
 - Withing the Federal Government, there also may be several laws
 - Veterans Affairs
 - Housing Authority
 - Department of Defense
- As the industry is changing, the ESCO association must develop and gain approval of new laws to support new industry structures
 - Sustainable Capital Improvement Program (SCIP)



Shaping Programs that Structure the Process

- Once laws are passed, the ESCO association must monitor the programs that are developed to support the laws that were passed
 - In the United States, each state has their own program and process for how energy based projects are developed and delivered
 - The Federal Government also has unique processes for each branch of government
- Adoption of Standard Contract Forms
- Use of Commonly accepted Measurement and Verification methods (IPMVP, FEMP M&V)
- Support of data gathering tools (eProject Builder)
- These programs can be supportive of the ESCO industry or damaging to the ESCO industry.
- The ESCO association's role is to engage with these programs to smooth out challenging process components.



Training Participants in their Roles and Duties

- In the United States, there are several sources of training. NAESCO works with these various organizations to ensure their training is developed well and is appropriate, rather than re-creating these training modules
 - United States Department of Energy
 - State and Community Energy Programs
 - Performance Contracting resources available to state governments
 - Federal Energy Management Program
 - Performance Contracting National Resource Center – a compendium of tools
 - Owners Representative Certificate – 18 hours of training on energy contracts
 - Energy Services Coalition
 - Guaranteed Energy Savings Performance Contracts University – a blog series
 - Standard Contract Development
 - National Association of State Energy Officials
 - Energy project resources
- NAESCO runs a monthly webinar series open to anyone that highlights energy savings technologies and services available to the industry and runs live events with policy speakers.



Maintaining Market Integrity

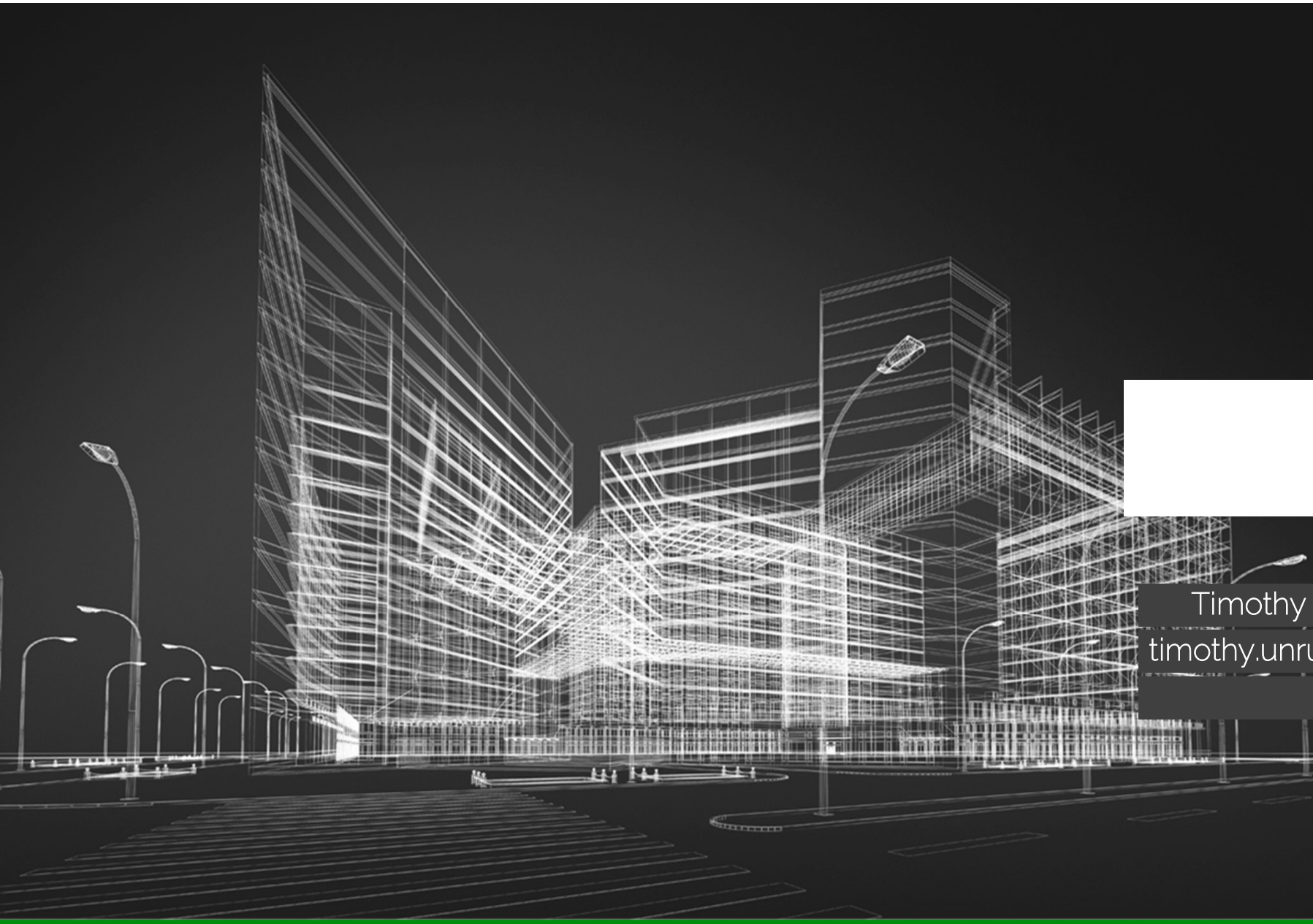
- Market integrity is impacted in several ways
 - Projects that construct poorly
 - Projects that do not perform in energy savings
 - Projects procured improperly
 - Perception of any of the above, even when nothing has gone wrong
- Accreditation
 - NAESCO maintains a rigorous accreditation program that requires ESCOs to provide substantial customer references and project information to maintain a 3-year accreditation
- Ombudsman
 - NAESCO maintains an ombudsman process where customers and ESCOs can report issues they feel could impact industry integrity



Defending and Rebuilding

- The ESCO industry is threatened by many different sources
 - Contractors that compete against ESCOs (Architects, General Contractors, etc.)
 - Elected and career officials that have a personal preference against ESCO work
 - Reinterpretation of existing laws or programs
- In each of these cases, the ESCO association must mount a defense along with its members for each case
- In many cases, after a threat, the industry is damaged and unable to perform at prior levels
- The ESCO association must engage to clarify the laws, rebuild the program and re-educate those involved to enable a new vigorous market.
- The effort is like a chess game...moves and counter-moves...





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