

*There is plenty of information on performance contracting.*

- For a more detailed set of ESPC guidelines with a sample RFQ:  
[www.seco.cpa.state.tx.us/sa\\_performcontract.htm](http://www.seco.cpa.state.tx.us/sa_performcontract.htm)
- For Federal energy and water efficiency information:  
[www.eren.doe.gov/femp](http://www.eren.doe.gov/femp)
  - For more about Energy Services Companies:  
[www.naesco.org](http://www.naesco.org)
  - For more about energy efficiency through performance contracting:  
[www.wrcperform.org](http://www.wrcperform.org)
- For additional programs and help:  
State Energy Conservation Office:  
[www.seco.cpa.state.tx.us](http://www.seco.cpa.state.tx.us)  
  
Rebuild America:  
[www.eren.doe.gov/buildings/rebuild](http://www.eren.doe.gov/buildings/rebuild)

An internet search for *energy savings performance contracting* or *energy efficiency* will produce numerous results.

For more information contact:

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## A Quick Look

at **Energy Efficiency**

through  
**Performance Contracting**

for **Local Governments**

**CAROLE KEETON RYLANDER**  
Texas Comptroller of Public Accounts

# Ask Yourself These Questions

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- 1 Would you like to reduce your energy and water bills by up to 20%?** Performance contracting can do that in most facilities.
- 2 Do you know how you use the electricity and water that you buy?** If you don't know how you use your energy and water, you're probably wasting amounts of each. Getting a handle on how you use energy and water will help you manage those resources and negotiate the best rates possible.
- 3 Do you measure the energy and water you buy?** Probably not. 15 minute intervals is the kind of data you'll need to verify savings and develop an effective load profile. There is a saying that you can't manage what you can't measure.
- 4 Would you like to improve the in door air quality of your facilities?** Improved in door air quality can result in better productivity and decreased health insurance rates.
- 5 Do you have deferred maintenance or capital items you can't afford to address?** Everyone does.

*If you think you can't afford to do any of the above, read on...*

# Energy Savings Performance Contracting 101

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Performance contracting is a construction method resembling "design-build" or "construction manager at risk". The retrofits are paid for by the savings they generate.

## Some facts:

- Authorized by Texas law.
- Energy and water savings are guaranteed.
- Completely turn-key.
- Savings cover all project design and implementation costs.
- Contract may be up to 15 years in length.

## What you can address:

- Almost any project that reduces your energy or water use is allowed.
- Can even replace old capital items such as chillers.

## What it means to you:

- Lower energy and water bills.
- The use of new equipment now.
- Better working conditions.
- Avoid asking taxpayers for additional tax dollars.
- Be environmentally friendly.

# Getting Started

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- 1 Put a team together.** This should include fiscal, procurement, legal, facilities personnel, your energy manager, and decision makers.
- 2 Issue a Request For Qualifications.** This is a professional services contract. A sample RFQ can be found on the SECO website. (See address on back page)
- 3 Have a preliminary energy audit done.** Many Energy Service Companies will do this for you, or the Rebuild America program can help with this.
- 4 Select an ESCO.** After you get your responses to the RFQ, interview at least two respondents. Companies will all have a different approach.
- 5 Develop a Resource Efficiency Plan.** This can act as your blueprint and will be the basis for the performance contract. A sample State Agency REP can be found on the SECO website.
- 6 Negotiate Contract.** The savings must be guaranteed and verified.
- 7 Secure Financing.**
- 8 Sign Contract.**
- 9 Begin Retrofits and manage contract.**
- 10 Enjoy the savings.**