



Performance Contracting Program

Program Overview

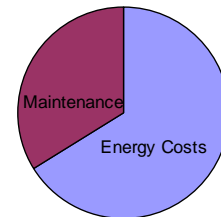
The Governor's Energy Office (GEO) offers the *Performance Contracting Program*. Through this program, GEO works closely with facilities managers and owners to improve the energy efficiency of existing buildings.

What is Performance Contracting?

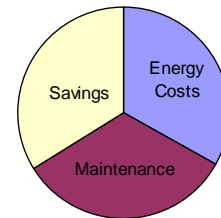
If you own or manage a building, energy performance contracting is an affordable way to make investments in new energy-efficiency equipment. You can make the upgrades you need now - with no up-front capital - and pay for them later through the energy savings that result. You benefit immediately, getting new equipment, expertise from energy service professionals, ongoing maintenance services, and the ability to accomplish many projects all at once. Best of all, these savings can be guaranteed.

Here's how it works: You enter into an agreement with a GEO approved private energy service company (ESCO). The ESCO will identify and evaluate your energy-saving opportunities and then recommend and install a package of improvements to be paid for through the savings. The ESCO will guarantee that savings meet or exceed annual payments to cover all project costs, usually over a contract term of 10-20 years. If savings don't materialize, the ESCO pays the difference, not you! Additionally, GEO is working to take performance contracting to the next level by encouraging the incorporation of renewable energy into these projects whenever possible. To simplify the performance contracting process and to ensure the highest level of quality, GEO has pre-approved 11 ESCOs to implement performance contracts in Colorado. A list of all the pre-approved ESCOs can be found at www.colorado.gov/energy.

Before Improvements



After Improvements



Is Performance Contracting Right for You?

Do you have?

- High utility bills
- Limited budget resources
- Insufficient energy management expertise
- No recent upgrades to lighting or controls
- Recurring maintenance problems or high maintenance costs
- Comfort complaints

How GEO Can Add Value to Your PC

GEO will provide program partners with the following support:

- Performance Contracting Specialists to help you navigate the PC process
- Technical experts to assess project feasibility and verify energy savings
- Financing advice
- Sample contract documents
- Trainings on energy efficient management practices
- Monitoring and Verification plan consulting



Performance Contracting Program

The Five Steps of Successful Performance Contracting

Step 1: “Introductory Stage” Make sure performance contracting is right for you & get the “Go” decision

GEO will: Provide technical consulting to help you determine the feasibility of a performance contract; Meet with important decision makers to get them on board.

Step 2: “Secondary Selection Process” Set the stage for your project and competitively select an ESCO

GEO will: Educate your ESCO selection committee; Provide recommendations for ESCO selection criteria; Assist you in soliciting the ESCOs you wish to interview; Participate in ESCO interviews; Serve as an advisor throughout the selection process; Remain neutral and unbiased on ESCO selection and will not be a scoring member of the evaluation committee.

Step 3: “Technical Energy Audit” Undergo an investment grade audit and develop a monitoring and verification plan

GEO will: Meet with you and your ESCO to develop the project to ensure there is clear agreement on intent, ESCO's proposed service and GEO's ongoing involvement; Provide a Colorado state-approved Technical Energy Audit Contract; Assist in developing and negotiating final contract terms; Ensure that terms and expectations are incorporated in the contract; Provide independent reviews of audit agreement; Provide ongoing technical and contractual support throughout the audit phase; Review all energy and cost calculations for reasonableness; Review and help develop the monitoring and verification plan; Advise on your final acceptance of the Technical Audit.

Step 4: “Performance Contracting” Use GEO's energy performance contract

GEO will: Provide a Colorado state-approved model Energy Performance Contract; Meet with your legal and facilities team to review the general conditions of the contract; Ensure the Performance Contract meets all terms set forth in the Audit and meets all technical, financial, and legal requirements of the state or local government; Assist you in negotiating a contract that meets your needs; Include a third-party independent contractor to be supported through savings to review annual monitoring and verification reports; Provide GEO's Monitoring and Verification Guidelines that were co-developed with Colorado ESCOs; Assist in developing a mutually acceptable final savings Monitoring and Verification plan and ensure it is incorporated into the performance contract; Provide on-going support during the construction phase as necessary.

Step 5: “Monitoring & Verification” Get independent reviews of annual energy savings reports

GEO will: Provide advice on how to get your own expertise for annual independent review of energy savings reports. (Note: GEO will not provide dispute resolution but can help assess if you have grounds for a dispute.)

Sponsorship Opportunities

GEO is eager to engage with owners and facilities managers throughout the state for the implementation of GEO's *Renewables in Performance Contracting Grant*. Participants may receive grant funding from GEO to incorporate renewable energy into a performance contract and a 100% matching contribution is required.

How to Participate

If you are interested in GEO's *Performance Contracting Program*, complete and submit the Interest Form available at www.colorado.gov/energy. Submission of the Interest Form does not commit you becoming a partner with GEO, but rather informs GEO that you are interested in scheduling a follow-up meeting to discuss the program in more detail.

For More Information:

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