



Central Arkansas Energy & Environment Innovation

Implementation Grant

Energy Savings Performance Contracting
Grant Application Workshop

AGENDA

1. Welcome
2. Introductions
3. What is Energy Savings Performance Contracting?
4. Key Terms
5. ESPC Process & Options
6. Metroplan Pass-Through Grant Opportunity
7. Other Resources
8. Q&A

What is Energy Savings Performance Contracting?

A financing method where an Energy Service Company (ESCO) implements energy efficiency projects, and the customer pays for them with the savings generated from reduced energy costs.

Example Projects

- Upgrading lighting systems to LED fixtures
- Installing energy-efficient HVAC systems
- Implementing renewable energy projects (solar, etc.)
- Implementing building automation/control systems
- Deferred maintenance (windows, roofs, insulation, envelope sealing)

Key Terms

ESPC: Energy Savings Performance Contracting

ESCO: Energy Service Company

IGA: Investment-Grade Audit (assessment of building to identify energy-saving opportunities)

AEO: Arkansas Energy Office

RLF: Revolving Loan Fund (available through AEO)

EECBG: Energy Efficiency and Conservation Block Grant (federal funding, has grants available to pay for IGAs)

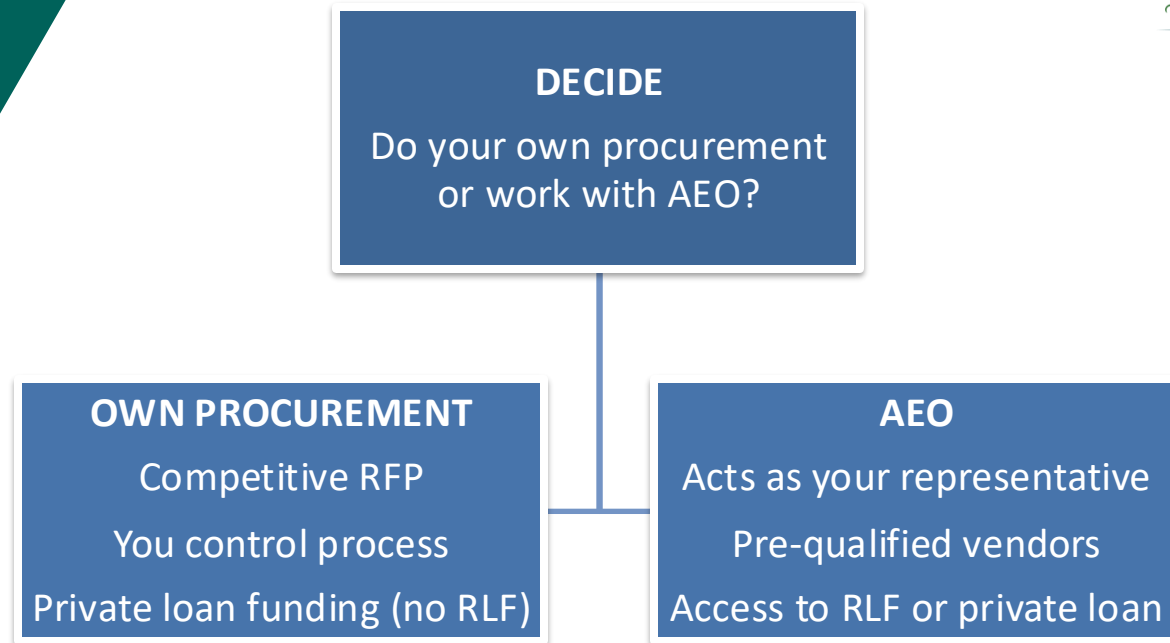
M&V: Measurement and Verification (process to assess and quantify energy savings from energy efficiency projects, ensuring that the expected savings are actually achieved)

Guaranteed Savings: The ESCO guarantees a specific level of savings, and if the savings are not achieved, the ESCO makes up the difference

Cost-Positive: Investments in energy efficiency yield long-term cost savings, offsetting the initial investment

\$/MTCO_{2e}: The dollar cost of the project per metric ton of carbon dioxide or equivalent emissions reduced by the project (CPRG's main evaluation criteria)

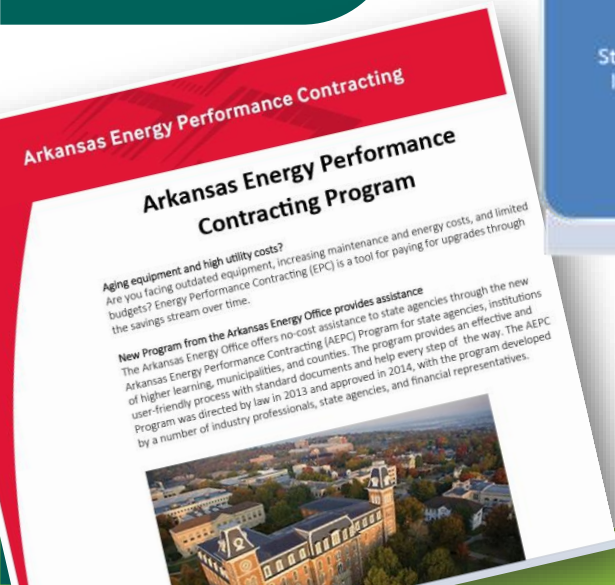
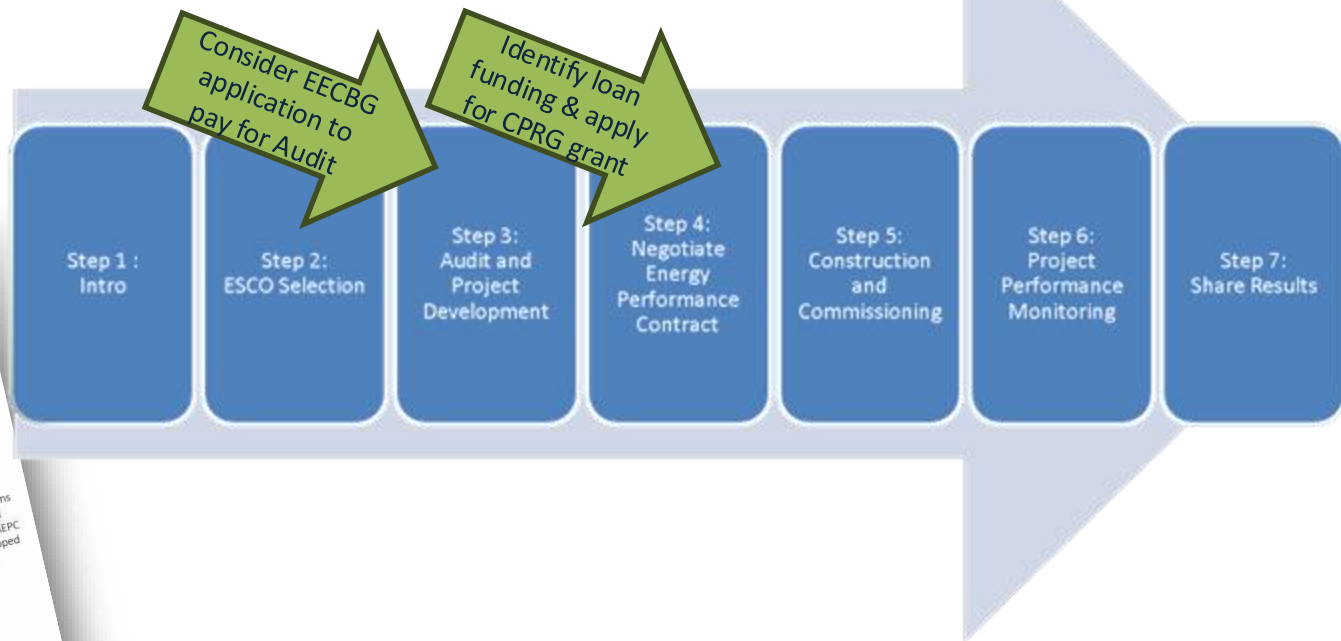
ESPC Options



Caution! If you have already independently procured an ESCO, you can not enter AEO's program or access RLF.

ESPC Grant Workshop

ESPC Process



Source: <https://www.adeq.state.ar.us/energy/initiatives/performance.aspx>

Important Links



- **Metroplan ESPC Grant Application**
Outlines application deadline and requirements
<https://www.jotform.com/form/243034793760156>
- **Arkansas Energy Office – Arkansas Energy Performance Contracting (AEPC)**
<https://www.adeg.state.ar.us/energy/initiatives/performance.aspx>
- **Arkansas Energy Office - Arkansas Small Cities and Counties Energy Efficiency and Conservation Block Grant (EECBG)**
<https://www.adeg.state.ar.us/energy/initiatives/eecbg.aspx>

Caution

Federal Funding!

- Must meet federal procurement regulations
- Must meet BABA and Davis-Bacon requirements, unless exemption exists
- If “braiding” federal funds, total funding must not exceed total project cost and funding agencies must be informed
- Any required non-federal cost share may not be met with any other federal grant funds

Program Limitations

- IGAs valid for 7 years
- 20 years or less repayment period required (average: 17 years)
- Approx. \$4 million currently available in AEO’s RLF

Next Steps

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- **Contact Metroplan Energy Ambassador, Brittany Nichols, to discuss project ideas**
Not required, but recommended
bnichols@metroplan.org
501.372.3300
- **Submit Metroplan ESPC Grant Application by May 30th, 2025**
Even if you have not begun the ESCO procurement process yet

Energy Savings Performance Contracting Grants	
Present application for board approval	3/26/25
Application period (3/27/25 - 5/30/25)	Deadline: 5/30/25
Application workshop	4/9/25
Application review	Jun - Jul '25
Present recommended awards to board	7/22/25
Sign subaward agreements	Aug - Sept '25
Project implementation	Upon Subaward



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Q&A



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Thank you!

