



# 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)







**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

**\$/MTCO2e:** 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**



ESPC Grant Workshop

#### **DECIDE**

Do your own procurement or work with AEO?

#### **OWN PROCUREMENT**

Competitive RFP

You control process

Private loan funding (no RLF)

#### **AEO**

Acts as your representative

Pre-qualified vendors

Access to RLF or private loan

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







Arkansas Energy Performance Contracting

Arkansas Energy Performance Contracting Program

Aging equipment and high utility cods?

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funding & apply
for CPRG grant application to pay for Audit Step 3:

Step 2:

**ESCO Selection** 

Step 1:

Intro

Audit and Project Development

Step 4: Negotiate Energy Performance Contract

Step 5: Construction and Commissioning

Step 6: Project Performance Monitoring

Step 7: Share Results

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







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



### **Caution**



## ESPC Grant Workshop

#### **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

## ESPC Grant Workshop

- 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 30<sup>th</sup>, 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





Q&A





## Thank you!