Introduction – NAESCO

Project financing for building retrofit

Introduction

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About NAESCO

Partnering today for a more efficient tomorrow

- The National Association of Energy Service Companies (NAESCO)
- A non-profit trade association advocating for the energy service company market
- In existence since 1983

- Membership of 128 Companies
- Home of the only Energy Service Company (ESCO) Accreditation
- 34 Accredited Companies
- ESCO market is about $7 Billion per year

NAESCO Accreditation

Accreditation simplifies ESCO selection

- Accreditation provides assurance of a high-quality provider of energy service work.
- Authorities selecting energy service companies should prioritize selection of accredited companies.
- Can be accomplished by:
  - Requirement of accreditation to respond to RFP
  - Preferential scoring of accredited applicants

- Accreditation is in 3 categories
  - Energy Service Company
    - An ability to provide energy services in a turn-key project approach, with the ability to repay investment with guaranteed savings.
  - Energy Service Provider
    - Adds the ability to provide supply-side services to an Energy Service Company such as building or contracting for energy supply.
  - Energy Efficiency Contractor
    - An ability to provide some, but not all of the services of an Energy Service Company.
Pathways to High Performance Buildings

Retrofit or Build-New

Total Buildings Represented in Chart: 5.6 MM

Total buildings at least 12 years old in Chart: 4.5 MM

Thus, 80% of buildings in Chart >12 Years old

Our quest to achieve high performance buildings must have a focus on existing building retrofit as well as new construction.

The 5.6 MM Buildings equates to about 97 B Sq. Ft.

The Funding Types are:
- EPC – Energy Performance Contracting
- Cash – just what it means!
- Grants – Direct Payment or Incentive Payments
- Incentive – Likely through a Utility Program
- PACE – Property Assessed Clean Energy
- ESA/MESA – A type of Energy Service Agreement

The left side represents the sq. footage and its breakdown of building types.

The right side represents how to fund a retrofit of the left side building group.

Pathways to High Performance Buildings

Upon Which Buildings do we Focus?

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Pathways to High Performance Buildings

Conclusions

- Large Buildings are EASIER to address as their project size draws investors
- Small Buildings must be PROGRAMMATICALLY addressed to lower the cost of taking action
- PACE Financing has significant potential to help address private buildings of ALL SIZES
- Utility Incentives also have significant potential to address private buildings of ALL SIZES
- Public Buildings are about 25% of all buildings by square feet
- Public Buildings can be addressed using Energy Savings Performance Contracts

- The Pathways to High Performance Buildings must include an examination of retrofit potential, and a discussion of how we finance all sizes and types of buildings. Each grouping will have a certain favorable program and financing approach.