The Pennsylvania Treasury announced the creation of a Sustainable Energy Bond Program to provide legal and technical assistance, as well as low-cost capital, for energy improvement projects in the public sector. Under the Sustainable Energy Bond Program, participating organizations will receive free energy audits from ESCOs. Once potential projects have been identified and the public sector entity decides to proceed, bonds will be issued to finance the improvement work. By aggregating the projects, participants will receive better financing terms. The energy cost savings from the project will be used to finance the bond.

Virginia, Georgia and Kentucky were awarded nearly $500,000 by US DOE to work together to develop a consensus approach regarding EM&V protocols that could help states integrate ESPCs into compliance plans for EPA's proposed Clean Power Plan. Grant recipients will convene energy offices, utilities, clean air agencies, regional EPA officials and other stakeholders in this project. The states will document and standardize their work to facilitate adoption by other statewide ESPC and public, federal, or commercial facility retrofit programs.

DOE and LBNL rolled out its new eProject Builder Database at the NAESCO conference in mid-November. The web-based system enables ESCOs and their contracting agencies to upload and track project-level information, generate reports, and benchmark new ESPC
projects against historical data. This database is seen by end-users as a way to promote customer confidence through transparency. It standardizes data collection across local, state and federal government agencies with the potential to reduce transaction costs.

#11 NV Awards IGA Grants To Kickstart ESPC Projects

Nevada Governor’s Office of Energy awarded incentive grants to local governments to implement ESPC projects. The Nevada ESPC program awarded grants to the Cities of Reno and Sparks totaling $150,000 to cover the cost of a financial grade audit of their water treatment facility. The resulting $24 million dollar ESPC will annually save the cities $1.1 million dollars and reduce their energy consumption by more than 5.8 million kWh per year by improving operations and equipment.

#10 ESPC Standardized Contract Templates Updated

During the first half of 2014, US DOE led an initiative with industry and stakeholders to update the ESPC standardized templates. The result is a refined and streamlined set of model contract documents for use in both state and local governments. DOE introduced the new documents through its new State ESPC Accelerator Program. The State Accelerator is modeled after the FEMP effort to generate $2 billion in projects through ESPC. The ESPC Accelerator’s goal for state and local governments is a target of $2 billion in projects by 2016.

#9 GA DOC Implements 1st State Agency ESPC

The Department of Corrections became the first state agency in Georgia to implement a guaranteed energy performance contract. Their $4.5 million contract at Buford State Prison will result in nearly $500,000 avoided costs per year and a 97 percent reduction in water use. The ESPC was executed with assistance from the Georgia Environmental Finance Authority’s ESPC program. The ESC provided technical assistance to GEFA to establish its state program.

#8 NY Green Bank Unleashes Private Financing For Energy Efficiency

Governor Andrew M. Cuomo launched an expansive effort to improve energy efficiency in New York state. A new state Green Bank is a critical piece of this energy initiative. The NY Green Bank is designed to unleash the power of private sector energy financing. The Green Bank’s $1 billion capitalization could produce as much as $8 billion of additional private sector investment in clean energy projects over the next ten years. As part of this initiative, a new ESC Chapter was launched in New York state to help grow retail energy services and help expand energy efficiency business opportunities through support of the
Although energy storage development is considered to be about where solar energy was five years ago, the technology is rapidly evolving. Storage technologies can now store electrons from utility-level to the building-level with either grid backup, or they can operate independently of the grid. In 2014, California became the first state in the nation to mandate its investor-owned utilities add energy storage capability to its grid by decade's end.

A $150 million ESPC aimed at cutting energy use by about 50 percent at Hawaii's airports is being featured as a "Showcase Project" under an agreement between the U.S. Department of Energy and the Hawaii Department of Business, Economic Development and Tourism. The efficiency gains equate to $518 million savings in energy costs over 20 years. Former Gov. Neil Abercrombie unveiled the large ESPC for the Department of Transportation's (DOT) Airports Division late last year with work beginning in early 2014. The DOT ESPC is about more than just energy efficiency - it was also about job creation and economic development.

The Energy Services Coalition convened its 3rd annual national conference in St. Paul at the end of July. More than 160 people were in attendance, including representatives of 19 ESC State Chapters from throughout the country. Twenty exhibitors displayed the latest in energy efficiency technologies and services during the three-day conference. As an additional benefit the ESC launched a new Virtual Tradeshow to highlight conference sponsors' support of performance contracting. The conference concluded with the announcement of Jim Ploger as the ESC's 2014 Champion of the Year, and that the 2015 ESC Market Transformation Conference will be held in Charlotte, N.C. on September 1 and 2. A highlight of the conference was the release of the summer issue of State and Local Energy Report magazine focusing Energy Savings Performance Contracting.

The rapid rise of distributed generation and the increased pressure to integrate more renewables into the grid is cause for challenging times in the electric utility industry. Across the country utilities are looking to raise customer fixed charges to cover the utility fixed costs. Moving from variable to fix rates could de-incentivizes renewable energy
implementation, and impact energy efficiency programs.

**#3 CO Pilot Project Tests ESPC Model In Private Sector**

Colorado is wrapping up a pilot project assessing private sector reaction to key elements of its successful public sector ESPC program. Through its cooperative agreement with and Competitive Award from the U.S. Department of Energy, Colorado offered for the first time a cost-share on the investment grade audit fee to participating private sector companies. Sixteen companies received an audit. Their ESCOs identified annual savings of 12.8 million kWh electricity, 450,000 therms natural gas, and 3434 kgal water, for total annual utility savings of $1.45 million. Three companies have already implemented energy performance contracts to date. A full report, designed to aid a state energy office’s decision-making about leveraging ESPC to drive deeper retrofits into private sector commercial facilities, will be available by the end of March 2015.

**#2 New $2 Billion For Energy Efficiency In Federal Buildings**

President Obama announced an additional $2 billion will be available over the next three years for contracts going to energy efficiency upgrades for federal buildings. The new contracting money comes after an earlier goal of $2 billion for energy savings performance contracts from 2011 to 2013. During 2014 federal agencies implemented a number of ESPC projects -- among some of the notable projects: The National Park Service invested $29 million in 81 individual energy efficiency and water conservation projects at national parks throughout the greater Washington DC region; Naval Facilities Engineering Command Washington awarded a $27.9-million ESPC to reduce energy consumption and save associated costs at Naval Air Station in Patuxent River (this is the first of 27 ESPCs worth $750 million to be awarded by the U.S. Navy over the next two years); and with $319 million in performance contracting, the fiscal year that ended Sept 30 (FY2013) was the "best year ever" for the Army for performance contracting on its installations.

**#1 Golden Opportunity: EPA Proposes Clean Power Plan Rules**

EPA Clean Power Plan Proposed rules were released in June of 2014, and provide an excellent opportunity to expand and enhance state energy efficiency programs. Among the technologies and strategies for reducing emissions of utilities at the power plant - energy efficiency is the most cost-effective measure and ESPCs provide states a way of meeting the requirements in a streamlined manner.