Energy Performance Contracting. First step to Zero Energy

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History and Improvements to make it work

- Law was passed in 1993 – Maximum 10 year project
- Amendment 2009 – Maximum 25 year project
- By 2005 did 39 projects in schools and universities - $44 Million $4.4 Million in annual savings
- In 2014 the legislature passed House Memorial 61 to study why the law was not being used. Results:
  - Third Party Evaluator
  - Construction Management
  - Monitoring and verification
  - EMNRD Fee for service
Energy, Minerals and Natural Resources Dept. and Office of State Engineer Responsibilities

**EMNRD:**
- Certifies Qualifications of ESCO
- Certifies energy audit savings calculations.
- Provides 3rd party oversight of projects:
  - Site visits to review facility to check ESCO findings
  - Review final IGA
  - Conduct site inspections to verify installations of measures
  - 1% is added to the cost of project to reimburse EMNRD.

**Office of State Engineer:** certifies water conservation projects
ESPC Tools:
http://www.emnrd.state.nm.us/ECMD/CleanEnergyPerformanceFinancing/cleanenergyperformancefinancing.html

- **Contract Templates**
  - Investment Grade Audit Contract
  - Energy Savings Performance Contract
  - RFP for Financing
- **State Price Agreements** - 7 Qualified Vendors
- **3-rd Party Evaluators** – 4 on contract
- **Technical Assistance** - 4 engineering on staff
- **Verification of Savings**
  - M&V reports reviewed-some field verification
  - Annual Reports provided to the Governor’s Office, Legislative Finance and Department of Finance and Administration
ESCO Project Impact in the last 6 years

- 28 ESPC Projects:
  - $199.3 million invested
  - Several projects include PV systems
  - Projects leveraged $69 million
  - 12 Local Government Projects
  - 9 Higher Education
  - 4 k-12
  - 3 State Agencies
  - $10.2 Million/year savings, guaranteed
  - 74 thousand tons of CO2e reduction in GHG
  - 109.4 Million kWhs saved

- 6 PPA Projects:
  - $31.3 million invested
  - 8,939 tons of CO2e reduction in GHG
  - Reduced utility rates