



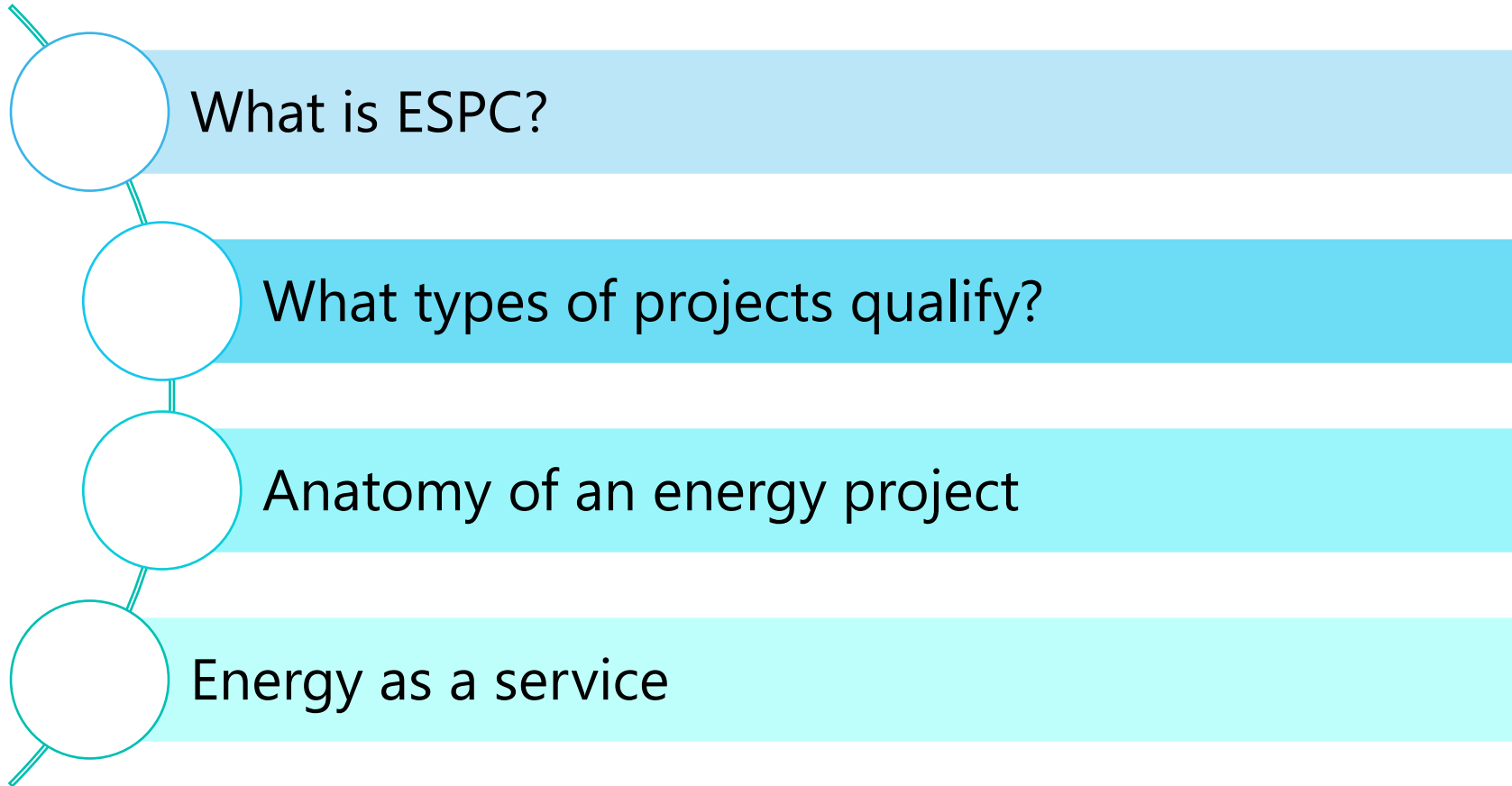
Washington State
DEPARTMENT OF
ENTERPRISE SERVICES

Energy Program

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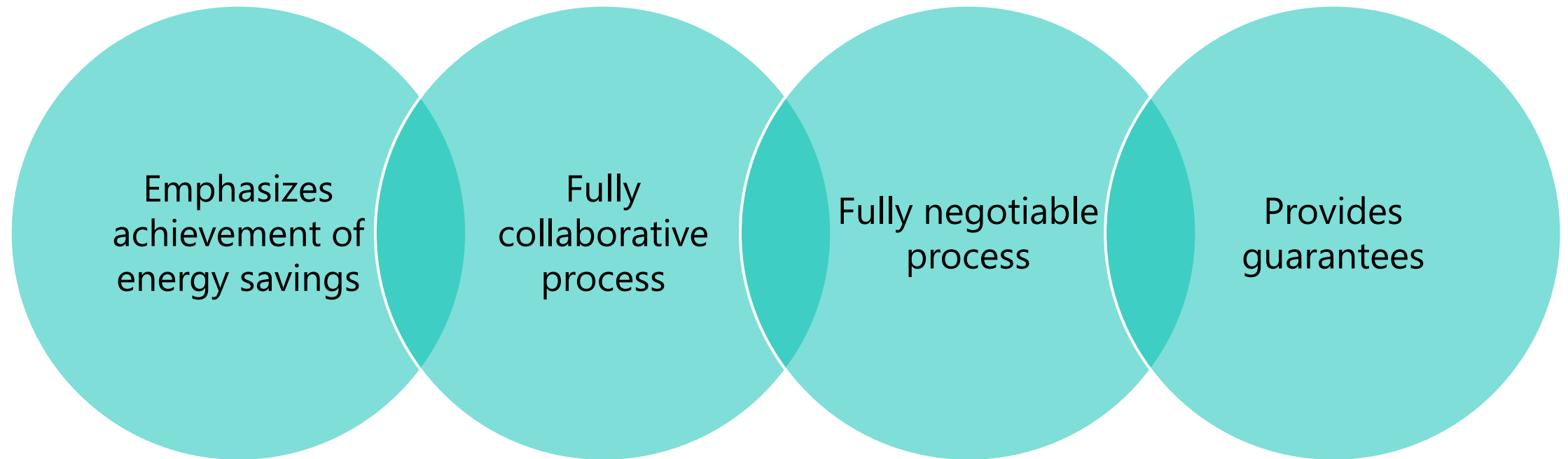
NOVEMBER 2025

TOPICS COVERED



WHAT IS ESPC

Energy Savings Performance Contracting



QUALIFYING PROJECTS

Projects resulting in less energy use, less carbon emissions, cost savings, or benefits:

Energy-efficient lighting retrofits

High-efficiency HVAC systems

Boiler and chiller systems

Motor and pumping systems

Solar, wind and co-generation

Water and wastewater treatment plants

Water efficiency projects

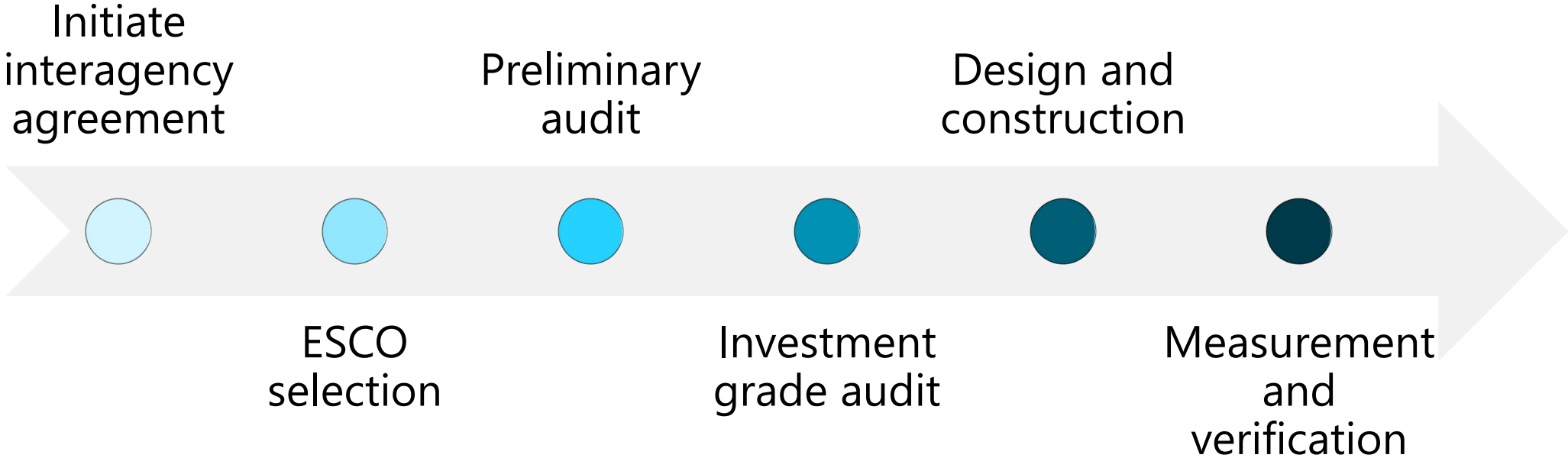
EV charging

Demand response and grid resiliency

Submetering

ANATOMY OF AN ESCO PROJECT

ESCO: Energy Service Company



ESCO SELECTION



DES pre-qualifies ESCOs every biennium and creates a registry through a request for qualification (RFQ).



The client reviews qualifications and chooses the ESCO that is right for them.



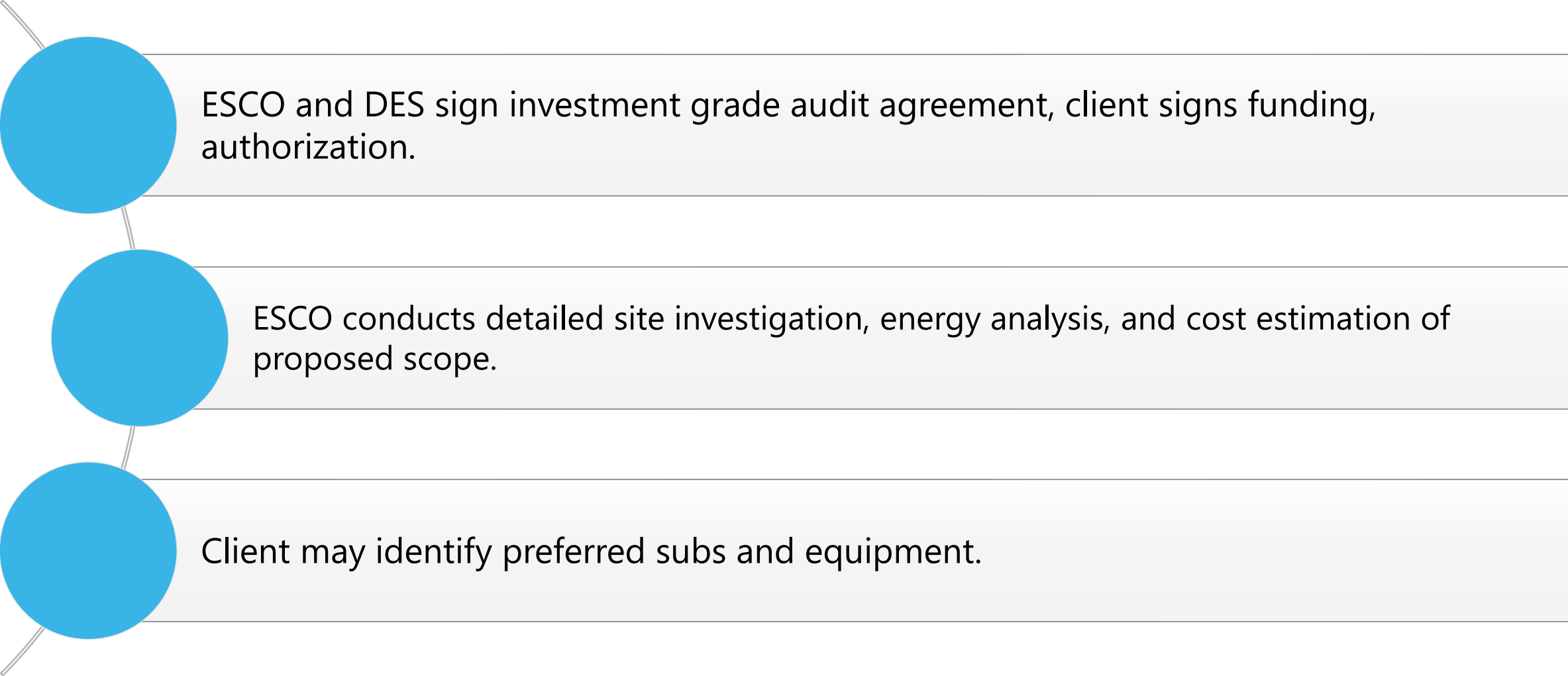
ESCO interviews are optional.



PRELIMINARY AUDIT

- Walkthrough to identify facilities and systems to study
- Project team determines desired project outcomes
- Client establishes cost-effectiveness criteria
- ESCO provides preliminary audit results
- Project team agrees on list of energy efficiency measures proposed

INVESTMENT GRADE AUDIT & ESP

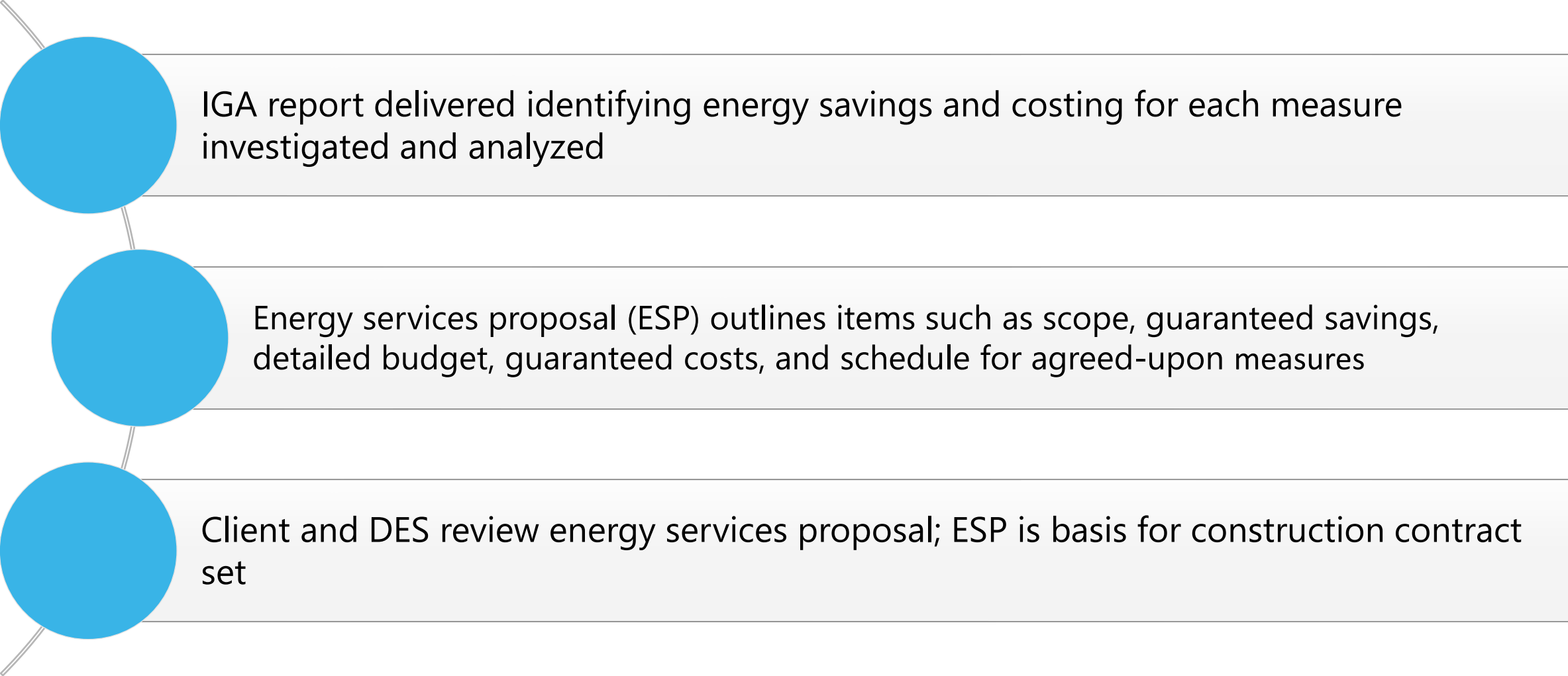


ESCO and DES sign investment grade audit agreement, client signs funding, authorization.

ESCO conducts detailed site investigation, energy analysis, and cost estimation of proposed scope.

Client may identify preferred subs and equipment.

INVESTMENT GRADE AUDIT & ESP



IGA report delivered identifying energy savings and costing for each measure investigated and analyzed

Energy services proposal (ESP) outlines items such as scope, guaranteed savings, detailed budget, guaranteed costs, and schedule for agreed-upon measures

Client and DES review energy services proposal; ESP is basis for construction contract set

DESIGN AND CONSTRUCTION

- ESCO and DES sign construction contract set:
 - Client signs funding authorization and interagency agreement amendment.
 - DES issues notice to proceed to ESCO.
- Project documents prepared by ESCO. Design is completed after NTP is issued.
- Client and DES review design documents.
- Subcontractors and equipment selected.
- DES project managers provide management and review of construction meetings, invoicing, change orders, substantial completion/commencement of energy savings, closeout, NOC, intents, affidavits, apprenticeship, etc.



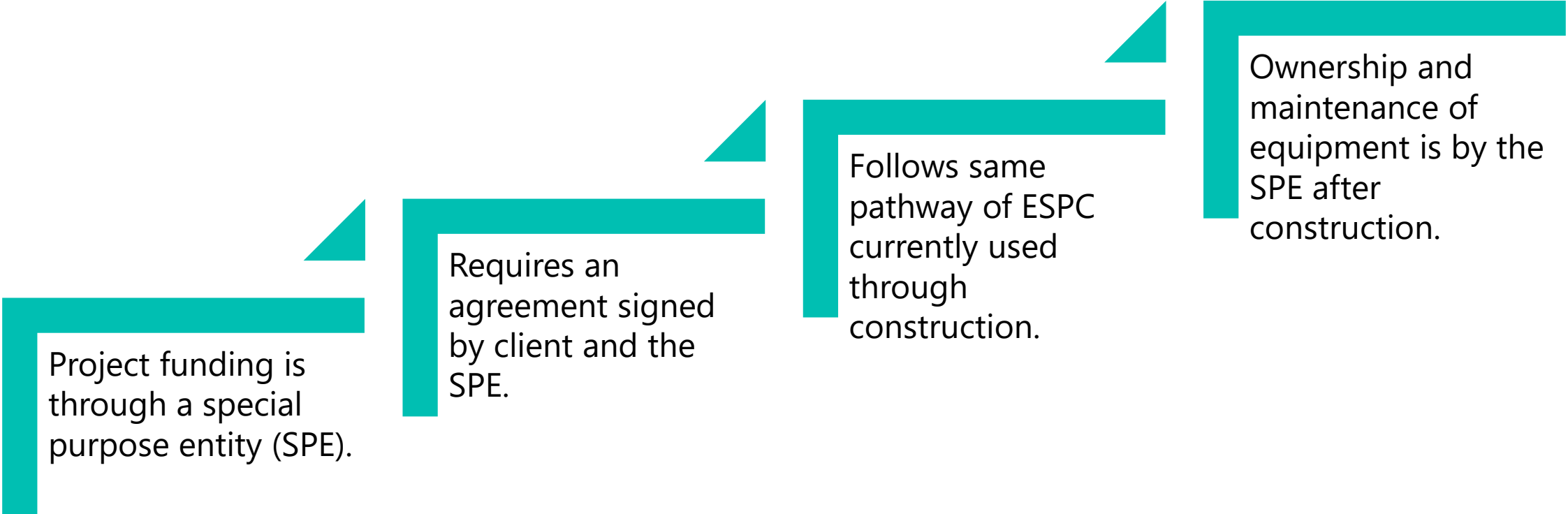
MEASUREMENT AND VERIFICATION

Longer term of measurement and verification (M&V) is recommended for systems which require frequent adjustments, such as controls systems.

First year M&V is part of every project. ESCO to provide report.



ENERGY AS A SERVICE



Project funding is through a special purpose entity (SPE).

Requires an agreement signed by client and the SPE.

Follows same pathway of ESPC currently used through construction.

Ownership and maintenance of equipment is by the SPE after construction.

THANK YOU



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des.wa.gov/energy-program