



11th Annual Market Transformation Conference

Measuring the Impact of ESPCs - Delaware's Evaluation Structure & Process

Tuesday, October 3rd – 1:30 PM

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Introduction to Delaware Sustainable Energy Utility (DESEU)

- DESEU is a 501c(3) non-profit organization promoting the use of affordable, reliable clean energy and energy efficiency through Energize Delaware
- One-Stop-Shop to connect energy consumers with resources to reduce costs, improve the environment, and ensure energy independence/resilience
- Provides technical & financial services
- Leverages Regional Greenhouse Gas Initiative (RGGI) funds & Solar Renewable Energy Credits (SRECs) to provide cost effective financing options
- Key Attributes for Best-in-Class Services:
 - ✓ ***Accountable***
 - ✓ ***Transparent***
 - ✓ ***Effective***
 - ✓ ***Nimble - Continuous Improvement***



History of the DESEU Performance Contracting Program

- \$125 Million+ in multiple rounds of ESPC Funding generating nearly \$10M/yr in annual savings
- Facility Types: University/Higher Education, State Agencies, School Districts, and other MUSH agencies
- 13 Pre-Qualified Energy Services Companies via RFQ
- 3-4 Pre-Qualified ESPC Owner's Reps via RFQ
- All projects follow the DESEU Energy Performance Contract Program Guidebook (2016) for best practices



Purpose of the Study

*“If you can’t measure it, you can’t improve it.”
- Peter Drucker, (maybe)*

- ✓ **Effectiveness** – Evaluate the results of the ESPC Program
- ✓ **Transparency** – Share with the market & stakeholders
- ✓ **Accountability** – Take responsibility for the results & for making improvements
- ✓ **Nimble** – Be willing to make continuous improvements to deliver better projects in the future



Approach to the Study

Process Evaluation

- Qualitative Analysis
- Program Performance
- Customer & Vendor Satisfaction
- Effectiveness of Program Design & Implementation Processes

Impact Evaluation

- Review Measurement & Verification results for gross Energy & Demand Savings Realized
- Compare the Verified Savings to the Guaranteed Savings
- Identify cause or reason for any shortcomings



Approach to the Study (cont.'d)

Miscellaneous Activities

- Regular Check-ins to maintain an agile work plan – results driven!
- Secondary Research benchmarking program KPIs versus others:
 1. *IGA-ESA Success*
 2. *Workforce Development*
 3. *ESCO Participation*
 4. *Increase in Energy Investment & Incentives Accessed*
- Non-Participant Surveys – Customers & Vendors
- Remote Verification – Evaluate contractual terms for Commissioning & M&V Plans
- On-site Verification – Sampling of sites to verify accuracy of reports



Activity to Date

- **Winter 2022/23** - DESEU engaged NV5 to support the development, strategy, procurement docs, and to provide Quality Assurance
- **Spring 2023** – DESEU issued RFP with responses due in Summer 2023
- **Summer 2023** – DESEU & NV5 evaluated responses and interviewed respondents to qualifications & experience, approach, key staff, and budgetary approach
- **Fall 2023** – Initiating the study with Warren Energy



Next Steps

- **Spring 2024 – Effective?**

- 1) *Findings expected in Spring 2024*

- **Summer 2024 – Transparency & Accountability**

- 1) *Socialize findings with stakeholders.*

- 2) *Take ownership of flaws. Identify and overcome challenges to create a more effective ESPC program.*

- **Fall 2024 – Continuous Improvement**

- 1) *Draft revisions to the DESEU guidebook, as needed. Engage stakeholders, seek buy-in, and pilot additional ESPCs using new best practices guidelines*



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Thank you!

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