How the Federal Government Can Benefit from Investor Ready Energy Efficiency

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Barriers in Federal Efficiency Contracting

- Complex and diverse technical requirements increasing transaction costs.
- Lack of competition and innovation on financial products and risk management approaches.
- Lack of transparency and performance reporting.
Ensures transparency, consistency and trustworthiness through **best practice and independent verification**.
IREE is a quality mark like LEED but for a building retrofit project.
Energy Efficiency Projects Today
Investor Confidence Project Protocols

- **Large Projects** (project size >$1M)
  - Commercial: Large Commercial
  - Multifamily: Large Multifamily

- **Standard Projects** (project size <$1M)
  - Commercial: Standard Commercial
  - Multifamily: Standard Multifamily

- **Targeted Projects** (limited interactivity)
  - Commercial: Targeted Commercial
  - Multifamily: Targeted Multifamily
ICP Protocols

**Baselining**
- Existing Building
- Drawings
- Weather File
- Energy Usage
- Energy Rates
- Occupancy

**Savings Projections**
- Model File
- Calibration Data
- Bid Packages
- Certifications

**Design, Construction, Commissioning**
- Cx Plan
- Cx Authority
- Test Procedures
- Facilities Req.

**Operations, Maintenance, Monitoring**
- BMS Points
- Fault Plan
- Maintenance Plan

**Measurement & Verification (M&V)**
- M&V Model
- Regression Model
- Adjustments
- Impact
- Baseline Adjustments

**ICP Protocols**

- ASHRAE
- Green Button
- eQUEST
ICP as a tool for Programs

**PG&E On-Bill Financing:**
Using ICP as a standard market based approach to qualify a project’s access to 0% financing (up to $100k)

**NJ Pay-for-Performance:**
Certified ICP IREE Projects can qualify for additional incentives upfront and based on performance.

**PACE in Texas:**
Texas PACE Authority using ICP as a means to ensure standard requirements statewide.

**Connecticut Greenbank:**
CGB C-PACE will be using ICP IREE as a requirement to access Commercial PACE financing.
Benefits from Standardized Investor Ready Projects

• Increase the speed at which projects can be awarded
  
  RFP-in-a-box

  3rd Party Engineering Review

  Move due diligence cost into the market
Benefits from Standardized Investor Ready Projects

• Encourage innovation in project finance and risk management

Access the ICP network / Investor network

Energy Service Agreement Structures

Performance Risk Insurance Products
Benefits from Standardized Investor Ready Projects

• **Enable Efficiency Procurement for Smaller Facilities**

  Access a project developer network that can provide services for smaller projects.

  A more streamlined market-based system

  Reduce complexity for building operators
Benefits from Standardized Investor Ready Projects

- Contribute to the development of private markets and commercial building retrofits

Create Open Data Sets on Project Performance

Build a market that serves Federal / MUSH / Commercial Buildings
Recommendations

• Use ICP Investor Ready Energy Efficiency as a standard for Federal Energy Efficiency Project Development

• Encourage competitive process for project developers and performance risk management

• Make Performance Data Open
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