Department of Mines, Minerals and Energy











Developing Consistency in EM&V Approaches and Emissions Reduction Calculations for Energy Savings Performance Contracting Programs

Project Team









Project Summary

- Over \$5 billion is invested in ESPC programs annually; however, states face significant barriers to expanding these programs, tracking results, and integrating them into compliance plans for EPA's 111(d) rule.
- ESPC could be a key strategy for states to comply with 111(d) targets, especially those states that lack robust ratepayer-funded energy efficiency ²) programs.
- This proposal brings three states together—
 Virginia, Georgia, and Kentucky—to determine a consensus EM&V approach for ESPC programs that would meet EPA's requirements for EM&V 3) under Section 111(d) rules.
- The states will also identify attributes and potential structures for how energy efficiency and CO2 reduction credits could be tracked.

Project Objectives and Impact

- Convene energy offices, air agencies, regional EPA officials, ESCOs, and other stakeholders to develop a consensus approach on EM&V, energy savings to CO₂ conversions, and other key issues related to ESPC projects in the context of EPA's 111(d) proposal;
 - Pilot appropriate ESPC tracking and accounting platforms (eProject Builder) and determine other appropriate structure to track emissions credits from ESPC projects
 - Document and standardize the processes and approach for adoption by other statewide ESPC and public, federal, or commercial facility retrofit programs



Takeaway: States that lack ratepayer funded energy efficiency programs need other options to integrate energy efficiency into 111(d) compliance plans. ESPC is a great fit, given the level of investment by states across the country. This project will help states identify an appropriate EM&V protocol and energy efficiency/emissions reductions tracking approach that would enable them to utilize ESPC projects in 111(d) compliance plans. This result would help motivate states to expand their ESPC programs and also help provide greater cross-state consistency regarding EM&V.



Team Information

Prime Recipient: Virginia Department of Mines, Minerals and Energy (DMME) Principal Investigator: Al Christopher, Director, DMME

Key Participants: <u>DEDI</u> (Lee Colten, Greg Guess); <u>GEFA</u> (David Gipson, Chris White, Kris Anderson); NASEO (David Terry, Chris Wagner, Melissa Savage), CESI (David Dayton, Steve Morgan), SEEA (Cyrus Bhedwar, Wesley Holmes), NAESCO (Donald Gilligan), and NACAA (Phil Assmus)

Accelerate the development of renewable energy sources in the Commonwealth, including solar, wind, biomass, and waste-to-energy

Virginia currently deploys a diverse mix of energy alternatives due to its energy policies. Nonetheless, Virginia's goals to further increase utilization of renewable energy assets available in the state should be advanced. Emphasizing the development of renewable sources will move the Commonwealth toward an increased diversity in energy mix.

Make Virginia a leader in Energy Efficiency

Increasing the productivity of the energy consumed by residential, commercial and industrial users through energy efficiency will reduce energy consumption; spur economic development; and lower greenhouse gas emissions.



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