

# Energy Policy in Virginia

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4<sup>th</sup> Annual ESC Market Transformation Conference  
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# Agenda

- **Strategic Themes of Governor McAuliffe's Energy Policy**
- **Strategically Grow the Energy Sector**
  - What?
  - Why?
  - How?
- **Energy Efficiency Initiatives**
  - Governor Executive Committee on Energy Efficiency
  - Green Community Program
  - Commercial PACE
  - Executive Order 31
- **Challenges to Energy Performance Contracting in state government**
- **Next steps**

# 4 Strategic Themes

## Themes

Growth

EE Initiatives

Challenges

Next Steps

Strategically Grow the  
Energy Sector

Expand Best-In-Class  
Infrastructure

Advanced Fuel  
Technology and  
Alternative Fuels

Talent Development in  
the Energy Sector

# Strategically Grow the Energy Sector

What does this mean?

Themes

**Growth**

EE Initiatives

Challenges

Next Steps

**1. Accelerate Renewable Development**

**2. Make Virginia a Leader in Energy Efficiency**

**3. Go Global with Coal and Energy Technology**

**4. Pursue Development of Offshore Oil & Gas Resources**

# Strategically Grow the Energy Sector

Why are these important?

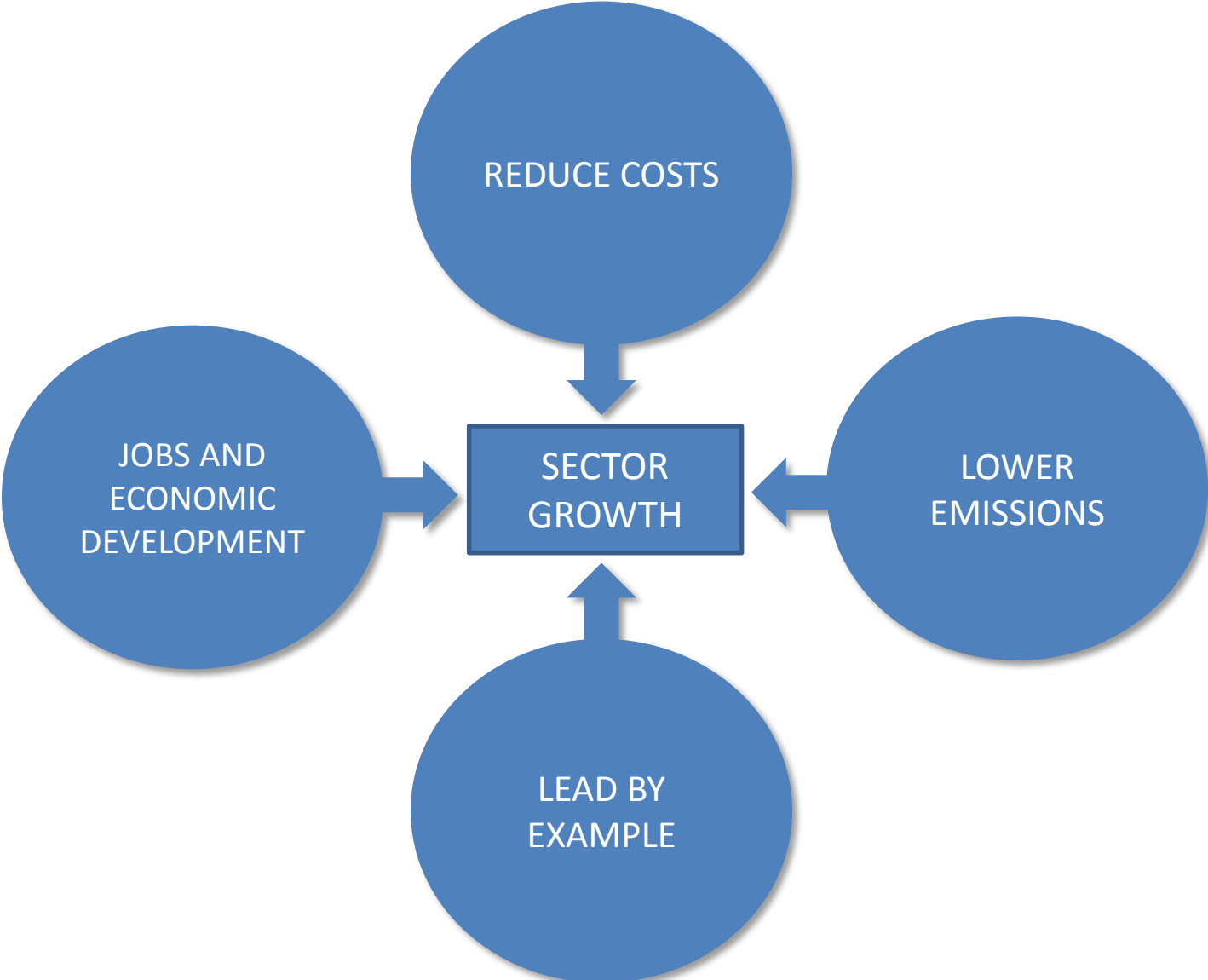
Themes

**Growth**

EE Initiatives

Challenges

Next Steps



# Strategically Grow the Energy Sector

How do we move forward on EE?

Themes

Growth

**EE Initiatives**

Challenges

Next Steps



**Governor's Committee on Energy Efficiency**

**Green Community Program**

**Commercial PACE**

**Executive Order 31**

# Executive Order 31

October 15, 2014

Themes

Growth

EE Initiatives

Challenges

Next Steps

*All state agencies should proactively pursue energy efficiency measures, especially **Energy Performance Contracting (EPC)**, to reduce energy consumption. EPC is a budget neutral, cost-effective tool that permits state agencies and publicly-owned facilities to reduce their deferred maintenance backlogs without adding any financial burden to the taxpayer. For agencies that have already employed EPC, overall energy consumption should be re-evaluated to identify areas for further efficiency improvements.*

*Agencies should utilize the current process, at no cost to the agency, which provides a general audit to assess whether EPC is appropriate for the agency. This portion of the process is managed by DMME, and all agencies should work with DMME to have a general audit conducted with the goal of implementing an EPC by 2016.*

*...This will include the development of an **"EPC Roadmap"** that will lay out each step of the EPC process and ensure accountability among agencies and the ESCOs at each stage of project development and implementation.*

# Challenges

Themes

Growth

EE Initiatives

**Challenges**

Next Steps

## Process

- Communication
- Internal Inertia
- Uncertainty
- Efficiency
- Accountability

## Deployment

- Communication
- Internal Barriers
- Uncertainty
- Expertise
- Statute



# Executive Order 31

## EPC Roadmap

Themes

Growth

**EE Initiatives**

Challenges

Next Steps

### Stakeholder Engagement

- External: Schneider, TRANE, Siemens, others
- Internal: DGS, DPB, Treasury, DMME

### EPC Timeline

- Detail process layout

### Contract Modifications

- Updates and clarifications

### Contract Guidance

- Clarity in process and stipulations

- Certainty in Process

- Streamline and Efficient

- Clarity of Roles and Process

- Clear Direction

# Next Steps

Themes

Growth

EE Initiatives

Challenges

**Next Steps**

- Updated documents released
  - EPC Roadmap
  - Guidance Document
  - Updated Contract
  
- Continued dialogue and communication
  
- Project-by-project vigilance
  
- Agency outreach



**Thank you**