



Energy Performance Contracting (EPC)

2022 legislation creates new opportunities for building enhancements and energy savings

PROGRAM BASICS

- In 2021, Virginia became the 2nd state nationwide to reach **\$1B in total energy savings** from an EPC program
- EPCs are a **budget-neutral** option for state agencies, localities, and public higher education to **finance building upgrades while reducing energy use**
- Energy Service Companies (ESCO) perform the work and provide a **guaranteed level of energy savings**
- Eligible ESCOs are **pre-qualified**, which expedites the procurement process
- The program is managed by Virginia Energy and the Dept. of General Services

As solar costs decrease, rooftop solar is becoming increasingly popular for public-owned facilities. While solar can be financed through an Energy Performance Contract (EPC), previously an energy service company (ESCO) could not repair or replace more than 20% of a roof to make it solar-ready. Therefore, public entities missed out on the opportunity to fully finance solar under an EPC. However, a 2022 update makes all roof repairs and full replacements now eligible for EPC financing.



WHAT THIS MEANS FOR YOU

Local Governments, Public Schools, & State Agencies

Public entities can now fully fund solar projects using EPC financing. The update allows public entities to **improve their building performance, address maintenance needs, and reduce their energy consumption** - all while remaining budget neutral.

Energy Service Companies (ESCOs)

ESCOs can now help public entities fully implement solar projects using EPC financing. Additionally, for projects where solar is included after the initial procurement, the 2022 update ensures that a necessary roof replacement is bid via public procurement and designed by a licensed engineer or architect.

To learn more, visit
vaeec.org/programs/EPC
or contact
info@vaeec.org

About Virginia Energy Efficiency Council: Founded in 2012, VAEEC is a 501c3 organization, headquartered in Richmond, whose mission is to advance energy efficiency throughout the Commonwealth.