



**Energy Services Coalition
Minnesota Chapter Meeting Minutes
3025 Southlawn Drive
Maplewood, MN 55109
January 28, 2015
1:00 – 2:30 PM**

Introductions

Presenter

Public Co-Chair: Peter Berger

- Called to order by Pete Berger at 1:05 PM

Old Business

Peter Berger

- **The March meeting will be held at Ramsey County Library-Roseville. 2180 Hamline Avenue North, Roseville, MN** Thanks to Jeff Jackson for arranging the room.

- **What is the real value of the ESC chapter/Projects performed in the state?**

ESC National requests a list of ESPC projects from each state and the State of MN, committed to the Better Building Challenge and the ESPC Accelerator Program, also requires a listing of what projects have been sold. Pete Berger asked if the group had any suggestions of how to get a list of public entities that have entered into an ESPC project in the state. With development and distribution of success stories/lessons learned as a tenet of the National ESC organization, Pete thinks our chapter is falling down on our mission.

There was much discussion:

- It's a real hassle for ESCOs to obtain approval customers and involves extra time and effort.
- ESCOs feel non-GESP ESPC projects shouldn't be used to bolster the success of GESP.
- The ESC organization, in the first sentence of its mission, says that it creates a partnership between public and private entities and the current focus should be on development of a partnership first. How can we make this happen?
- The ESCOs generally think that work under the existing statutes has gone well, making it easier for the ESCOs to do their work. The concern is that the GESP is less flexible and harder to implement. Example of a \$2.5M project under GESP—by definition, and rules of the program which are tight, it is hard not only for the ESCOs but for the customers as well.
- It was noted that during the Executive Order development, the ESCOs gave the Lt. Governor many case studies and also presented these case studies at the national conferences. Commerce should obtain them from the Lt. Governor.
- What is needed is to open up the state agencies who haven't participated in GESP to this point. The ESC organization should have been for state agency projects and ESCOs didn't think they needed to offer up their other projects.
- The ESC could brainstorm how to open up large cities/counties and use the team to strategize.
- Right now there is confusion with the end users-cities not understanding that they could use the existing municipal statute or the GESP.
- Commerce can't do joint calls with the ESCOs at state agencies. Consider bringing the ESC chapter into state agencies rather than individual ESCOs.
- As projects are completed this year, there could be more formal case studies available.
- The following state projects have been done since the state program started in 2003:
 1. Central Lakes Community College
 2. Dakota County Technical College

3. Fond du Lac Community College
 4. Lake Superior Community College
 5. Winona State University
 6. University of MN-Morris
- St. Peter Regional Treatment Center and Stillwater Prison both stalled with the change in governors.
 - There are currently 4 agencies in the works right now but larger square footage is needed to create solid projects:
 1. MNDOT (850 buildings)
 2. DNR (doing half of their region)
 3. MNSCU-MN State University-Mankato
 4. Administration-Transportation building
 - Could we work as a team to present to DOC? Who from the customer attends the meeting? Tailor a presentation specific to DOC. All ESCOs attend and participate.
 - Could we as a chapter present to the Energy Efficiency Quarterly meeting? Chapter would develop a presentation and provide it for approval prior to a meeting.
 - John Kearney stated that in successful states, the governor was a force behind making it happen with the state agencies. In PA, Governor Rendell was very proactive and met once/twice a month with the ESCOs to make it happen. At the time the original executive order was being developed in MN, Cabinet level commitment was requested and it didn't occur. EJA is having direct conversations with the Lt Governor and Governor to fix this situation.
 - With the self-funded wording of the Executive Order, state agencies expect to put no capital into their projects. With a significant portion of the low hanging fruit done as a part of PBEEEP, the language doesn't help in creating solid projects that exhibit the true essence of performance contracting.
 - The ESC, in its review of Admin's facilities, found approximately \$15M in possible savings potential. Chris Guevin stated, "We know we can't do more without GESP."

New Business

- Bring the CERTS group and their management together to refine their message so there aren't errors when explaining the program. (Keep in mind that CERTS representative is under contract to Commerce to support GESP, funded by a federal grant.)
- Much discussion about inaccuracies/derogatory statements made in presentations about GESP and the existing legislation
 - Open book pricing
 - ESCOs may not tell you something
 - ESCOs are big companies with lots of lawyers
 - ESCOs signed/not developed contracts
- There have been negative comments about performance contracting and appear to be about several projects in MN that are mentioned time and again. ESCOs stated that they have no issues with customers they have done work with in MN and if they did, the issues were corrected to the satisfaction of their customers. When receiving these comments, the ESCOs request the person obtain the contact information for the individual that is experiencing the problem and refer them to the appropriate ESCO so the ESCO can address it promptly.
- Some of these negative comments could be coming from the engineering community and not the building owner.

- It will be important that ESC members work together to provide the facts and set the story straight for positive traction to be gained regarding ESPC.

Committee Updates

- Membership Committee Jeff Jackson
 - 27 current members
 - \$8,415.33 fund balance
- Outreach Committee No Chair
 - No new report.

This would be a good fit for the CERTS representative.
- State Specific Contract Documents Committee John Kearney
 - No report.
- Workshop Committee No Chair

- **GESP Updates**

MNSCU

Riverland, Albert Lea, Austin, Owatonna

Minnesota State University-Mankato

Anoka-Ramsey Community College

Inver Hills Community College

Dakota County Technical College

DOT-District One

DNR

MN PMD-Transportation Bldg

City of Tracy

State of MN DMA-Camp Ripley

Redwood County

State of MN-National Sports Center

Open Forum, Action Item Review, Closing

Action Item: Meeting Adjourned.