A Bi-Partisan Approach to Clean Energy

George P. Shultz served as U.S. Secretary of State, Treasury and Labor under two GOP Presidents. Today, Shultz is co-chair of Stanford University's Hoover Institution task force on energy policy.

Jeff Bingaman is a former five-term Democratic Senator from New Mexico. During his tenure, Sen. Bingaman was Chairman of Committee on Energy and Natural Resources. Now, he is a distinguished fellow at Stanford's Steyer-Taylor Center for Energy Policy and Finance.

For the past year, these two men, from different ends of the political spectrum, have lead a joint-study to explore energy policies at the state level that could, and should, be replicated.

Earlier this month, their study, "The State Clean Energy Cookbook", was released. This study comes at an opportune time for States looking for energy efficiency and renewable energy solutions in response to the Environmental Protection Agency's recently proposed carbon emission standards.

Among the 12 policy "recipes" in the "Cookbook" is a call for States to adopt legislation authorizing Energy Savings Performance Contracts (ESPCs). "States with existing authority should ensure that the benefits available through this financing mechanism are being effectively realized," the study states.

Recipe for Success:
"The first underpinning to success is performance-contract-enabling legislation. The second is an energy agency that administers the program and a state that actually wants it to work, a champion." Charles Goldman, LBNL

Similar to the ESC's "Accelerated ESPC initiative," the "Cookbook's" recipe focuses on how to design and implement a program. It highlights the need to designate an agency champion to oversee the program and help state facilities take advantage of its ESPC
laws.

In referencing a state example -- the "recipe" calls for legislation that provides funding for outside technical resources and support to train staff and ensure the program will be well designed and run.

Another programmatic hallmark cited is the cooperation among all state agencies and staff involved, including the attorney general's office and the treasury office. The "recipe" notes that the speed of implementation of an ESPC program is facilitated by the comfort all state government stakeholders have with the process.

Finally, the "recipe" distinguishes a successful program as one that has consistency in its rules and contractual instruments. With standard project documents and state ESPC contracts -- all stakeholders will become comfortable with the process.

**Next Steps**

"The target of this report is state policy-makers," Senator Bingaman told a gathering of state energy officials in Savannah, Georgia last week. "Governors, regulators, and legislators."

Bingaman urged the state energy officials attending the National Association of State Energy Officials annual conference to persuade policy-makers in their states to do more. He also urged Congress to provide more funds to states through the State Energy Program, the key federal grant program supporting the states in advancing energy efficiency and renewable energy.

The "Cookbook" provides a list of six additional resources for people to learn more about performance contracting, including the ESC's "Accelerated ESPC Initiative" material for programmatic design and implementation.

Sincerely,

Jim Arwood
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Energy Services Coalition