

# Use of Performance Contracts for Advancing Efficiency in Water Infrastructure

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Companion document to *Increasing Energy Efficiency in Urban Water Systems: Summary Report*

Energy service performance contracts (ESPCs) with energy service companies (ESCOs) have been used for two decades to promote energy-saving strategies and measures, mostly in the commercial and public building sectors.<sup>1</sup> Water efficiency service companies (WESCOs) have been a much smaller sector serving water utilities. These companies bring together technical know-how, institutional knowledge about available funding and incentives, and risk-sharing to deliver customers operational savings (see Appendix D for a general discussion). The latter two factors could be key to making this mechanism a useful means of increasing adoption of advanced electricity technologies in the water utility sector.