

UW Energy Performance Contracting (EPC) Project Briefing

UW Board of Trustees Meeting
January 20, 2012



UNIVERSITY OF WYOMING

WHAT IS ENERGY PERFORMANCE CONTRACTING?

Energy Performance Contracting (EPC) is a form of contracting by which a facility owner enters into an agreement with a private Energy Service Company (ESCO) to install energy efficient facility improvements. Energy Performance Contracting also offers a financing mechanism whereby the cost savings generated by the improvements services the debt from project development and construction.



WHAT IS THE ROLE OF AN ENERGY SERVICE COMPANY (ESCO)?

- The ESCo identifies and evaluates energy-saving opportunities for the owner and then recommends a package of improvements to be paid for through savings.
- The ESCo guarantees that the energy savings will meet or exceed annual payments to cover all project costs, usually over a contract term of 7-15 years.
- If the savings don't materialize the ESCo pays the difference, not the facility owner.
- Any savings above the guarantee are retained by the owner.



BENEFITS OF ENERGY PERFORMANCE CONTRACTING:

- Facility owner can implement major energy efficiency measures as one streamlined project, as opposed to smaller, “piecemeal” energy improvements
- Turnkey approach that provides design, installation and monitoring/verification services for the entire project
- Opportunity to update old and obsolete equipment with newer, more energy efficient technologies
- ESCo assumes the project performance risk to guarantee energy savings. Any savings above and beyond the terms of the EPC are retained by the owner (UW).
- Supports UW sustainability initiatives and UW’s Climate Action Plan



PROPOSED ENERGY EFFICIENCY IMPROVEMENTS FOR UW'S EPC PROJECT

- Lighting Upgrades and Improvements
- HVAC System Upgrades
- Upgrades to Campus Building Automation Systems
- Improvements to Temperature Control Systems
- Boiler Plant Improvements (State Vet Lab)

UW Buildings Selected for EPC Project:

Arts and Sciences, Agriculture, Bureau of Mines, Centennial Complex, Education, Education Annex, Engineering, Old Main, State Vet Lab and Wyo Hall



SPECIFICS OF UW'S ENERGY PERFORMANCE CONTRACT

- Proposed Energy Performance Contract Amount: \$5,354,315
- Contract Price Includes Cost of the Investment Grade Audit (IGA), Project Development Contract Fee, Construction Costs and Contingency Fund
- A total of \$222,141 is Available in Rebates from Local Energy Providers
- Guaranteed Annual Energy Cost Savings: \$457,601
- Proposed Term of EPC Financing Agreement: 15 years



REQUESTED BOT ACTION:

- Authorization to contract with Long Energy Solutions to implement energy conservation measures in ten designated buildings on the UW campus as identified in the ESCo pilot project

The Trustees will be asked to approve a specific financing agreement for the ESCo project at its March 2012 BOT meeting.

