Shared Energy Savings for Illinois Community Colleges
Background


- Reviewed energy use, costs, and operations at all Community Colleges
- Projected annual energy cost savings by $6.2 million if Colleges made moderate improvements.
- Capital investment required would range between $30 and $50 million
Barriers

**Successful energy efficiency investments require 3 components:**

- **Technical Expertise** – College have high levels of internal expertise

- **Financial Resources** – Colleges do not have access to consistent financial resources.

- **Planning** – Colleges make only limited use of comprehensive energy planning to identify, evaluate and prioritize projects.
Concept

Develop a shared savings funding process that could support efficiency project development and campus energy planning

- Shared Savings Approach
  - Campus selects projects and contractors
  - Financial partner purchases and owns the project
  - Savings are shared until the project costs are recovered
  - Utilize a portion of the savings to support campus energy planning
Proposal

Launch a Pilot Program to address Financial Resources and Planning needs in Q1-Calendar 2016

- **Phase 1** – identify the processes and governance needed to support Shared Savings approach to supporting energy efficiency projects

- **Phase 2** – Develop approaches to support comprehensive energy planning into regular campus processes
Phase 1 – Shared Savings

Work with a group of Colleges to design and facilitate a project underwriting process

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<th>PROCESS</th>
<th>RESOURCES FROM COLLEGES</th>
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<tbody>
<tr>
<td>A. Define Requirements</td>
<td>A. Interaction (2-4 hours)</td>
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<tr>
<td>- Procurement</td>
<td>- Procurement Department</td>
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<td>- Contracting</td>
<td>- Engineering</td>
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<td>- Financial Analysis</td>
<td>- Fiscal Office</td>
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<td>B. Underwriting Process</td>
<td>B. Data and Evaluation (4-6 hours)</td>
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<td>- Project Evaluation</td>
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<td>- Utility Billing</td>
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<td>- Placement</td>
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Phase 2 – Energy Planning

Work with a group of Colleges to develop standards for comprehensive campus energy planning

**PROCESS**

A. Define Requirements
   - Benchmarking
   - Planning
   - Budgeting

B. Develop Core Processes
   - Data
   - Analyses
   - Reporting
   - Fiscal Operations

**RESOURCES FROM COLLEGES**

A. Guidance (4-8 hours)
   - Sustainability
   - Engineering
   - Fiscal Office

B. Data and Evaluation (8-10 hours)
   - Metering and submetering
   - Utility Billing
   - Fiscal planning cycle
**Goals and Calendar**

**Achieve improvements over traditional energy performance contracting**
- Lower costs – Avoid the 30-40% overhead charged by ESPC contractors
- Local control – Colleges can choose their products and contractors
- Optionality – Colleges can choose to close out agreements early
- Off-balance sheet – Financial partner owns the equipment

**Timeline**
- January: Announcement of pilot project
- February: Phase 1 kick off with core group of participating Colleges
- March: Initial interviews with College staff completed, project identified
- April: Financial underwriting reviews of projects
- May: Results of underwriting presented to Colleges for review and action
- June: Revisit Phase 1 results with Colleges to determine expansion
- July: Phase 2 kick off with core group of participating Colleges
Call for Interest

**Participating in the Pilot:**
- Voluntary
- Requires limited staff time and resources

**Best scenarios are Colleges with:**
- Higher utility costs (ComEd, some municipal utilities and cooperatives)
- High time of use for facilities
- Have identified efficiency upgrades with proven technologies

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