



Introduction to Haverhill Mayor's Energy Task Force

John Kauppinen

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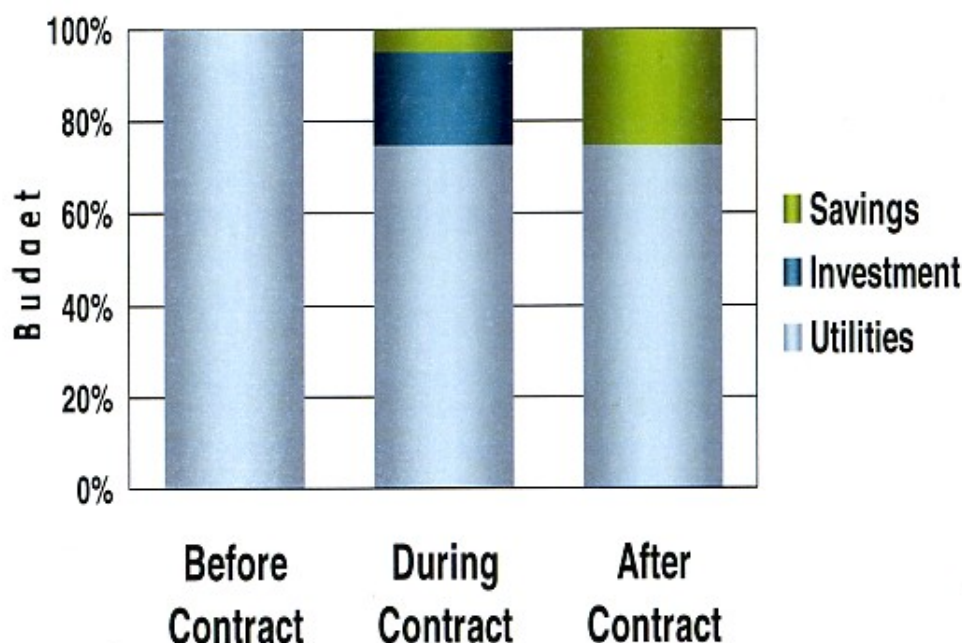
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What is Performance Contracting (ESPC)?

Energy related capital improvements paid from future energy and operating cost savings

How it works



- ⊕ Guaranteed performance
- ⊕ Single source responsibility
- ⊕ Life-cycle versus first cost approach
- ⊕ Improvements can be made with no impact to taxpayers
- ⊕ Supported by Massachusetts enabling legislation



Summary of Massachusetts Legislation

Municipalities and School Districts may now implement an ESPC through either:

MGL: Chapter 25A, Section 11C RFP process

or

Chapter 25A, Section 11I RFQ process (approved February 03, 2006)



RFP or RFQ - Evaluations Similar

ESCO's must be certified by the MA Department of Capital Asset Management (DCAM)

11C RFP: ESCO Selection

- ✦ Qualifications
- ✦ Technical Merit
- ✦ Responsibility
- ✦ Responsiveness
- ✦ Overall Costs Taking into Consideration Many Variables
- ✦ RFP Criteria Shall Include the above, but NOT Limited to it

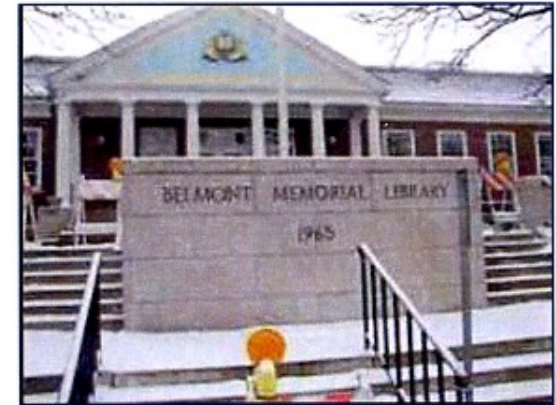
11I RFQ: ESCO Selection

- ✦ References of other Projects
- ✦ Quality of Products Proposed
- ✦ Method to Determine Savings
- ✦ Reputation and Capabilities
- ✦ Conformity with bid spec's
- ✦ Time to Complete Project
- ✦ ANY other Factors the Public Agency Considers Reasonable and Appropriate

Tip: Speak with many local references built by the project team, both recently completed and older projects

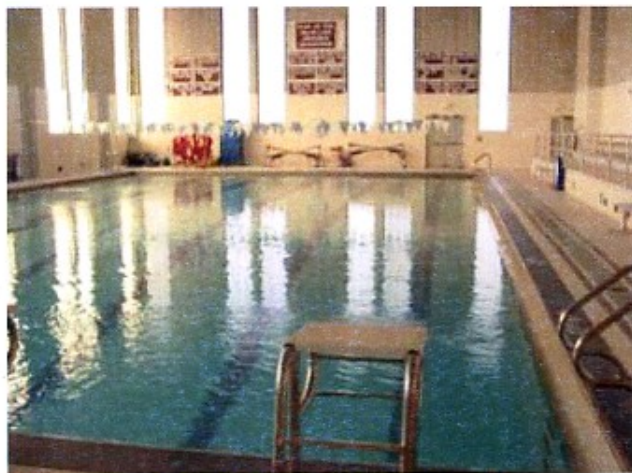
Town of Belmont, MA

- **Customer Profile**
 - Six schools
 - Five town government buildings
- **Project Investment: \$1.7 Million**
- **Guaranteed Annual Savings: \$226,400**
- **Technologies:** Lighting & lighting controls, energy management system upgrades, boiler controls, water conservation, swimming pool cover, high school rooftop unit replacements
- **Most recently completed municipal performance contract in MA**
- **First to combine both schools and town buildings in one solicitation**



Belmont ECM Highlights

- Quick Payback Measures, such as Lighting, Water Conservation, and the Swimming Pool Cover Helped Fund Needed Replacements of Six High School Roof Top Units



Swimming Pool



High School Roof Top Unit

Duxbury, MA Public Schools

- **Customer Profile**
 - 3234 students
 - 4 schools, 480,000 square feet
- **Project Investment: \$2.9 Million**
- **Guaranteed Annual Savings: \$274,783**
- **Technologies:** Two electric heat conversions with new boiler plants, new centralized energy management system, HVAC improvements, high efficiency motors, water conservation, lighting improvements.
- **Nationally Recognized for Improving Indoor Air Quality while Saving Energy**



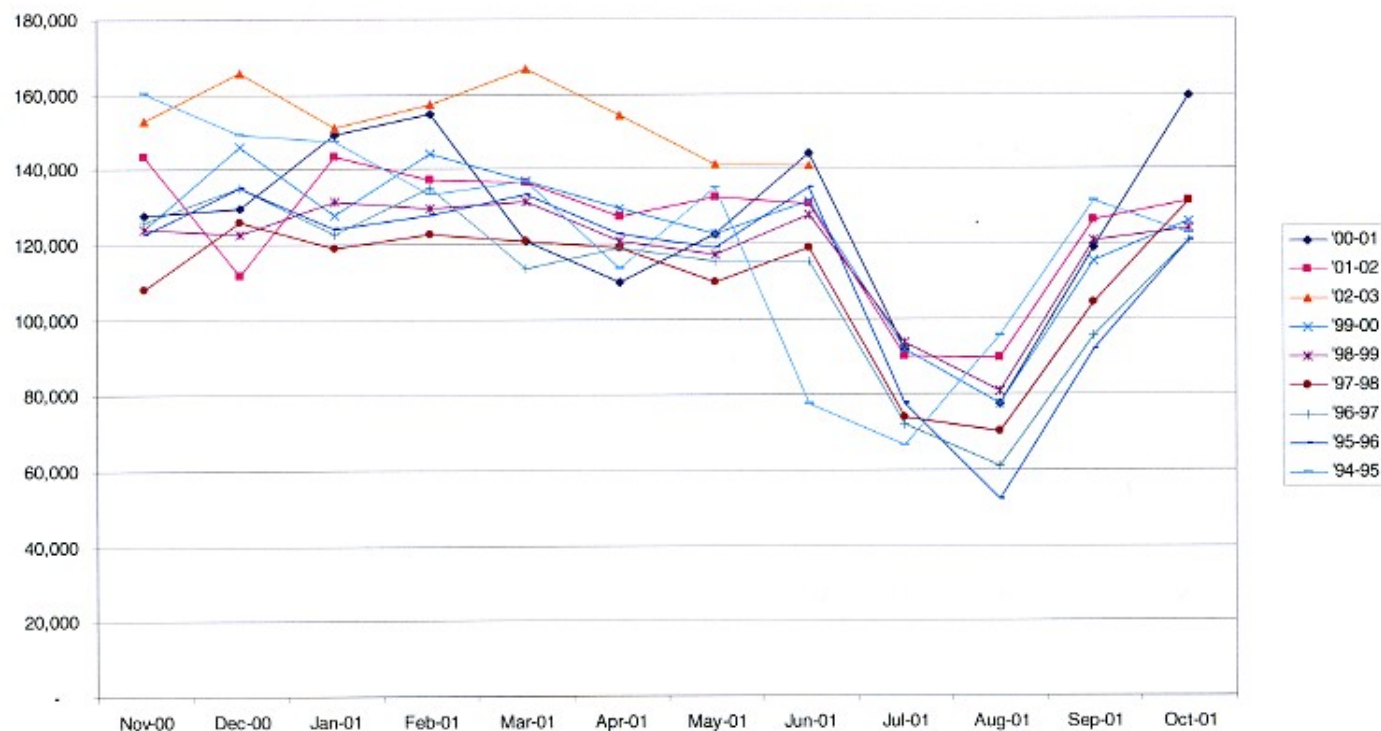


Long-Term Results

Year 1-10 Cumulative Performance

- Total Annual Savings: \$3,115,405
- Total Guaranteed Savings: \$2,747,830
- Savings in Excess of Guarantee: \$367,575

Duxbury High School kWh





ESPC Process

- ⊕ Identify Feasibility and Opportunity for ESPC
- ⊕ Brief all Parties Involved and Gain Support for the Program
- ⊕ Issue an RFP/RFQ under the Applicable MA Legislation
- ⊕ Select Preferred ESCO and Negotiate Agreement
- ⊕ Project Construction
- ⊕ Project Performance / Verify and Publicize Results