



COMMUNITY UNIT SCHOOL DISTRICT 200

Guaranteed Energy Savings Contracts



Inspiring in Everyone a Passion to Excel

Agenda

- Introduction to Guaranteed Energy Savings Contracts
- Definition/Meaning
- Savings Opportunities
- Accountability
- Advantages of the Process
- How Does this Work?



Guaranteed Energy Savings Contracts

- Adopted into Illinois law April 1993
- 10-20 year terms
- Competitive procurement via RFP
- School selects best solution, not required to select lowest submitted price
- School buys results, not just equipment
- Sole accountability – no finger pointing
- No change orders
- Anticipated lower costs and faster speed of delivery



Definition/Meaning

Guaranteed Energy Savings Contracts - means an Energy Services Company (ESCO) guarantees annual measurable monetary reduction in utility and operating and maintenance costs for each year of a guarantee period.

Important to Note: Guarantees are specified around adhering to operating schedules and control set points, not necessarily tied to cost savings as utility rates and building operations may change over time.



Savings Guarantees

Measured & Verified (M&V) Guarantees

- Savings must be “proven”
- Appropriate for weather-dependent energy improvements
 - HVAC systems, equipment, and controls
- ESCO monitoring/assistance keeps the building running most efficiently



Savings Guarantees

Stipulated Guarantees

- Savings agreed upon upfront
- Appropriate for weather-independent energy improvements
 - Lighting
 - Water
- Appropriate for energy improvements with minimal energy savings



Rebate/Savings Opportunities

- Boilers
- Chillers
- Variable Frequency Drives (VFD's)
- Kitchen Equipment
- Solar SREC/Smart Inverter - (Roof or Ground)
- Geo-Thermal



Accountability

Traditional Construction



Lots of cooks in the kitchen – who is accountable?

Accountability

GESC Provider



One Chef = Full Accountability

Advantages

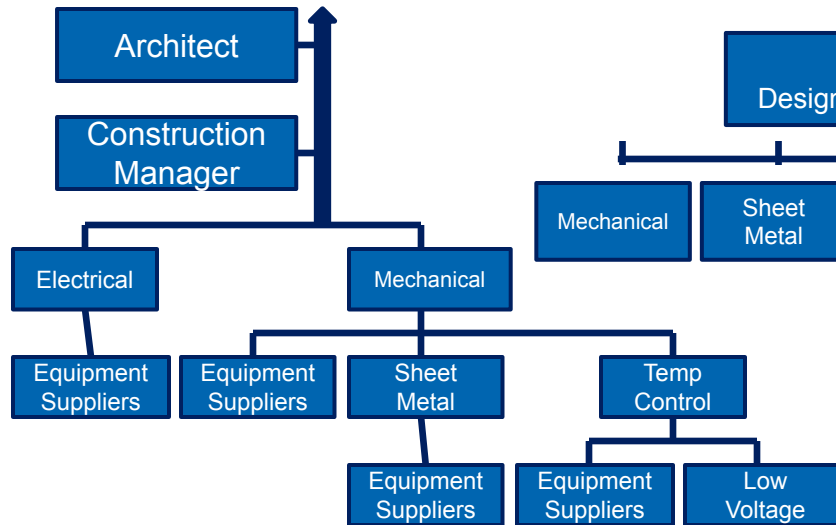
Flat Procurement Structure

Plan-Spec



Owner's Cost

Multiple Layers of Compounded Markup

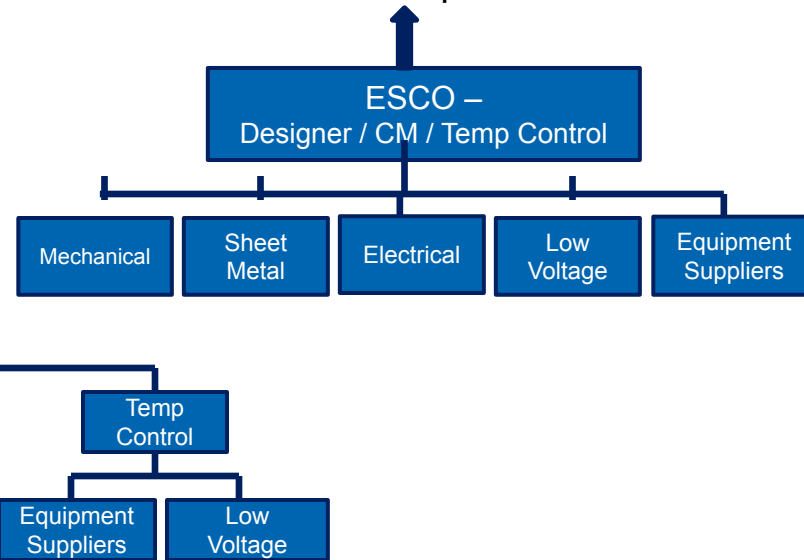


GESC



Owner's Cost

Flat Markup



Advantages to GESCs

- One point of accountability
- Expected reduction in overall construction costs
- Guarantees - Design/Performance/Outcome
 - ✓ Owners are in control
 - ✓ No “change orders”
 - ✓ Energy savings
- Financing Options
 - ✓ Projects can be paid through O & M



Advantage – Owner in Control

- Owner evaluates and chooses
 - ✓ Design
 - ✓ Contractors
 - ✓ Equipment
 - ✓ Quality
 - ✓ Price
 - ✓ Value



Advantage - No “Change Orders”

- Owner can still add scope to project
- Owner’s cost for errors and omissions are eliminated
- Since GESG team pays for mistakes
 - Measure twice, cut once
 - Spend far more time investigating existing conditions
 - Persistent focus on processes that eliminate mistakes



How does this work?

- District Defines Needs
- District and ESCO Detail Project(s)
- ESCO Prepares Documentation, Drawings, Solicits Vendor Partners, etc.
- ESCO Presents Open Book Pricing to District
 - Transparent process - All cost category pricing competitively submitted
- District/BOE Approves Project(s)
- ESCO Executes Project Delivery



Questions

