

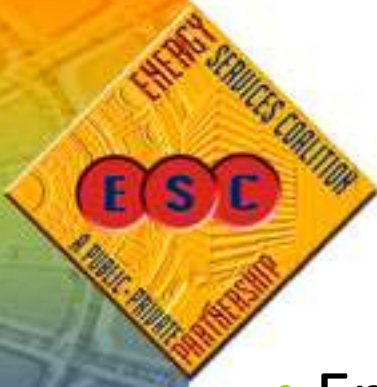


Making Capital Improvements Without Using Capital Dollars

Keith Harris



Objectives



- Energy Performance Contracting (EPC)
- Understanding the process
- Summary

Energy Performance Contracting



“The use of guaranteed savings from the maintenance and operations budget (utilities) as capital to make needed upgrades and modernizations to your building environmental systems, financed over a specified period of time.”

-- United States Department of Energy

Energy Performance Contracting



Alabama is *ready* for Performance Contracting

- Enabled under Code of Alabama
 - Section 41-16-140 & 41-16-144

Energy Performance Contracting

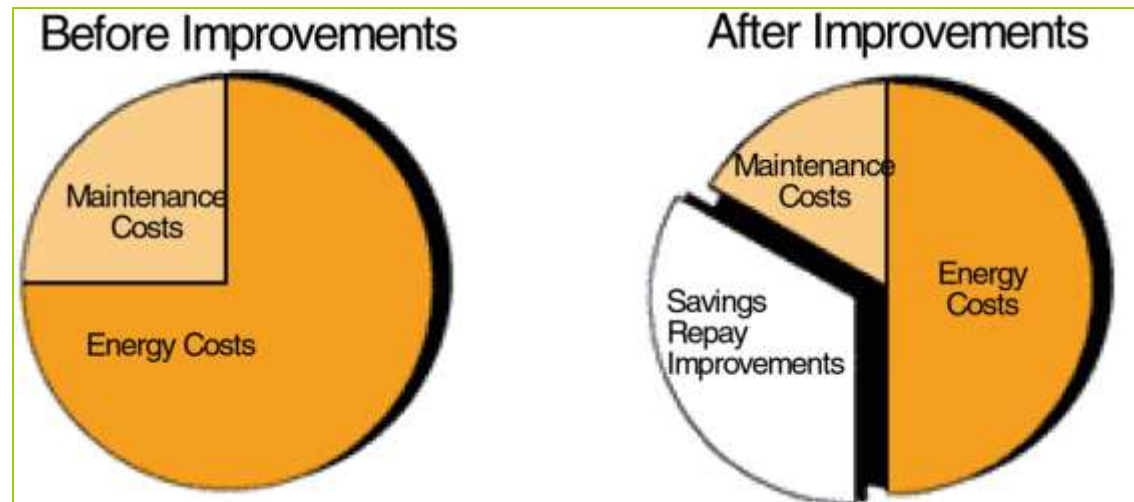


- An energy services company (ESCO) can identify and evaluate energy saving opportunities.
- The ESCO will then recommend a package of improvements to be paid for through savings.
- The ESCO guarantees that savings will meet or exceed annual payments to cover all project costs, over an agreed financing term.
- **If the savings are not achieved the ESCO pays the difference.**

Energy Performance Contracting



Maintenance and Utilities Budget- Before and After EPC



Energy Performance Contracting



EPC VS. Capital Appropriations

- Address facility issues today
- One company accountability
- Quality assurance
- Performance and value-based
- Guaranteed results

Understanding the Process



Source: Alabama EPC Manual (www.adeca.alabama.gov/ewt/)

Potential EPC Candidates in Alabama



- State Agencies
- Municipalities
- Higher Education- Public and Private
- Healthcare- Public and Private
- K-12
- Commercial
- Industrial

Summary



Energy Performance Contracting allows clients to:

- Leverage against rising energy and construction costs
- Address aging building conditions
- Positive environmental impact
- Improve facilities with no up-front investment



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