SCEP
STATE & COMMUNITY ENERGY PROGRAMS

ESPC Peer Exchange: RFP and ESCO Selection

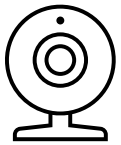
October 31, 2024

A copy of the slides from today's presentation will be provided to you for reference.

ENERGY SERVICES COALITION
A Public Private Partnership
www.energyservicescoalition.org

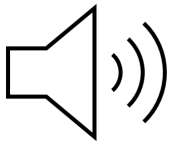
ESPC Campaign

Virtual Housekeeping



Join us on camera to enhance the group experience!

Drop your questions in the chat or raise your hand



Unmute your microphone to ask questions and join the conversation

Speakers

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Introductions

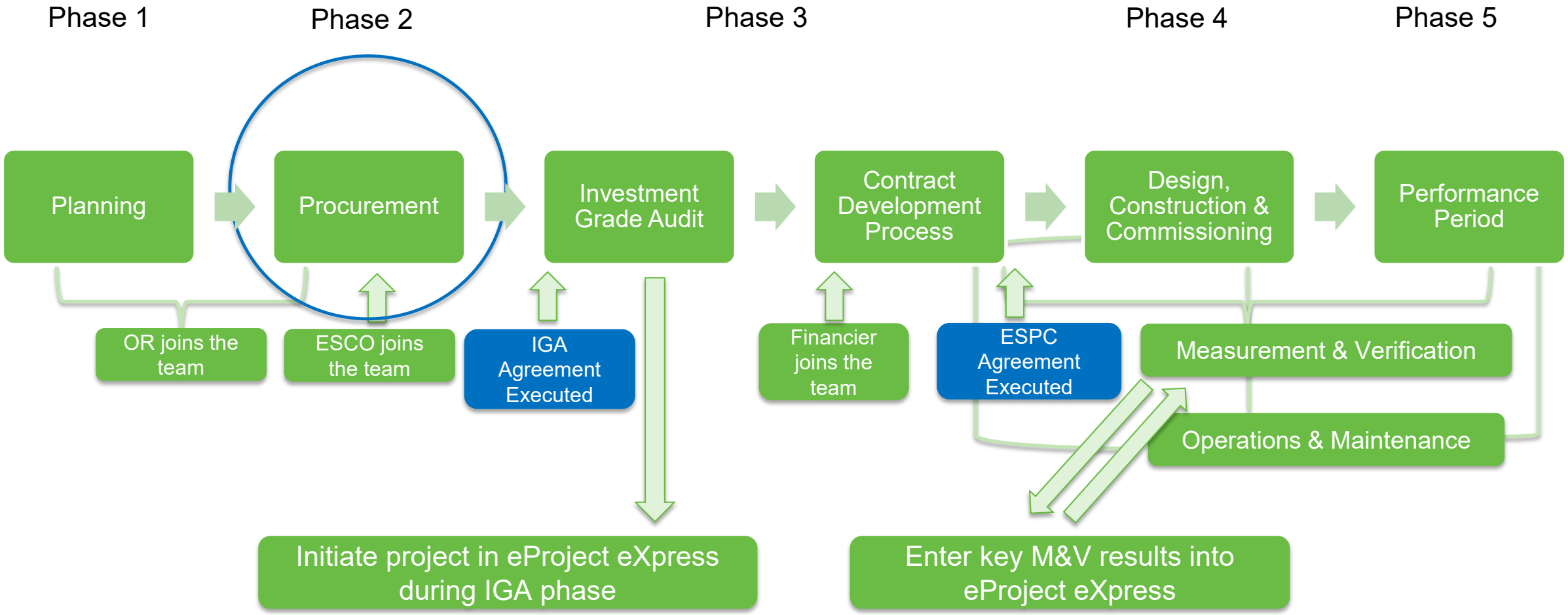
- Name, organization you are with
- Icebreaker:
  - What is your favorite Halloween costume that you've ever worn (or seen someone wearing)?

Agenda

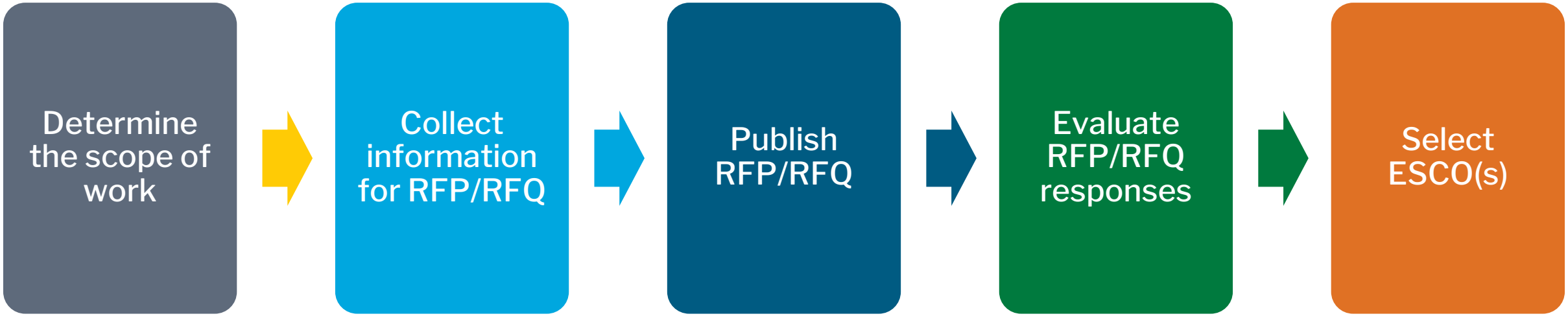
Learning Objective: This peer exchange will focus on actual experiences, and best practices, of issuing an RFP and selecting an ESCO for an ESPC project.

- Introductions
- Where are we in the ESPC Process?
- Five steps for issuing an RFP and selecting an ESCO
- Experiences from Miami-Dade County, FL
- Experiences from City of La Crosse, WI
- Questions and Discussion
- Best Practices and DOE Resources
- Closing Thoughts and Next Steps

The Five Phases of ESPC – Where are we?



Developing an RFP/RFQ and Selecting an ESCO



Experiences from Miami-Dade County, FL

Request for Proposals and ESCO Selection
Energy Performance Contracting

Dr. Patricia Gomez

Interim Chief Resilience Officer and Director of Energy

October 31, 2024

Office of Resilience

Energy Performance Contracting

County has been using performance contracting since 1998 and 17 EPC projects executed; over 64,535,600 kWh of electricity and 71,729,250 gallons of water per year; that's equivalent to around $6 million per year.

On January 2024, Miami-Dade County joined to the Energy Savings Performance Contracting (ESPC) Campaign as an ESPC Champion Partner.

Technical Category 27.03

Building Performance Evaluation Services –ESCO Services

MIAMI-DADE COUNTY

ESPC Campaign

Prequalification Certification

Any ESCO, must be in compliance with [Florida Statues 489.145]

ESCO certifications: one or more

- ✓ National Association of Energy Service Companies (NAESCO)
- ✓ U.S. Department of Energy for federal facilities Prequalification
- ✓ U.S. Department of Defense Prequalification

The Technical Certification Committee is composed of Miami-Dade County employees appointed by the Mayor, who review each application for compliance with the minimum requirements.

NAESCO ACCREDITATION PROGRAM

Request for Proposals

The soliciting department prepares a Request for Advertisement (RTA) document for the selection of a consultant to perform an Investment Grade Audit (IGA) for an Energy Performance Contract (EPC)

The RTA document includes, but not limited to the following:

* Project Description
* Department Name and Facilities Description
* Energy Conservation Measures (ECMs)
* Proposed technologies
* Financing arrangement options

If the project cost is:

< $1M, this falls under the Mayor's authority.

> $1M needs Board of County Commissioners approval.

ESCO Selection

Miami-Dade County uses the Strategic Sourcing module to send notifications and receive bids/proposals electronically. ESCOs must be registered in the system to respond to an advertised event.

Vendors' experience includes architectural and engineering design, permitting and construction management, and preparation of complete construction plans.

Selection Committee

3 4-person selection committee to evaluate the IGA proposals. This can include personnel from the soliciting department, other departments with expertise, and a technical rep (non-voting member) to assist with the review.

Experiences from City of La Crosse, WI

Sustainable La Crosse
Guaranteed Efficiencies

Climate Action Plan Implementation – Phase IV

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La Crosse Sustainability Project

Agenda:

- Sustainability Partnership in Review (phases I, II and III)
- New Phase IV Scope and Benefits

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Project Success: Prior phases in review

La Crosse Sustainability Project (Phases I-III)

Energy Demand Reduction

- Mechanical equipment replacement
- Retrofit lighting to LED
- Efficiency monitoring and reporting
- Investment at **City Hall, Libraries, Municipal Service Center, Fire Stations, Parks, Street lighting and the La Crosse Center**

Renewable Energy Supply

- City-owned Solar Arrays: Seven (7) locations totaling over 0.5 MW

Status: Implemented/Generating Savings
Total Investment in facilities: **>$9 million**
Total Project Benefits (over 20 years): **> $11 million**
Annual savings equivalent to **2,339 Metric Tons of CO2**






Project Success: Prior phases in review

City-owned Solar PV Arrays

Municipal Service Center: 100 kW

Main Library: 100 kW

City Hall: 100 kW

Fire Station #1: 36 kW

Fire Station #3: 30 kW

Copeland Park: 60 kW

La Crosse Center: 100 kW

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Project Success: Prior phases in review

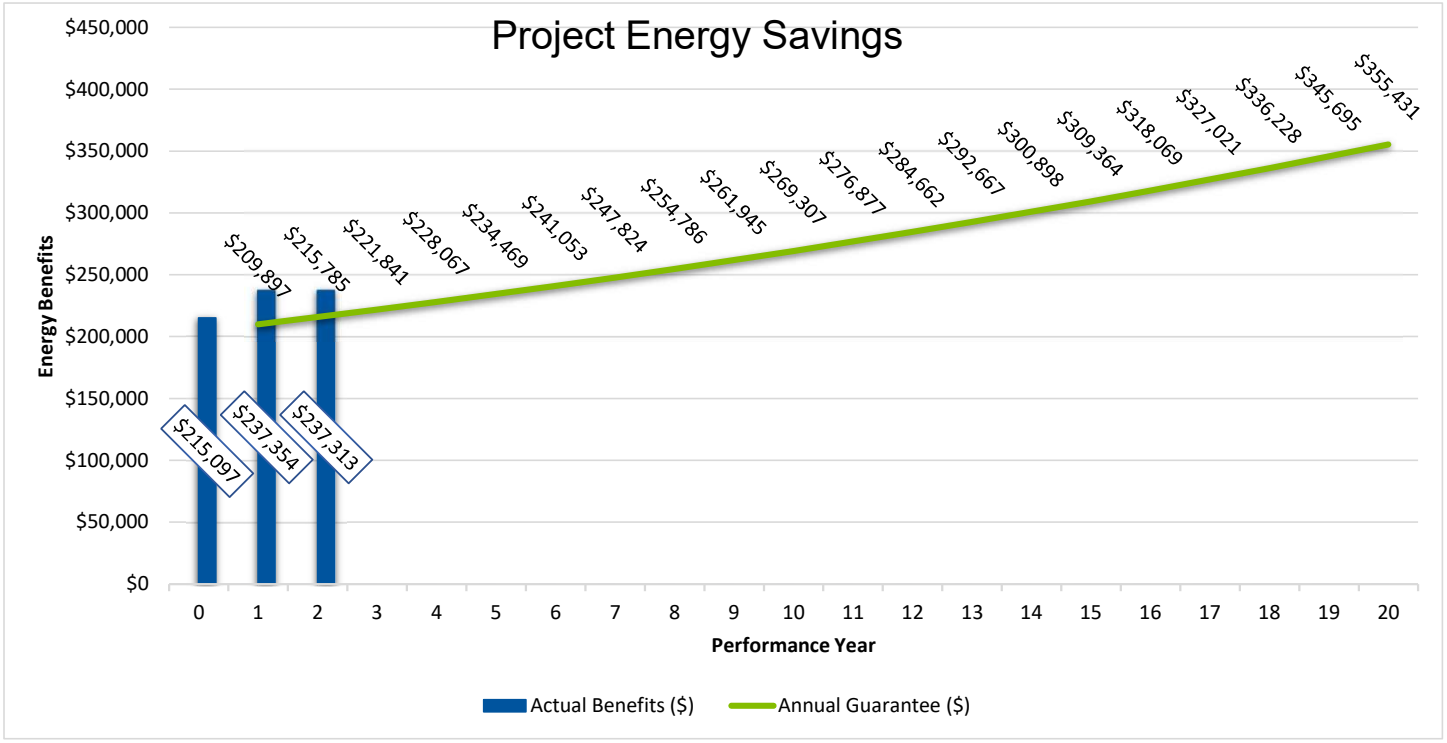
Project Benefits Greater Than Projected

Phase I and II benefits have exceeded projected benefits by **$264,083** and total project energy savings are **$689,764**

Actual Benefits To Date:
$1,672,822
- Energy Savings: **$689,764**
- Energy Rebates: **$262,937**
- O&M Savings: **$120,121**
- Capital Contribution: **$600,000**

Projected Benefits To Date:
$1,408,739

Excess Savings To Date:
$264,083



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Project Success: Prior phases in review

Sustainability Benefits - Annual

2,339 Metric Tons **of Carbon Dioxide (CO_2) equivalent**

This is equivalent to greenhouse gas emissions from:

504 gasoline-powered passenger vehicles driven for one year	**5,806,827** miles driven by an average gasoline-powered passenger vehicle

This is equivalent to CO_2 emissions from:

263,236 gallons of gasoline consumed	**229,802** gallons of diesel consumed
2,588,314 pounds of coal burned	**31** tanker trucks' worth of gasoline
295 homes' energy use for one year	**455** homes' electricity use for one year

https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

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New Phase IV

Project Scope Review and Recommendations

Category	Projects Evaluated	Results		Next Steps
Lighting	Green Island Ice Arena: Upgrade remaining non-LED interior lights and non-LED exterior lighting to LED	Positive economic and environmental results		Include in agreement
	Public Pools: Upgrade remaining non-LED interior lights and non-LED exterior lighting to LED	Positive economic and environmental results		Include in agreement
HVAC	Fire Station #3: HVAC systems and building envelope	HVAC deferred to grant award. Building envelop plan has positive benefits		Include turnkey complete remodel in next phase upon Grant Award
	City Hall: Variable Air Volume (VAV) units and air duct sealing	Benefits do not match investment. Additional funding required		Include AHU replacement in next phase. Re-evaluate VAV in future
	La Crosse Center: Air duct sealing	Not applicable to “open space” configuration		
	Green Island Ice Arena: HVAC improvements and air duct sealing	Benefits do not match investment. Additional funding required		Complete if funding available
	Public Pools: pump house, whole building fan, cooling, pool cover, investigate feasibility of Erickson external pump house	Chlorine generator and aquatic controls yield positive benefits with some capital infusion		Additional funding required for pump house, if necessary
Renewable Energy	Fire Station #2: Solar PV array	Positive economic and environmental results		Include in agreement
	Fire Station #4: Solar PV array	Positive economic and environmental results		Include in agreement
	La Crosse Center: Solar PV array	Positive economic and environmental results		Include in agreement
	Public Pools: Solar hot water	Benefits do not match investment		
	Green Island Ice Arena: Solar hot water	Benefits do not match investment		
	EV Charging Stations: investigate options at various City facilities	Technologically feasible.		Additional planning and funding needed
Open Blue Enterprise Manager	Extend the existing system to include the facilities listed above	Positive economic and environmental results		Include in agreement

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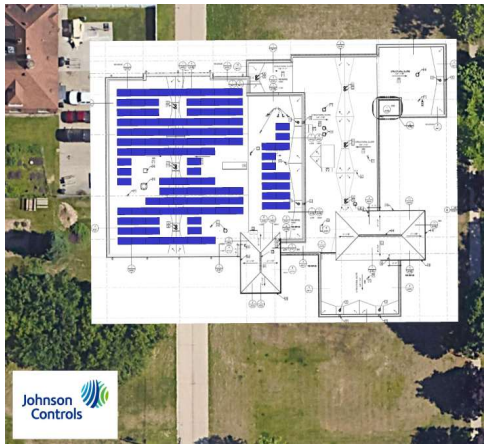
New Phase IV

New Solar Arrays

La Crosse Center
Estimated annual production: 280 MWh
185 kW AC (251 kW DC)

Fire Station #2
Est Annual Production: 58 MWh
50 kW AC (56 kW DC)



Fire Station #4
Est Annual Production: 76 MWh
50 kW AC (73 kW DC)

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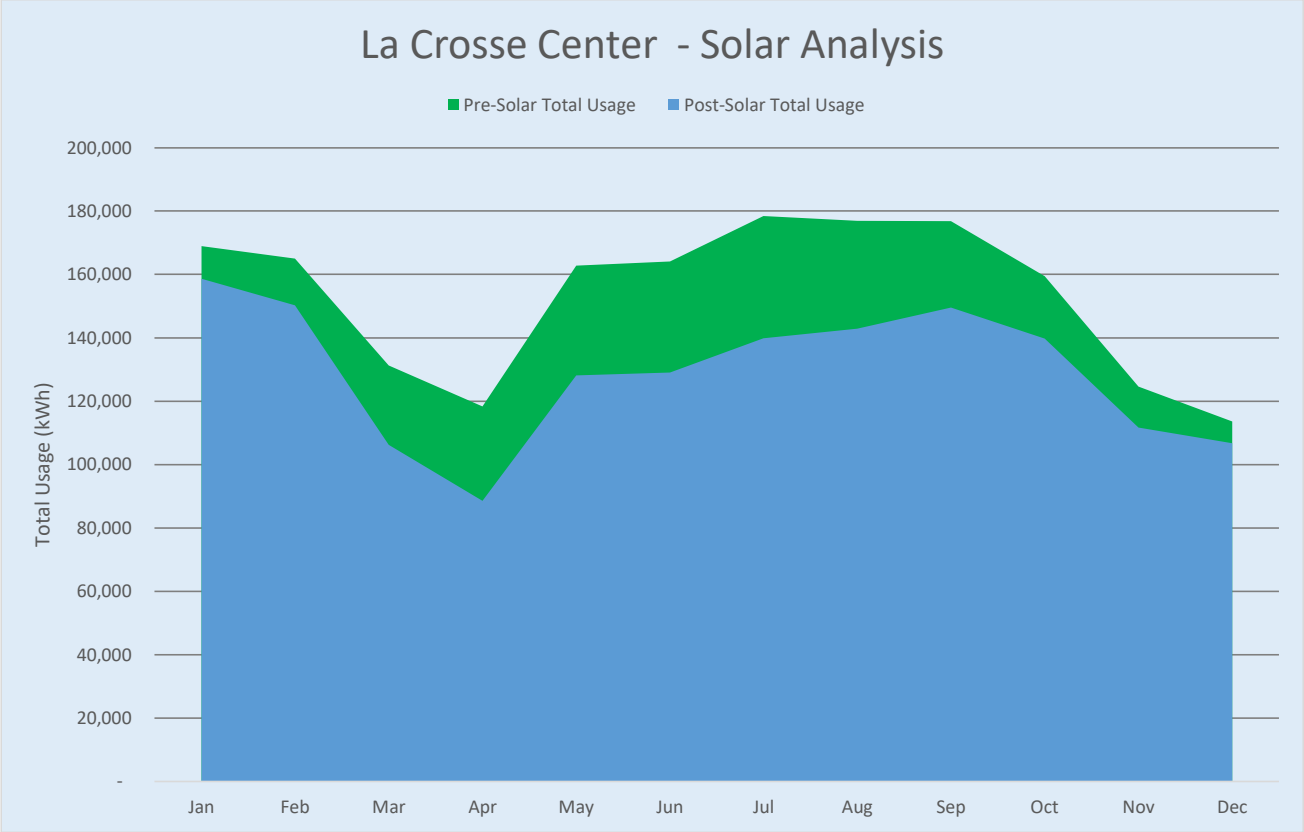
New Phase IV

Expected Solar Benefits (new array only)



CURRENT ELECTRIC USAGE AND BILL

Total Energy Usage (entire facility):
1,840,306 kWh
Total Electric Energy (CY 2022)
$205,690

EXPECTED ANNUAL SOLAR BENEFIT

Solar Production:
280,148 kWh (15% of total usage)
Expected Total Annual Value:
$30,292
Sum of Solar Production, measured:
$21,664
plus Demand saving, unmeasured:
$8,628

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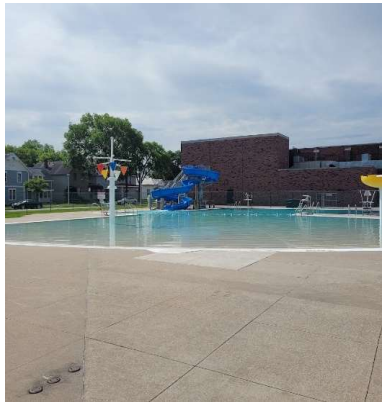
New Phase IV

Community Pool Upgrades

- Energy and water savings
  - Lighting upgrades
  - Pumping controls
- Operational and Maintenance Savings
  - Alternative process of on-site chlorine generation
  - Raw materials are typically 75% - 90% less expensive
- Improve safety and minimize risk to public health
  - Increase water quality and reduce threat to public safety
  - Reduce storage of hazardous acid and chlorine solutions
  - Significantly reduce corrosiveness and related hazards



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New Phase IV

Project Benefit Summary

Project cost: $2,390,500
Less expected Rebates: $393,400

Annual expected project benefits (energy and O&M, initial year): **$100,700**
Total expected project benefits (over 20 years): **$3,190,000**

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Q&A and Discussion

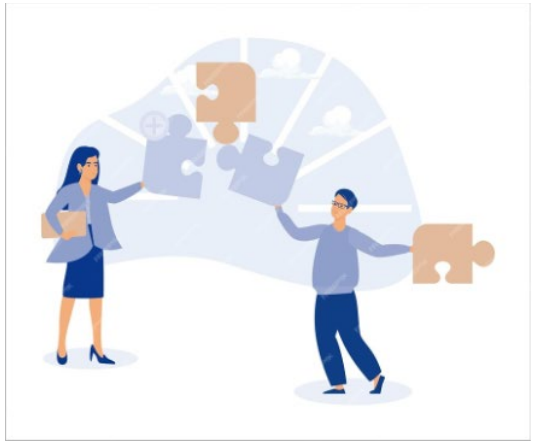
Common RFP and ESCO Selection Questions

1. Should I include a detailed prescriptive ECM list in the RFP?
2. Should I require the ESCOs to do free preliminary audits as part of the selection process?
3. How much research should I do regarding funding for the project before issuing the RFP?
4. How much pricing information should I ask for in the RFP?
5. How do I balance the technical, financial, and interpersonal aspects of the ESCOs and their proposals?
6. How should my Selection Committee be staffed and trained?

Best Practices and DOE Resources

Best Practices for Selecting an ESCO

The RFP/Q has been issued, the ESCOs have submitted their proposals… now what?



Use the DOE Evaluation Workbook

- Evaluation criteria are already tailored to match the DOE RFQ Template
- Accommodates up to 10 Evaluators and 10 ESCOs
- Handles both the Proposal Review and the Interviews
- Simplifies the process of collecting scores from Evaluators
- Results are compiled automatically to save time and avoid transcription errors

U.S. DOE Better Buildings Solutions Center:
Best Practices for Selecting an ESCO

Additional ESCO Selection Best Practices

- Work with SEO, if able.
- Align owner objectives with evaluation of ESCO's technical capability and innovativeness.
- Include the template that the ESCOs must complete in the RFP, to compare responses apples-to-apples.
- Conduct a detailed review of ESCO proposal submissions and use an Owner's Representative.
- Understand markups and indicative pricing.
- Always shortlist and interview the top 3 or 4 firms. It's all about the local people supporting you!
- Check references for all shortlisted firms.
- Debrief unsuccessful ESCOs - improves future responses.
- Consider "The comfort factor". This could be a 20-year marriage! ☺

Resources

- ESPC Podcasts | Energy Services Coalition
  - Podcasts 104-105 focus on ESCO Selection
- ESPC Toolkit
  - Best Practices for Selecting an ESCO and DOE Evaluation Workbook
- Performance Contracting National Resource Center
  - Module 3 is on “Developing Scope for Project and Request for Proposal”
- eProject eXpress | U.S. DOE
  - Incorporate use of eProject eXpress into your solicitation and final contract with your ESCO to have them enter your project and M&V data directly into this tool!

Upcoming Events

Workshop

- **Wednesday, November 13th 2-3:30PM ET** – Working with Internal and External Stakeholders to Ensure a Successful ESPC Project

Webinar

- **Thursday, November 21st 2-3:30PM ET** – Benefits of ESPC for Finance and Leadership

Trainings

- **Wednesday, December 5th 2-3:30PM ET** - Paying for Your Project: Understanding ESPC Project Financials, Financing Options, and the Leveraging Effect of ESPC on Contributed Funds

- DOE's Energy Efficiency and Conservation Block Grant (EECBG) program is offering monthly trainings for communities on a wide range of topics. Complete this form and express interest in Cohort 2B to receive training invites on ESPC topics.

Office Hours

- State and local ESPC Campaign partners are invited to set up a time to speak with a Department of Energy Project Facilitator (Owner's Representative) for virtual office hours. Discussion topics can be anything regarding an ESPC project, including specific questions on your project. **To request a meeting time,** please complete this **Office Hours Sign-Up Form**.

If you haven't joined the ESPC Campaign yet, please join! Email ESPCcampaign@hq.doe.gov

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