

FUNDING ENERGY EFFICIENCY PROJECTS

N E W M E X I C O



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AGENDA

- ▶ What is a Performance Contract (PC)
- ▶ NM law and history of PC in the state
- ▶ What is the process
- ▶ What are the benefits
- ▶ How are they structured
- ▶ ECMD's Role and Third Party Reviewer



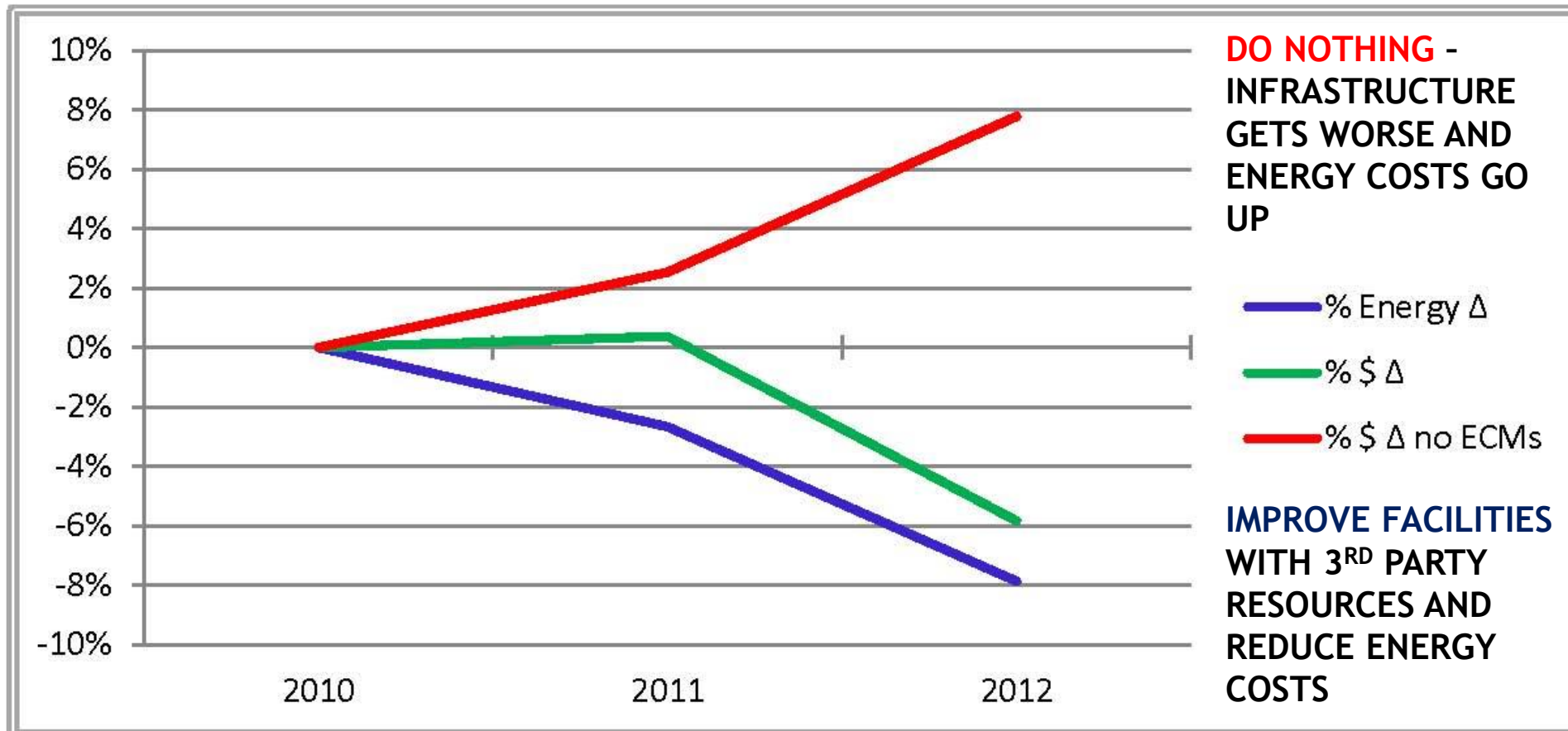
WHAT IS A PERFORMANCE CONTRACT?

A construction project on a facility that uses future energy savings to pay for up-front costs of the project - eliminating the need to dip into capital budgets. These qualified construction measures include:

- ✓ Lighting upgrades
- ✓ Solar installation
- ✓ Heating, air conditioning, boilers upgrades
- ✓ Chiller replacement, building controls



CONTINUE TO PAY HIGH UTILITY BILLS OR IMPROVE FACILITIES



NEW MEXICO CLEAN ENERGY FINANCING LAW

*Public Facility Energy Efficiency and Water
Conservation Act*

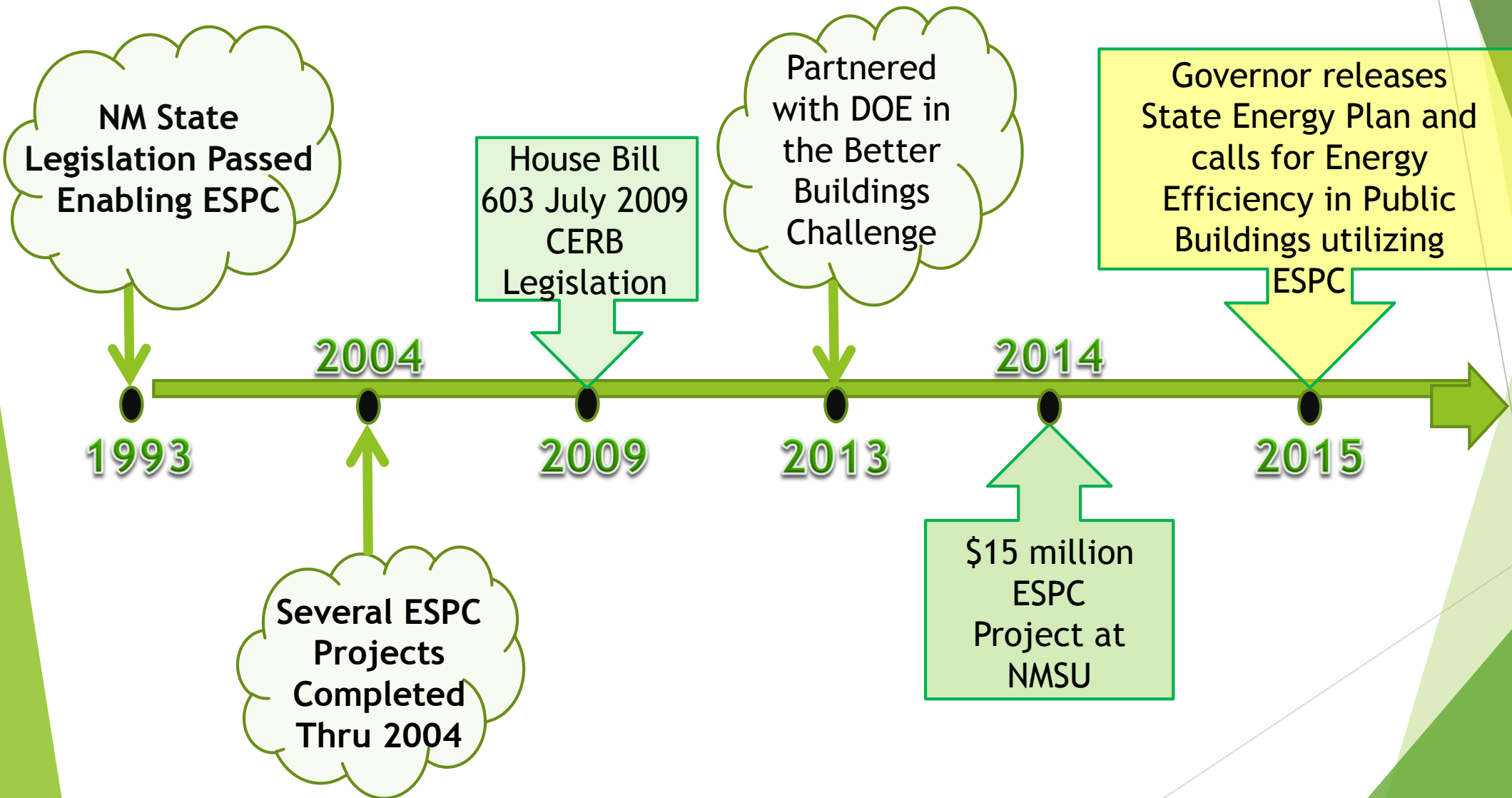
6-23-1. Short title.



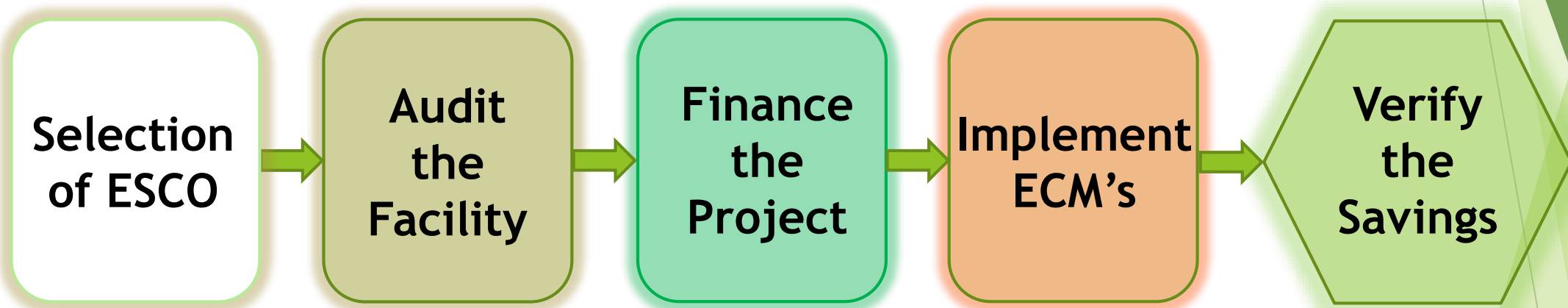
Over **\$75 million** of infrastructure
improvement in NM since 1995



PERFORMANCE CONTRACTING IN NM



HOW THE PROCESS WORKS



SIGNIFICANT BENEFITS OF THE PROCESS

SCOPE OF WORK

- * Guaranteed Work
No Change Orders

SAVINGS

- * Guaranteed
Energy/Cost Savings

TERM

- * Guaranteed Payback
Time Period



HOW TO SELECT AN ESCO??

- Statewide Price agreement # 15-000-14-05759AA - Seven fully vetted, prequalified ESCO's

- Ameresco
- ECI/OpTerra
- Johnsons Controls
- McKinstry
- Noresco
- Seimens
- Yearout/Yesco

- Request For Proposal (RFP)



WHAT IS A FACILITY ENERGY AUDIT?

Preliminary Energy-Use Analysis

- Calculate Btu/sf
- Compare to similar

Level 1 Audit: Walk-Through

- Rough costs and savings for energy efficiency measures

Level 2 Audit: Energy Survey & Analysis

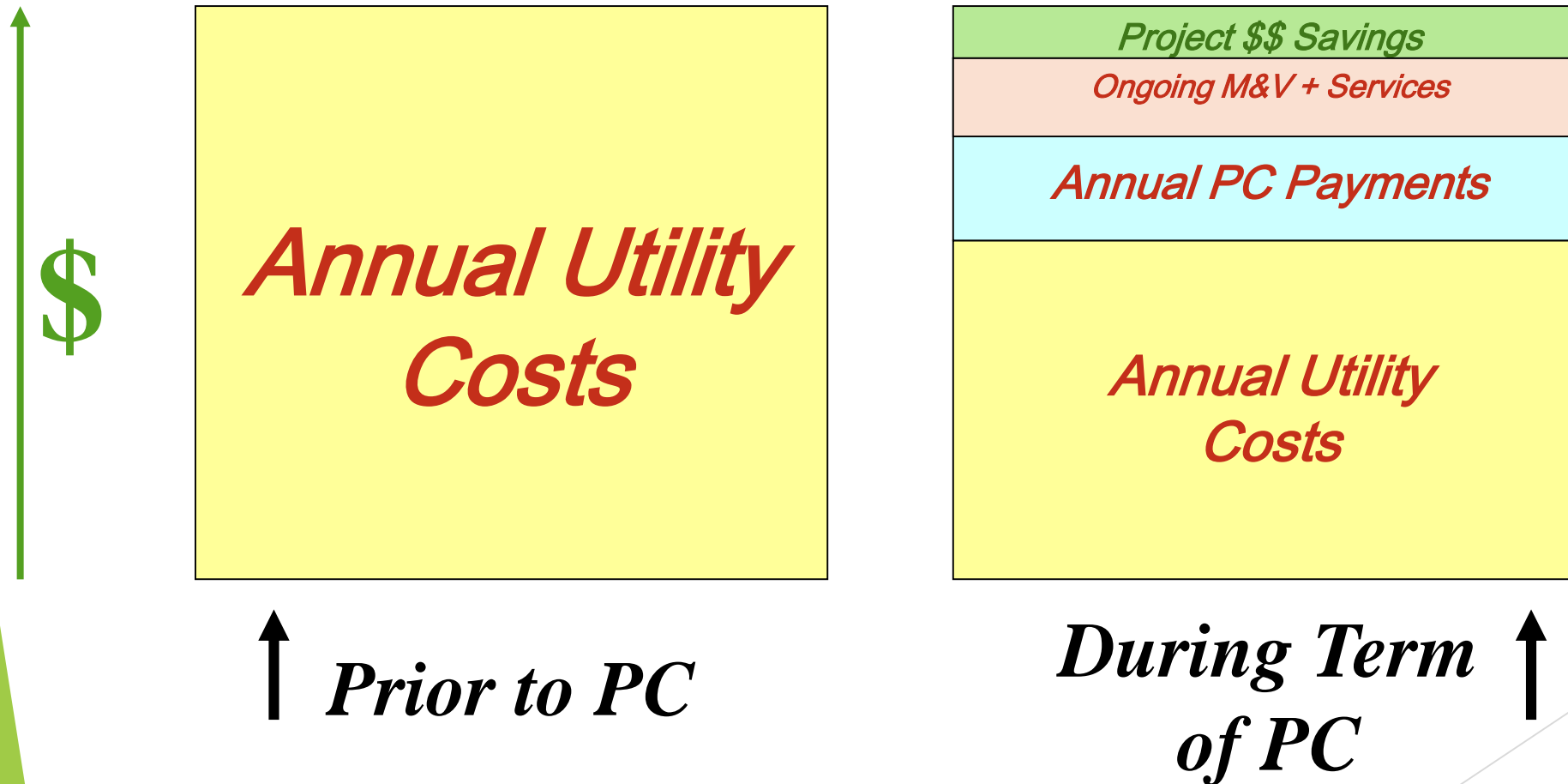
- End-use breakdown
- Detailed analysis
- Cost & savings for energy efficiency measures
- O&M changes

Level 3 Audit: Detailed Survey & Analysis

- Refined analysis
- Additional measurements
- Hourly simulation



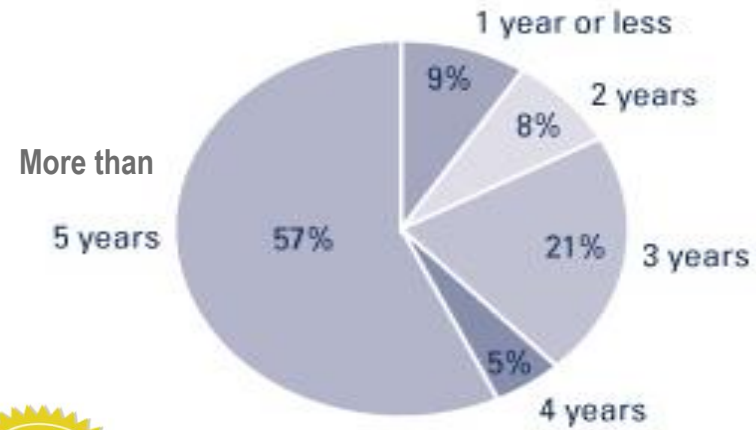
PERFORMANCE CONTRACTING CASH FLOW EXAMPLE



ECMD's ROLES & RESPONSIBILITIES



Appropriate Payback Period for Energy Efficiency Upgrades



THIRD PARTY REVIEWER



COMPLETED LOCAL GOVERNMENT PROJECTS

Completed ESPC Projects

City of Bloomfield
McKinley County
Sunland Park

Project Cost

\$453,762
\$2,401,017
\$257,979

Guaranteed Savings

\$30,062
\$333,581
\$14,498

Completed PPA Projects

City of Alamogordo
Bernalillo County
Silver City
Truth or Consequences
Deming

\$4,805,814
\$6,742,480
\$5,943,985
\$5,616,613
\$4,592,797

\$156,433
\$240,431
\$169,779
\$325,628
\$157,010



PROJECTS UNDER CONSIDERATION

In the Works

Bernalillo County MDC
City of Las Cruces
City of Gallup
Sandoval County
Dona Ana County
City of Santa Fe
City of Espanola
Acoma Pueblo
Aztec Schools (Self funded)
Pojoaque Public Schools
Western New Mexico University
Monte Del Sol Charter School
NMMI

Possible Future Projects

DOE Grant Waste Water Partners

City of Espanola
City of Tucumcari
Village of Ruidoso
Town of Taos
Mora



NMSU Project Overview

Selected as the 2015 New Mexico Large Energy Project Of the Year

- Selected Energy Measures= \$15 million
- Annual Savings \$1.4 million
- Utility Rebates \$1 million

ECM-1: Interior Lighting
ECM-2: Exterior Lighting
ECM-3: Exterior Pole Mounted Lighting
ECM-6: Retro-Commissioning
ECM-7: Variable Air Volume Retrofit
ECM-10: Economizer Upgrade or Repair
ECM-12: Chilled Water Bypass
ECM-19: Natural Gas Delivery Consolidation
ECM-26: Satellite Plant Energy Savings
CO1: 108 kW-DC PV System on Parking Lot
CO2: 73.2 kW-DC PV System on Parking Lot 100 Phase II*



PERFORMANCE CONTRACTING SOLUTIONS

1. Provides a **Self Funded** solution for an Energy Project.
 - Future Energy Savings will **PAY** for the Project.

OR

2. Provides added funding to **Supplement** the Energy Project. Future Energy Savings will:
 - Supplement the Project budget
 - Allow the Project scope to be expanded

Both Options provide a
Guaranteed Solution.



??QUESTIONS??



THANK YOU!!!



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