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Thank you!

For inquiries regarding
information presented
in this Newsletter,
please contact
Kendra McQuilton at
(631) 360-0006

Common Myths About Energy Performance Contracting

Energy Performance Contracting (EPC) has come a long way in the last 10 years. Recent projects have resulted in district satisfaction that far surpasses the experience of a typical capital/bond project.

Further, advances in technology are enabling even *efficient* schools to enjoy significant cost savings through increased control over energy-consuming systems. To dispel some common misconceptions about EPC, ECG has compiled the following information.

“They Cost the District Money.”

NYS Energy Law Article 9 states clearly that the district cannot be responsible for any costs associated with the project. All costs must be paid for out of energy savings. In fact, many districts receive as a bonus a large positive cash flow as a result of the state building aid they receive on the project.

“My District just replaced roofs, windows and boilers, so we don't have any energy savings opportunities left.”

Most capital projects are not designed with the oversight of an energy efficiency engineer. As a result, even if your district replaced many energy-related systems, there are many techniques and new technologies available to improve efficiency that are not typically included in standard capital projects. Examples include window film, boiler controls, weatherization, computer/vending machine controls, and many others.

“We should start the process by paying for an energy audit.”

Although an energy audit will provide your district with information about your district's inefficiencies, you will still need to pay thousands to obtain that information. Further, when the audit is complete, you will be left with the problem of how to fund and implement the recommended improvements. Through the EPC RFP process, you will get all the information of a NYPA/ NYSERDA audit, bundled with a plan to implement all the capital work suggested, all at no out-of-pocket cost to the district and fully guaranteed by the Energy Services Company (ESCO).

“They require an architect.”

EPCs, by nature, are engineering projects. The majority of projects that make up an EPC are mechanical or electrical in nature such as lighting, HVAC, high efficiency motors, renewable energy, etc., or address heat transfer issues such as windows,

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roofs, and weatherization. All of these systems must be evaluated and designed by energy engineers.

“The largest proposal offers the best value.”

While this can be true, without a competent advisor to scrutinize the proposals you receive from ESCOs, it may prove false. ECG’s engineers

have analyzed what seemed to be the most attractive proposals for several districts, only to discover that these proposals included deficits and higher than reasonable profit margins for the ESCOs.

“They don’t produce the energy savings they promise.”

NYS Energy Law - Article 9 requires that the ESCO guarantee the energy savings. Further, the ESCO must monitor

and verify that the savings are being realized, and submit to the district on an annual basis a report that identifies and quantifies the actual energy savings. If the savings do not materialize, the ESCO must write the district a check to make up the difference.

Project Profile: Scarsdale UFSD

ECG and Scarsdale Partner to Initiate \$7.5 Million Energy Project

After a thorough inspection of Scarsdale UFSD’s facilities as part of the Building Condition Survey process, ECG’s engineers noted that the district had several systems that could be upgraded through an Energy Performance Contract (EPC).

ECG was subsequently retained to assist the district through the EPC RFP process. The result was \$7.5 million worth of capital upgrades that will be implemented without taxpayer impact.

**Contact ECG today at
(631) 360-0006 or visit
www.ecgengineering.com to
request a free energy survey**

Highlights of Scarsdale’s Energy Project

- Project Size: \$7.5 Million
- Estimated Annual Savings: \$400,000+
- Reduction in Energy Costs: 27%
- Annual Positive Cash Flow: \$355,000

Upgrades to Facilities:

- lighting system upgrades
- occupancy sensors
- integrated building energy management system
- boiler controllers
- steam trap replacement
- thermostatic radiator valve installation
- transformer replacement
- window replacements
- heat-rejecting window film
- vending machine controls
- others



Inside Energy Performance Contracts: Wind Power

Until recently, wind turbines were not considered viable at many school districts. Today, however, they are fast becoming standard components of energy performance contracts at schools throughout New York State.

Today's technology, in the form of smaller, quieter turbines, has opened up the option for many schools to "go green" with wind power.

While often cost-prohibitive if installed as a stand-alone capital project, your district, if eligible, can enjoy the social, environmental, financial, and educational benefits of wind power, at no out-of-pocket cost, through energy performance contracting.

Benefits of Wind Power

- *Save money every month by lowering your electric bills*
- *Enjoy state rebates and federal tax credits*
- *Use free energy from the wind to reduce the effect of utility rate increases*
- *Enjoy energy independence by becoming your own power producer*
- *Protect the environment by using clean, renewable energy in your school*
- *Provide a valuable teaching program to instill environmental awareness and responsibility*



ECG's Kendra McQuilton Presents at New York State Council of School Superintendents (NYSCOSS) - Fall Conference



On October 6, 2008, Kendra McQuilton, ECG's Director of Business Development, presented to Superintendents from across the State at the NYSCOSS Fall Conference. The presentation, entitled "Energy Performance Contract: A Bright Idea", included a summary of the Energy Performance Contracting (EPC) incentive program, projects eligible for EPC, advantages of performing an EPC over a traditional capital project, and several case studies.

If you need a timely topic and speaker for an upcoming event, please contact Kendra at (631) 360-0006.

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Thank You!

ECG would like to thank the following Districts for entrusting us with the oversight and design of their Energy Performance Contracts since our last newsletter:

Half Hollow Hills CSD
Center Moriches UFSD
Central Islip UFSD
Sayville UFSD

Middle Country CSD
West Babylon UFSD
Webutuck CSD
White Plains City SD



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