

# Energy Management Incentive Program

Presentation to:  
Hampton Roads Planning District Commission

By:  
DecideSmart LLC

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Agenda Item #6

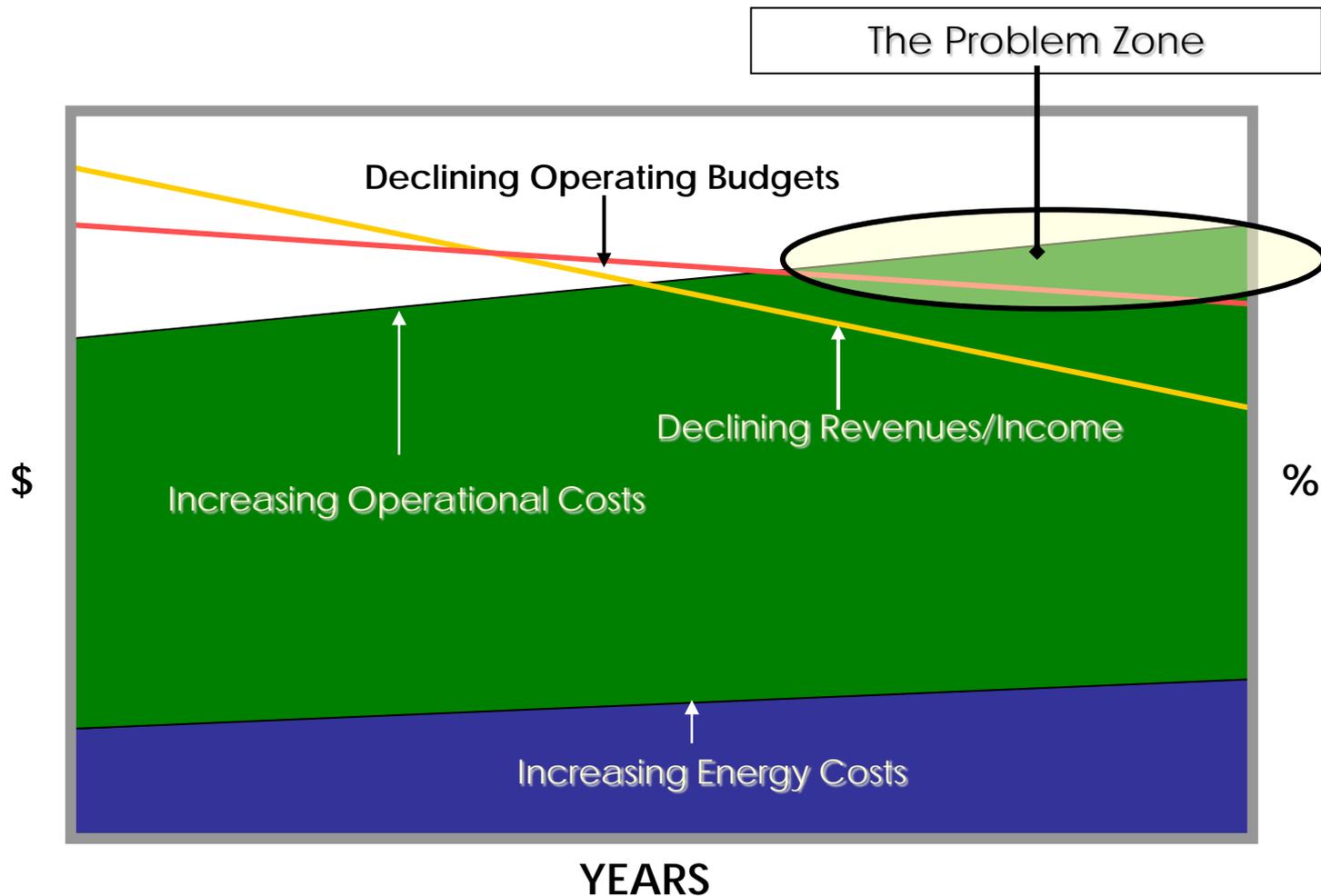
# Who is DecideSmart?

- Dr. William Boshier, former Virginia Superintendent for Public Instruction
- Dr. Robert Holsworth, Founding Director of the Center for Public Policy and the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University
- Mr. Bill Leighty, former Chief of Staff to Governors Warner and Kaine
- Mr. Lane Ramsey, former County Administrator of Chesterfield County

# This is a Concept, Not a Plan

- Energy: Important topic for public officials today
  - Citizen awareness of energy issues
  - Opportunity to reduce operating cost
- Many governments, state and local, are undertaking energy management programs
- Barriers often prevent more aggressive management of energy
  - Lack of Energy Expertise
  - Lack of Program Management Expertise and Time
  - Lack of access to Financing

# Energy: Important topic for public officials today



# Overcoming the Barriers

- On a regional basis, utilize existing resources of the Commonwealth and member jurisdictions to develop a comprehensive approach to energy management:
  - HRPDC working group
  - DecideSmart
  - Virginia Department of Mines Minerals and Energy
- Based upon the concept of “Performance Consulting”
- Performance Consulting is guided by an Energy Savings Company (ESCO)

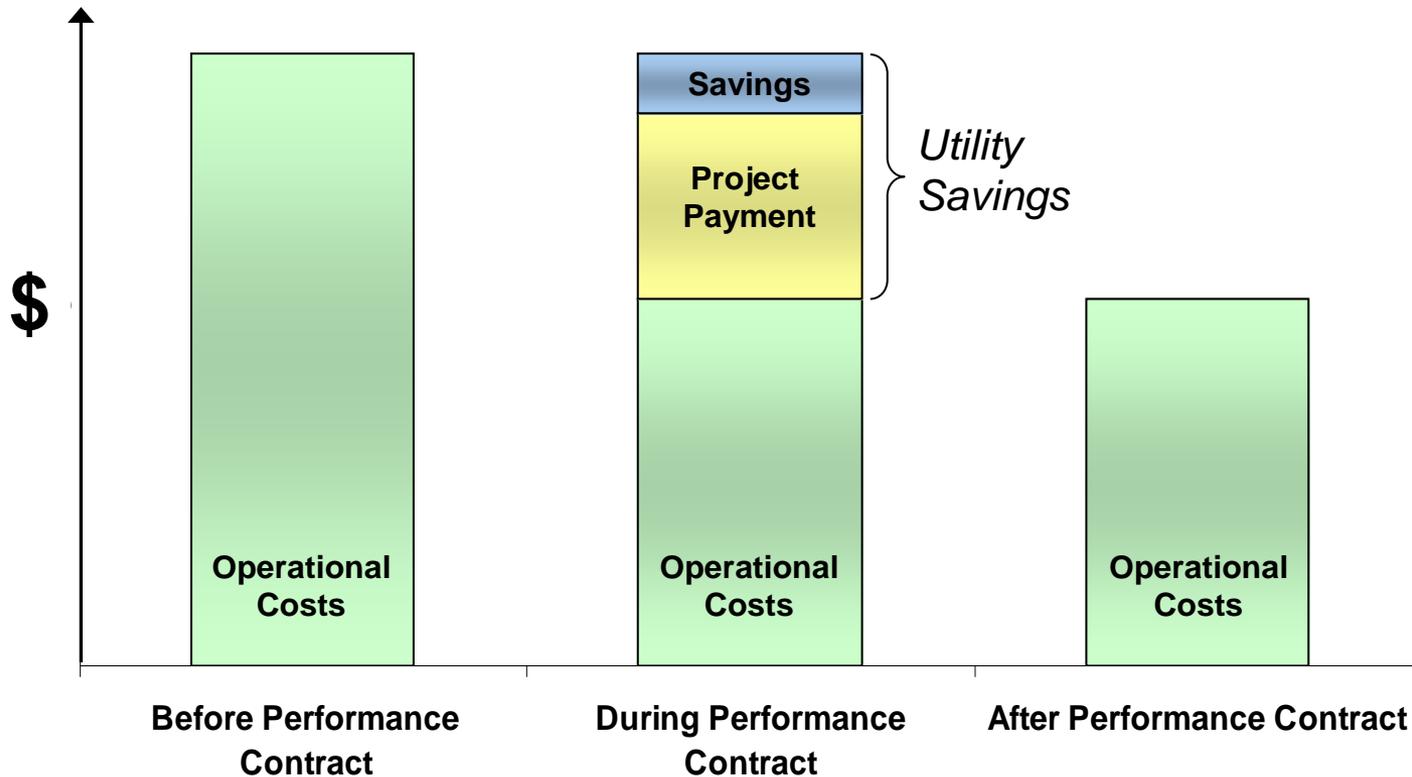
# What is Performance Contracting?

Energy Savings Performance Contracting (ESPC) enables local governments to use future energy savings to pay for the up-front costs of energy-saving facility upgrades, eliminating the need to utilize capital budgets.



# How ESPC Funding Solution Works

- Reduce the operating budget
- Fund capital improvements from these savings
- Guarantee the savings to facilitate financing



# What is an ESCO?

An ESCO, or Energy Service Company, develops and installs projects designed to modernize infrastructure and improve the energy efficiency and reduce maintenance and operating costs for facilities.

➤ *There are 16 pre-qualified ESCOs in Virginia through DMME*

# The Savings are Real!

- Reduces Annual Energy and Water Costs
- Eliminates Costly Ongoing Maintenance Items that Result from Deferred Maintenance
- Reduces Need for Future Capital Expenditures by Upgrading Facility Infrastructure
- Savings are **Guaranteed** or the project does not move forward

# Other Benefits

- No Up-front Funding
- Allows Replacement of Outdated Equipment & Systems – Modernization
- Provides Solutions to On-going Facility Issues
- Helps Define and Acquire O&M Services where needed

# How Would It Work?

Joint Administration of PDC-wide Management Initiative

HRPDC to:

- Help Localities Determine Needs
- Develop and Solicit a single region-wide RFP
- Help Select Determine ESCO(s)
- Help Manage Contract and Oversee Project

# Questions



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