

AGENDA NOTE – HRPDC QUARTERLY COMMISSION MEETING

ITEM #6: ENERGY MANAGEMENT INCENTIVE PROGRAM

SUBJECT:

Energy, its availability, use and cost, is an increasingly relevant topic today. While in many areas of the country, and Hampton Roads, energy availability is not an issue, energy costs remain an ongoing and significant concern.

BACKGROUND:

Even in areas with abundant energy supplies, the cost of energy continues to grow. Governments, have two reasons for focusing on energy. First, their citizens are more educated and aware about the need to conserve energy and “be green”. Second, energy costs to government represent a significant item of expenditure.

Utilizing existing energy management saving measures, the Commonwealth of Virginia has set a goal of reducing agency energy expenditures by 20% over the next four years. Early initiatives by agencies have proven that organizations who take a proactive focused approach on energy management can achieve realistic cost savings of between 20-40%.

A successful energy management strategy requires three fundamental components 1) energy expertise, 2) project management expertise and 3) project financing. Many local government officials find that overcoming these three initial barriers prevent the development of a comprehensive energy management strategy. Not only are energy savings a complex issue, but development of a comprehensive program must compete with a significant number of other public policy challenges facing governments. Moreover, energy management expertise is unevenly spread across and within the layers of government. A regional approach to energy management holds the potential for overcoming barriers that impact individual local governments.

The Commonwealth of Virginia, through the Department of Mines Minerals and Energy, offers assistance on all three aspects of overcoming these barriers. DecideSmart has been working with local governments throughout the Commonwealth to address energy management issues and is interested in exploring possible regional approaches. DecideSmart has been centrally involved in developing approaches that can help position PDCs to respond more effectively to the challenges faced by member localities.

Mr. Bill Leighty, DecideSmart Managing Principal, will provide an overview of a region-wide initiative to capture potential energy cost savings to member jurisdictions.

Note: This item will be presented for action under item 9M to create a Working Group of staff to work with the Virginia Department of Mines Minerals and Energy, and DecideSmart LLC to develop a region-wide Energy Management Incentive Program.