

Financial/Funding Opportunities

Energy Management Workshop for
Water and Wastewater Utilities

October 15, 2009



Governor's
Energy Office



Department of Local Affairs

Strengthening Colorado Communities

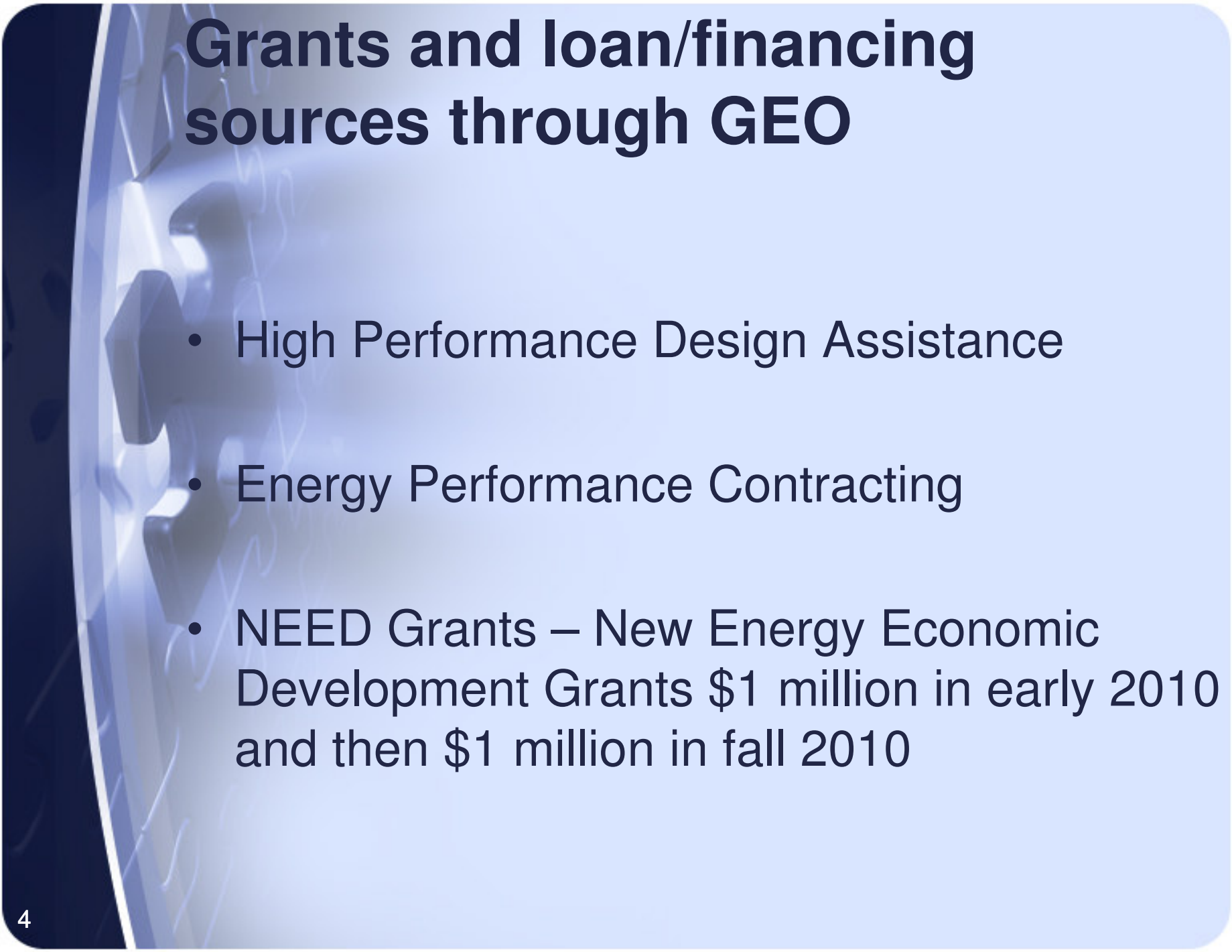


Content & Speakers

- Grants and loan/financing sources through the Colorado Governor's Energy Office/GEO
 - Mona Newton, GEO Regional Representative
- Grants and loan/financing sources through Colorado Department of Local Affairs/DOLA
 - Barry Cress, DOLA
- Energy Performance Contracting -- Do's & Don'ts
 - Gary Berngard, Private Sector Co-Chair (Honeywell) -- Colorado Energy Services Coalition/ESC

GEO Grants and Funding Opportunities





Grants and loan/financing sources through GEO

- High Performance Design Assistance
- Energy Performance Contracting
- NEED Grants – New Energy Economic Development Grants \$1 million in early 2010 and then \$1 million in fall 2010

Qualified Energy Conservation Bonds


- Qualified Energy Conservation Bonds – Deadline to apply Oct. 30, 2009.

<http://www.colorado.gov/energy/index.php?/policy/qualified-energy-conservation-bonds>

- Colorado State and local governments, colleges and universities, and qualifying quasi-governmental organizations are now invited to apply for a Qualified Energy Conservation Bond (QECB) volume cap allocation. The GEO is accepting project applications for capital expenditures incurred for the purpose of reducing energy consumption in publicly-owned buildings by at least 20 percent. Large local governments who have already received a volume cap allocation may also submit an application for an additional allocation. Visit the [QECB page](#) for more information and an application.

Grants and loan/financing sources

- Clean Renewable Energy Bonds CREBS
 - No specific state allocation
 - National Allocation of \$1.6 billion
 - 1/3 rural electric associations
 - 1/3 state and local governments
 - 1/3 municipal utilities
 - Capital costs only –
 - Renewable energy projects
 - Colorado Springs Utilities financed a 1 MW hydro project



Grants and loan/financing sources through GEO

- Revolving Loan Fund provide low cost capital for banks to provide short and medium term loans for renewable energy and energy efficiency projects throughout the state.

Regional Representatives

Regional Representatives

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Central Regional Representative

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Robert Mailander

Eastern Plains Representative

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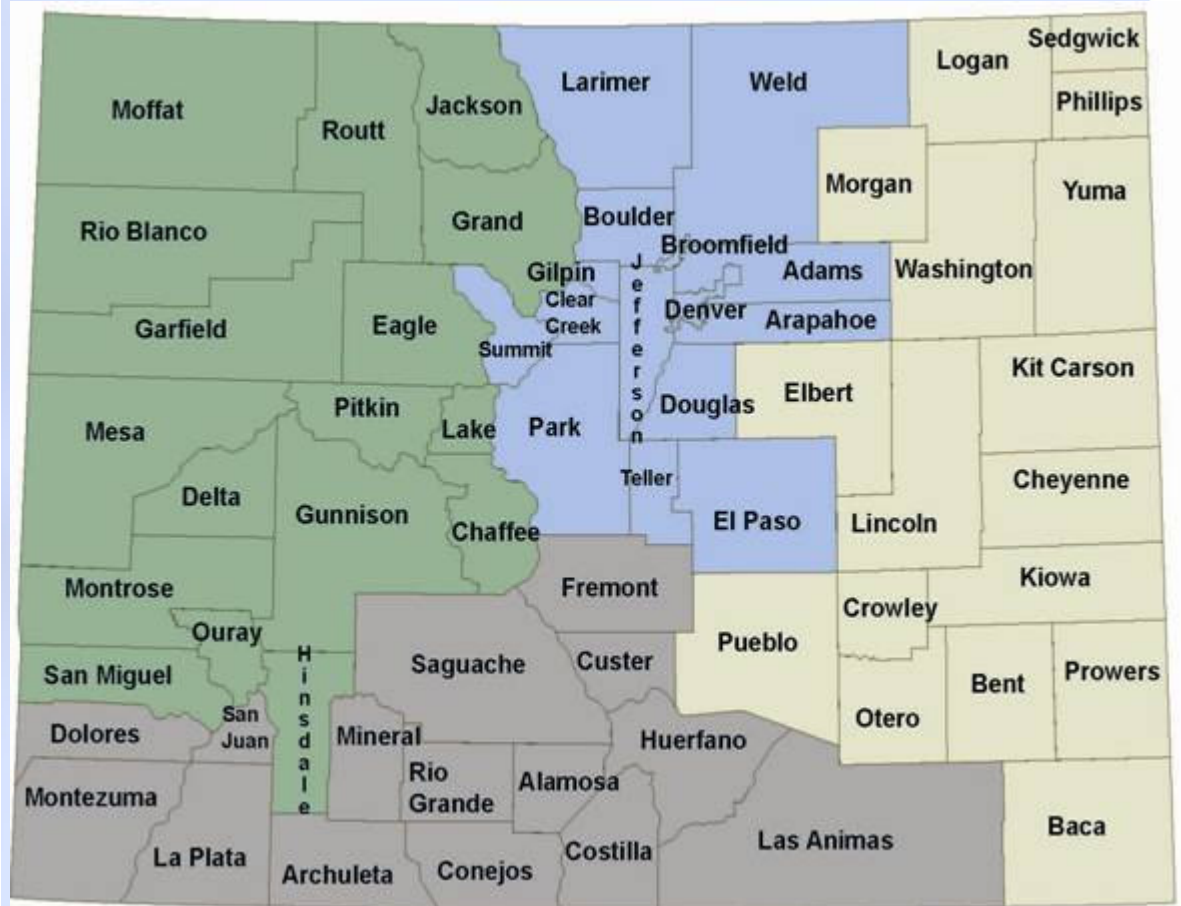
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Thank You

www.colorado.gov/energy

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Grant and loan/financing sources through Colorado Department of Local Affairs

- Energy and Mineral Impact Assistance Fund
- Community Development Block Grants

Department of Local Affairs



Strengthening Colorado Communities



New Energy Communities

- City of Grand Junction
- Town of Avon
- City of Cortez

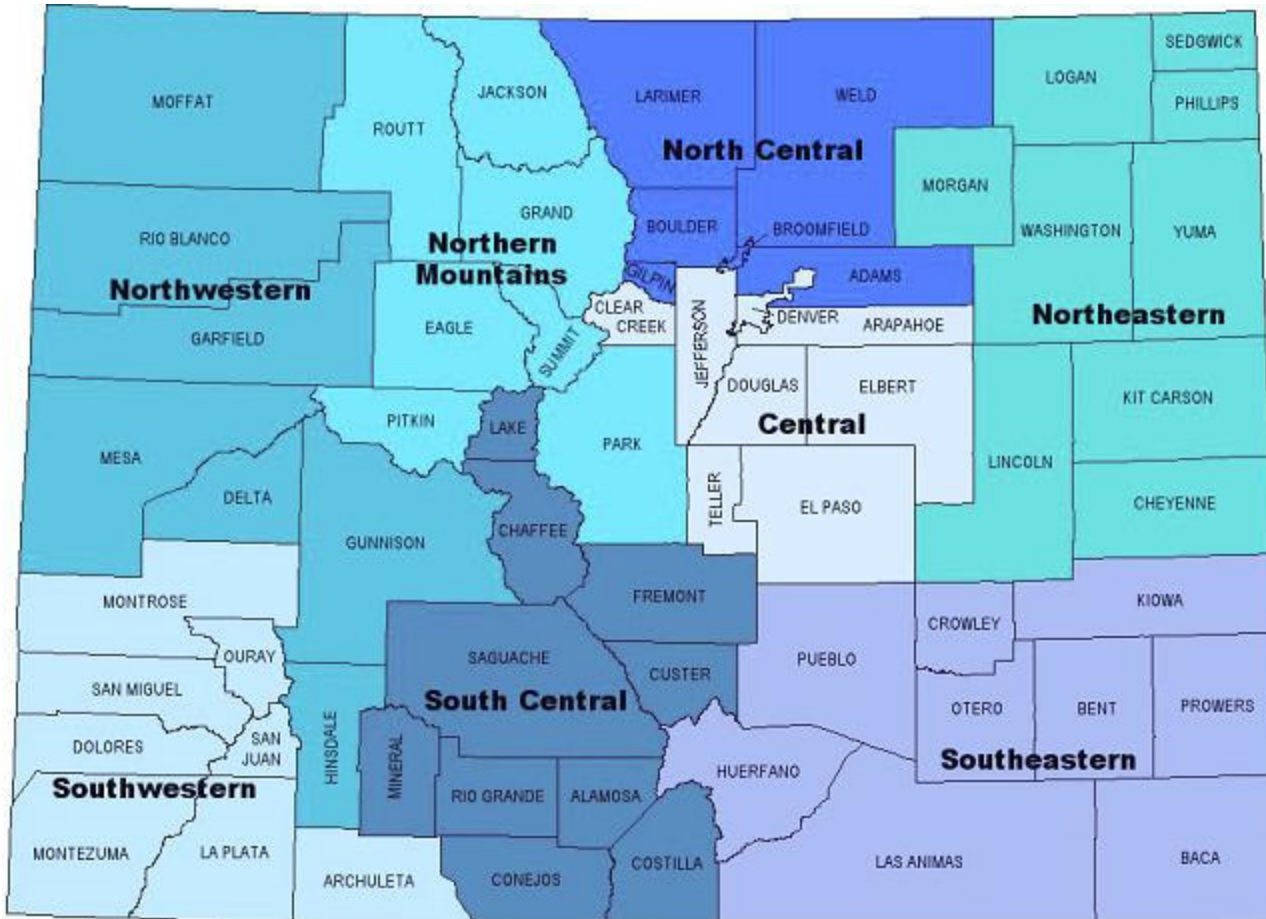
State Revolving Funds

- Drinking Water Revolving Fund

Water Pollution Control Revolving
Fund

Colorado Water Resources and Power Development Authority

- Small Hydropower Loan Program
- Loans of up to \$2 million
- Matching Grants for Feasibility Studies



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Energy Performance Contracting ("EPC")

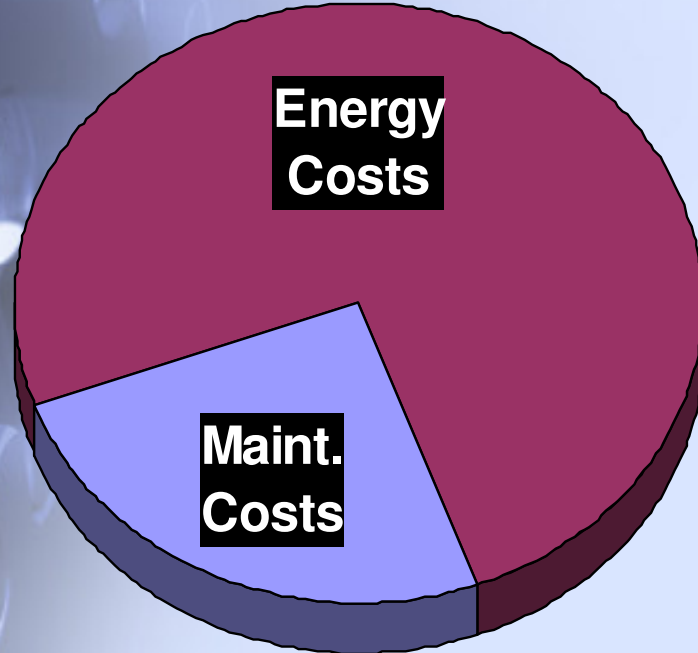
What "it" is:

- Comprehensive infrastructure, energy efficiency & renewable energy improvements
- Turnkey assessment, planning, design, construction and guaranteed savings
- Innovative financing can be used to pay for part or all of the improvements without capital outlay

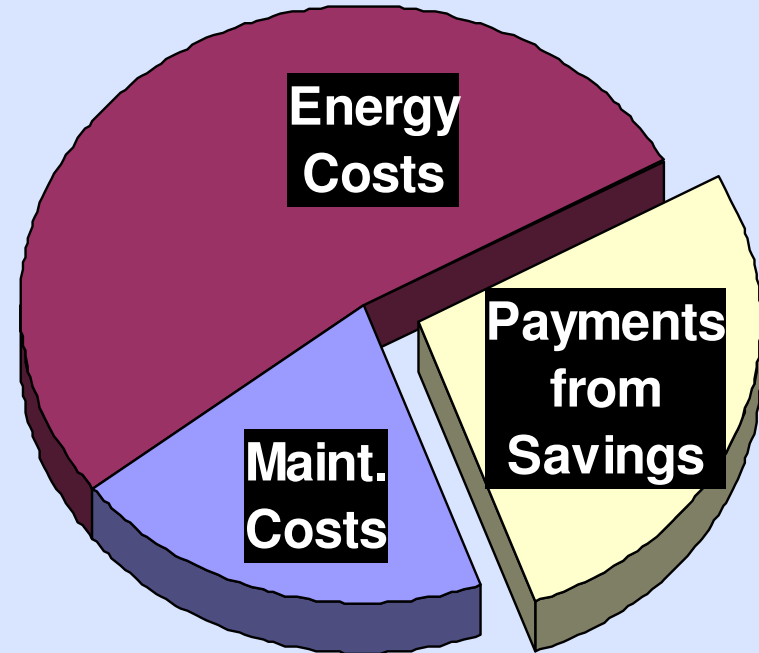
**Annual \$Cost \leq Annual \$avings or ESCo
writes you a check for the shortfall**

Using savings to repay financed program costs

Before Improvements



After Improvements



EPC misconceptions, do's & don'ts

DESPAIR.COM



PRIORITIES

HUNDREDS OF YEARS FROM NOW, IT WILL NOT MATTER WHAT MY BANK ACCOUNT WAS, THE SORT OF HOUSE I LIVED IN, OR THE KIND OF CAR I DROVE... BUT THE WORLD MAY BE DIFFERENT BECAUSE I DID SOMETHING SO BAFFLINGLY CRAZY THAT MY RUINS BECOME A TOURIST ATTRACTION.

Common Energy Performance Contracting/EPC Misconceptions

1. EPC will work for everyone
2. It won't work because
 - We have a new building/systems
 - Our buildings or systems is too old
3. It will cost too much
4. Tracking of savings is/is not easy to do
5. Shared or pay from savings
6. Can't do it because we have no money
7. It only applies if we don't have your own capital
8. We have to pre-select products and or system types

EPC Do's for H₂O/Wastewater

1. Be educated buyer(s) -- Understand how EPC works & potential benefits
2. Focus first on process outcomes first – not energy efficiency

Influent → Treatment Processes → Effluent

3. Dream/vision – the Christmas wish list process
4. If you have problems – fix them before or during efficiency upgrades
5. Have a champion

(cont.)

EPC Do's for H₂O/Wastewater (cont.)

6. Involve all key stakeholders
7. Have management & operations alignment
8. Establish user-friendly baseline modeling and savings tracking procedure
9. Efficiency first... renewable energy second
10. Pick the right ESCo partner

**"No" is an OK answer
To a program...
To ECMs...
As long as it is an informed "no".**

EPC Don'ts for H₂O/Wastewater

1. Just implement a single technology
Individual Technologies ≠ Optimal Process Outcomes
2. Disconnect energy efficiency from desired process outcomes
3. Double-count savings
4. Miss impact on operations & maintenance
5. “Beauty contest” selection process
6. Be hands-off...

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GEO Support for EPC

- Manage & support EPC process for local and State government entities since early 1990's
- GEO pre-qualified energy services companies/ESCO's in Colorado
 - Simplified selection process
 - Negotiate or issue informal RFP/Q
- Standard process & documents
- Price protection for you via open book and competitive bidding for subs & suppliers
- Free GEO oversight
- EPC Contact: Joel Asrael, Commercial Program Manager; (303) 866-2204; joel.asrael@state.co.us

Energy Services Coalition



- Non-profit partnership between ESCo's, State Energy Offices and others serving the industry
- Intended to promote the industry
 - Best practices
 - Non-commercial education & outreach
- You are all welcome & encouraged to attend, participate, etc.
- Colorado chapter
 - Public sector co-chair – Joel Asrael, GEO
 - Private sector co-chair – Gary Berngard, Honeywell Building Solutions

Energy Services Coalition & GEO EPC Contacts

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