

PBEEEP REPORT

Local Government Public Buildings Enhanced Energy Efficiency Program Report

Submitted pursuant to

Minnesota Statutes section 216C.43, subd. 12

January 13, 2011

Introduction

The following is an annual report on projects implemented under the energy efficiency improvement financing program for local governments as required by MS 216C.43, subd. 12.

The energy efficiency improvement financing program for local governments is programmatically called the Public Buildings Enhanced Energy Efficiency Program (PBEEEP).

The Center for Energy and Environment (CEE) is under contract with the Department of Commerce, Office of Energy Security to develop and administer the local government PBEEEP offering. CEE is a Minnesota-based nonprofit organization that works to promote public interest through the responsible and efficient use of natural and economic resources. CEE is the quality assurance provider and day-to-day administrator of the program and has completed the program design, technical standards and basic marketing materials (see: www.pbееep.org/local).

Program overview

PBEEEP will provide expert services for recommissioning and energy efficiency retrofit projects, combined with access to financing, to help local government buildings save energy and money. Recommissioning is focused on the repair, upgrade, and optimization of building operations (schedules, procedures), equipment, facilities, and systems to primarily enhance energy efficiency. It generally focuses on major building systems (building envelope, HVAC, and controls), targeting quick payback energy conservation opportunities. A four phase program design will be used:

Screening – The local government submits an application and facilities are screened by providers or CEE for general eligibility using the B3 Public Building Benchmarking data base. The screening outputs a documented account of energy use, equipment, systems, and operations practices at each facility and provides the base information needed to assess potential for a cost effective project that will produce energy savings.

Investigation – A qualified technical services provider competitively bids the Investigation Phase work, and the winning firm conducts a detailed study and analysis of each facility. The investigation analysis will include review of operations and equipment over all seasons (winter, summer, and shoulder) and results in a list of actionable energy conservation measures for implementation, with approved costs, savings, and payback estimates. CEE, as the program administrator, oversees and reviews the work of providers throughout the phase to ensure that quality services, compliant to the PBEEEP guidelines, are delivered to local governments.

Implementation – Measures approved by the local governments at the close of investigation are implemented. Standard financing agreements are made between the local government and the financial institution. A qualified technical services provider competitively bids the Implementation Phase project through PBEEEP, and the winning firm oversees and manages the measure implementation work of contractors.

Verification – Implemented measures are verified by the technical services provider via functional test, visual inspection, or other PBEEEP-approved means, to ensure savings are realized. Handoff documentation and training is delivered to the building owner and staff, and the project is closed out.

Progress to date

PBEEEP is an extensive effort to design and roll out a program to assist local governments with making and self-financing energy efficiency improvements. There are numerous communications, administrative, engineering and financial facets that must be woven into a cohesive program. A major factor that delayed the implementation of the program was OES's responsibility for developing and rolling out programs as resulting from the American Recovery and Reinvestment Act of 2009 (ARRA). Laws of Minn. Chapter 138 allocated ARRA funding for local government energy efficiency projects, similar to what was envisioned for PBEEEP. Given that the ARRA funds were for direct grants, and PBEEEP is structured as a loan program, OES prioritized rollout of the ARRA grant programs.

The primary focus has been on developing formal program guidance documentation. Technical standards have been developed and approved by OES. OES and CEE are also working on developing a formal Request for Qualifications that will be used to establish a master contract that local governments can use to obtain engineering services for the program.

Proof of concept pilot

To test the program design, CEE developed an expanded proof of concept pilot project under the direction of OES. The B3 Public Building Benchmarking data base was used to identify candidates that were representative of the variety of potential local government PBEEEP participants. Confirmed participants are Washington County, the City of Alexandria, and the Chisago Lakes School District. The first phase of the PBEEEP project, screening, was completed for all three local governments. Approximately 1.8 million square feet and 32 buildings were screened over Q4 2010. At this point in the pilot, RFPs for the investigation phase have been issued to three participating provider firms. It is anticipated that the investigation of the pilot participant facilities will be completed in July 2011 with final reports presented to the local government participants in August 2011.

Total number of projects

Table 1A: Project Count

<i>Total Number of Projects (aggregate):</i>	<i>Reporting Period</i>	<i>Total</i>
Applications (received)*	3	3 (Pilot Projects)
Screen Phase**	3/3	3/3 (Pilot Projects)
Investigation Phase**	n/a	n/a
Implementation Phase	n/a	n/a
Verification Phase	n/a	n/a
Completed***	n/a	n/a

* All applications received are also included in the screening phase

** First number is the number of projects starting the phase in the quarter; second number is the total number in process during the quarter

*** Completed projects include those where investigation was not recommended following screening

Table 1B: Building Count

<i>Total Number of Projects (aggregate):</i>	<i>Reporting Period</i>	<i>Total Square Feet</i>	<i>Total</i>
Screen Phase*	32/32	1,843,000	32/32
Investigation Phase*	20/0	1,582,000	20/0
Implementation Phase	n/a	n/a	n/a
Verification Phase	n/a	n/a	n/a
Completed	12	261,000	12

* First number is the number of buildings entering the phase in the quarter; second number is the total number in process during the quarter (includes those with a future start date)

Amount of calculated energy savings for each project

Table 2: Energy and Cost Savings

<i>Total Energy and Cost Savings (aggregate)</i>	<i>Reporting Period</i>	<i>Total</i>
Electric Savings		
Annual Savings (kWh)	0*	0*
Annual Cost Savings (\$)	0*	0*
Peak Demand Savings		
Annual Savings (kWh)	0*	0*
Annual Cost Savings (\$)	0*	0*
Gas Savings		
Annual Savings (kWh)	0*	0*
Annual Cost Savings (\$)	0*	0*
GHG reductions (US tons)	0*	0*

*No data to report due to no currently active projects in implementation phase work.

Cost of each project

Table 3: Project Costs

<i>Project Name and Phase:</i>	<i>Reporting Period*</i>		<i>Total</i>	
	CEE Technical Services	Provider Project Cost**	CEE Technical Services	Provider Project Cost
PILOT: Washington County	\$6,710	\$0	\$6,710	\$0
PILOT: City of Alexandria	\$4,985	\$0	\$4,985	\$0
PILOT: Chisago Lakes School District	\$3,980	\$0	\$3,980	\$0
Total***	\$15,675	\$0	\$15,675	\$0

* Based on hours billed from October 01, 2010 through December 31, 2010.

** Based on Invoice Receipt Date

*** Reported project costs invoiced do not reflect actual total costs. CEE completed professional and technical screening services concurrent with the processing of B32890 Amendment 4 to expedite work and keep on schedule to ensure heating season data collection in season 1 of project Investigation Phases. Project costs not reported total approximately \$15,700 and cover project screening activities over the period October 01, 2010 through December 13, 2010. Total Projects costs for Screening are the sum of the reported number (\$15,675) and the work performed before official contract amendment (\$15,700) or \$31,275.

Total Paid for Technical Services provided under subdivision 3

Table 4: Technical Services Costs for CEE Services

<i>Development Costs (aggregate):</i>	<i>Reporting Period*</i>	<i>Total**</i>
Program Development Costs	\$83,935.32	\$322,925.00
Center for Energy and Environment	\$54,235.32	\$262,215.50
Portland Energy Conservation, Inc. (PECI)	\$0	\$23,034.50
The Weidt Group (TWG)	\$29,525.00	\$37,500.00
Ericksen Ellison and Associates, Inc. (EEA)	\$0	\$0
LHB, Inc.	\$0	\$0
Questions & Solutions Engineering	\$0	\$0
Project Costs (aggregate):		
Program Administration Costs (CEE)	\$0	\$0

* Based on hours billed October 01, 2010 through December 31, 2010.

** Based on total hours billed from contract start of 9/01/2009 through 12/31/2010.

Next steps and rollout

The majority of key development activities, including the completion of program documentation for roll out, provider qualification, and project funding administration, are slated to be completed in the third calendar quarter of 2011. It is anticipated that CEE will begin accepting applications for full program participation at that time.