

# **2011 PBEEEP REPORT**

## **Local Government Public Enhanced Energy Efficiency Program Report**

**Submitted Pursuant to:  
Minnesota Statutes section 216C.43, subd. 12**

# Local Government Public Buildings Enhanced Energy Efficiency Program Report

January 2012

## 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, Division of Energy Resources (formerly *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](http://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 database. 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**

In 2011, a lot of progress was made in getting Local Government PBEEEP ready for implementation. In the previous report, the American Recovery and Reinvestment Act (ARRA) was cited as a major factor in the delay of program implementation. In the past year, ARRA – related activities have slowed down and this has allowed more time to be focused on moving PBEEEP forward. CEE has continued to test the program design through pilot projects with the following entities: Washington County; City of Alexandria; and Chisago Lakes School District. To date, Screening has been completed for each local government and the Investigation Phase is more than 50% complete at each site. Project mid-point and final technical reviews are in progress.

In addition to the pilot program activities, the RFP for qualified contractors to participate in the Master Contract for PBEEEP was issued November 7, 2011. DER received 30 proposals: 2 proposals did not meet the minimum requirements to pass the Stage I evaluation and 3 did not score high enough to pass the second stage; in all, 25 firms are expected to be on the Master Contract roster. The next step will be to establish the Master Contract with the qualifying firms and officially roll out the program.

CEE is currently working with DER to update its PBEEEP contract to reflect a scope of work for program implementation. This scope will include activities related to fund management, program oversight, and initiating the Screening phase. In order to keep costs down and get the program started, it is anticipated that CEE will perform the Screening phase of the program for at least the first 9 month of the program. During this time, the firms on the Master Contract will be trained to perform the subsequent stages of the program.

## Total number of projects

**Table 1A: Project Count**

<b>Total Number of Projects (aggregate):</b>	<b>Reporting Period</b>	<b>Total</b>
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**

<b>Total Number of Projects (aggregate):</b>	<b>Reporting Period</b>	<b>Total Square Feet</b>	<b>Total<sup>3</sup></b>
Screen Phase <sup>1</sup>	0/0 (pilot screening complete)	1,843,000	32
Investigation Phase <sup>1</sup>	0/20	1,582,000	20
Implementation Phase	n/a	n/a	n/a
Verification Phase	n/a	n/a	n/a
Completed <sup>2</sup>	0/12	261,000	12

<sup>1</sup> 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)

<sup>2</sup> Completed buildings include those where investigation was not recommended following screening

<sup>3</sup> Totals are cumulative totals (completed and in process)

## Amount of calculated energy savings for each project

**Table 2: Energy and Cost Savings**

<b>Total Energy and Cost Savings (aggregate)</b>	<b>Reporting Period</b>	<b>Total</b>
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**

<b>Project Name and Phase:</b>	<b>Reporting Period<sup>1</sup></b>		<b>Total</b>	
	CEE Technical Services	Provider Project Cost	CEE Technical Services <sup>3</sup>	Provider Project Cost
PILOT: Washington County	\$ 6,137.50	\$ 37,170.64	\$13,242.50	\$130,288.85
PILOT: City of Alexandria	\$ 2,167.50	\$ 5,100.00	\$10,352.50	\$30,600.00
PILOT: Chisago Lakes School District	\$ 17.50	\$ 9,905.95	\$9,447.50	\$53,226.00
<b>Total</b>	<b>\$8,322.50</b>	<b>\$52,176.59</b>	<b>\$33,042.50</b>	<b>\$214,114.85</b>

1 Based on hours billed from 10/01/2011 to 12/31/2011.

2 CEE costs for conducting Screening Phase activities (completed in Q1 2011)

3 CEE Technical Services: error in reported total billed was found and carried over from Q2 2011 report. Q2 report indicated \$9540 for L20000A and should have been \$5107.50. Table is updated in this report.

\* Provider invoices for Washington County and Chisago Lakes School District projects span period 08/01/2011-11/30/2011.

## Total Paid for Technical Services provided under subdivision 3

**Table 4: Technical Services Costs for CEE Services**

<b>Development Costs (aggregate):</b>	<b>Reporting Period<sup>1</sup></b>	<b>Total<sup>2</sup></b>
Program Development Costs	\$22,951.25	\$409,370.50
Center for Energy and Environment	\$22,951.25***	\$331,216.00
Portland Energy Conservation, Inc. (PECI)	\$0	\$23,654.50
The Weidt Group (TWG)	\$0	\$54,500.00

1 Based on hours billed from 10/01/2011 to 12/31/2011.

2 Based on total hours billed from contract start of 9/01/2009 through 12/31/2011.

\*\*\* Per 3/29/11 meeting with Dept. of Commerce, Division of Energy Resources, CEE time is in-kind for development costs over part of Q2 2011 and Q3 2011 (total in-kind contribution of approximately \$82k during that period).

## Next steps

The next steps will involve all activities related to program launch. CEE and DER will work with the qualifying contractors to put the Master Contract in place. Once the Master Contract has been executed, CEE will work with the contractors to train them for work on PBEEEP. At the same time, CEE will solicit interested local governments to begin the Screening process. Local governments will be selected to participate in the program based on their interest and potential for energy savings as indicated by their B3 scores. It is anticipated that the program will officially launch in the early part of 2012.