

PBEEEP

State Government

Frequently Asked Questions:

What does PBEEEP stand for?

Public Buildings Enhanced Energy Efficiency Program.

What is the purpose of the program?

PBEEEP will target cost-effective energy efficiency building improvements via retrofit or retro-commissioning opportunities and will offer access to financing at attractive interest rates

How do I know if a building is a good candidate for the program?

The purpose of the application and screening phase of the program is to determine which facilities have the potential for cost-effective savings through Enhanced Energy Efficiency measures. It is easy to fill out the application and the Program will perform the screening activities, all with minimal impact on your time.

Can we apply for more than one building?

Yes, there is no limit, although the program may prioritize its activity based on the number of applications received at any point in time. A single building application may be submitted for a campus managed by a single agency.

What kind of projects will the program cover?

The PBEEEP program focuses on improving the efficiency of equipment which affects energy consumption. This typically includes air handlers, chillers, boilers, pumps, control systems and lighting. The level of impact on daily activities is similar to that of regular repairs and maintenance.

We have a building that is not very big, can it participate?

We have not placed any restrictions on the size of buildings in the program, and we expect to look at a variety of sizes and types of facilities in order to better predict where energy efficiency enhancement opportunities are likely to be found. At the same time, recommissioning efforts are usually most cost-effective in large buildings (over 50,000 square feet).

Utility bills are an important indicator of the potential of a building to achieve savings under the PBEEEP program. Let's assume the minimum cost to do a full investigation of a small building is \$2500, and the recommended measures cost \$5000 for a total of \$7500. In order to get a three year payback,

the utility savings would need to be \$2500 per year. Various studies of building commissioning find typical savings of 20%, so buildings with total utility bills of under \$12,000 a year (\$1,000 a month) are unlikely to generate sufficient savings for the program to be cost effective.

We want to put in a renewable energy system, can we use this program?

The program will look at the entire building and then recommend measures to be implemented. The implementation of a renewable energy system may be one of the recommended measures. Most renewable energy systems have a long payback period and would not qualify to be implemented as standalone projects, but when combined with other energy efficiency measures, utility rebates and stimulus funds, may become cost effective to implement under the terms of the program.

It is the intent of the program to have all recommended measures implemented. By combining longer payback measures (5 years or more) with the shorter length payback measures the longest payback periods will be reduced. We have a stipulation in the program that requires measures with paybacks of 3 years or less to be installed so coupling the longer payback items with these should give reasonable total package paybacks.

We have wanted to do a remodeling project for several years that has not been funded, can we use this program?

The PBEEEP program is not focused on remodeling. It is limited to equipment which either directly consumes energy or directly affects energy consumption. It starts with a comprehensive diagnosis of the building without a preconceived notion of what will be implemented. If the screening phase indicates that equipment retrofits would lead to significant energy efficiencies and thus an attractive payback period based on savings, the retrofit will be considered under the program guidelines.

Will the building be disrupted during the process?

There will be no disruption during the application or screening phases. During the investigation phase workmen may be on site, primarily in utility rooms, but also checking building spaces for comfort and effectiveness of the building utilities. The implementation phase may involve minor construction, such as the replacement of pumps, motors and lighting with more efficient equipment, but we do not anticipate any major disruption.

How soon after an application is submitted will we be notified about our participation in the program?

You will be notified within one business day that your complete application has been received. We plan to review applications as we receive them and issue RFPs for Screening which should begin within 4 to 6 weeks of the application receipt. We will make our best effort to accommodate your scheduling needs.

How long after the application is submitted will it be until the Provider begins the screening process?

This is primarily dependent on the size of the building, the availability of building documentation for the screening Provider and the receipt of the historical energy use data from the utility. The plan is to begin the screening process within weeks of the acceptance of a building for inclusion in the PBEEEP program. The time will be dependent on the RFP process and the schedule availability of trained providers for the screening.

What is the duration of the screening process?

This is primarily dependent on the size of the building, the availability of building documentation for the screening Provider and the receipt of the historical energy use data from the utility. For an average sized building the full screening process may take between a week and a month. For small buildings we will provide the facility manager with a self-screening form as a first step for cost savings reasons. This form should take less than a day to complete.

Once the screening is complete, what happens next?

The building will be evaluated by the Program based on the data collected in the screening program to determine the potential for achieving cost effective energy savings. The program will prioritize the applications based on potential savings, operating status and conditions, funding availability and other considerations. You will be notified of these results and, if the building qualifies, the investigation phase will be initiated by the issuance of an RFP, followed by the selection of a provider who will perform the actual investigation.. Investigation will typically last about six months as it involves collecting data about the building’s energy use during both heating and cooling seasons.

How will the cost-effectiveness of measures be determined?

The criteria for cost-effectiveness will be Simple Payback, Useful Life and Cash-Flow.

Simple payback is the time required to recapture the initial project costs from the energy and other cost savings. The proposed amortization schedule must not exceed 15 years.

The Useful Life of each measure of an energy improvement project must exceed the time required to recapture the initial project costs.

The energy and other cost savings must be calculated to provide a positive cash flow for the participating State Agency to make rent payments in each year of the financing agreement.

What is the approval process for energy improvement projects?

There are approval steps at each stage of project. We expect that all buildings will be screened and most will have the detailed investigation performed. The final stage of the Investigation phase is the presentation of suggested measures for energy improvements, and the agency owner will select which measures to implement, with the assistance of the Program Administrator.

How will qualified energy improvement projects be funded?

The initial screening, investigation and design costs will be paid with funds available to Admin. A project budget will be developed during the design phase following the project cost categories eligible for tax-exempt lease purchase financing.

MMB will enter into a Master Financing Agreement with a financial services company, where such company will become the lessor under separate lease agreements with participating State agencies.

How will Federal Stimulus Funds be used?

Federal stimulus funds will be used to provide an up to twenty five (25%) cost share for approved energy improvement projects. These funds will primarily be used to fund the initial screening and investigation phases in full so there is no “out of pocket” expense to the agency. If these phases make up less than 25% of the total project cost, stimulus funds will also be applied to the implementation phase of the project. In the event eligible costs incurred during the screening, investigation, and design phases exceed the cost share provided with federal stimulus funds, such amount may be reimbursed from the proceeds made available from the proceeds of financing for a particular project pursuant to the State Agency lease agreement.

How will the Financing be structured?

The expected funding period will be longer than the payback term due to the interest applied to the financed amount. The lease-purchase funding will be designed to match the expected energy savings. The intent is that the savings you realize will allow you to repay the loan without budgeting additional funds; when the loan is paid off you will receive the savings (not the services provider). The actual loan period will be slightly longer than the simple payback used to select measures for implementation. Part of this is due to interest, for example, a 4% interest rate will add about one month to a two year project payback or about three years to a ten year project payback.