

FCR 2

Office of the President
December 1, 2009

Members, Board of Trustees:

ENERGY SAVINGS PERFORMANCE CONTRACT

Recommendation: that the Board of Trustees approve initiation of an energy savings performance contract.

Background: Energy savings performance contracting, as enabled by Kentucky Revised Statutes 56.774, is a cost-effective process for completing building energy upgrades. The energy service company (ESCO) guarantees that utility savings generated by facility upgrades are sufficient to pay back the capital investment over a set period (generally 11 to 12 years). If the project does not provide these returns on the investment, the ESCo is responsible for the difference.

The project will reduce the university's overall energy consumption through (1) upgrades to lighting systems to the latest electric saving technology; fume hood controls; HVAC systems; steam and chiller plant controls; and building envelopes; (2) installation of motor speed drives (VFD's) to save energy during mild weather conditions; energy management software to monitor usage in real time; and automatic utility metering devices; (3) replacement of old plumbing fixtures to the latest water saving technology; (4) replacement of old motors with new high efficiency motors; (5) repair of pipe insulation; and (5) behavioral modification of end users. These are just a few of the possible energy conservation measures.

The project scope for the first phase is \$25 million.

The ESCo selected via a year-long RFP process which included a trial audit of 10 buildings was AMERESCO from Louisville, Kentucky.

Action taken: Approved Disapproved Other _____