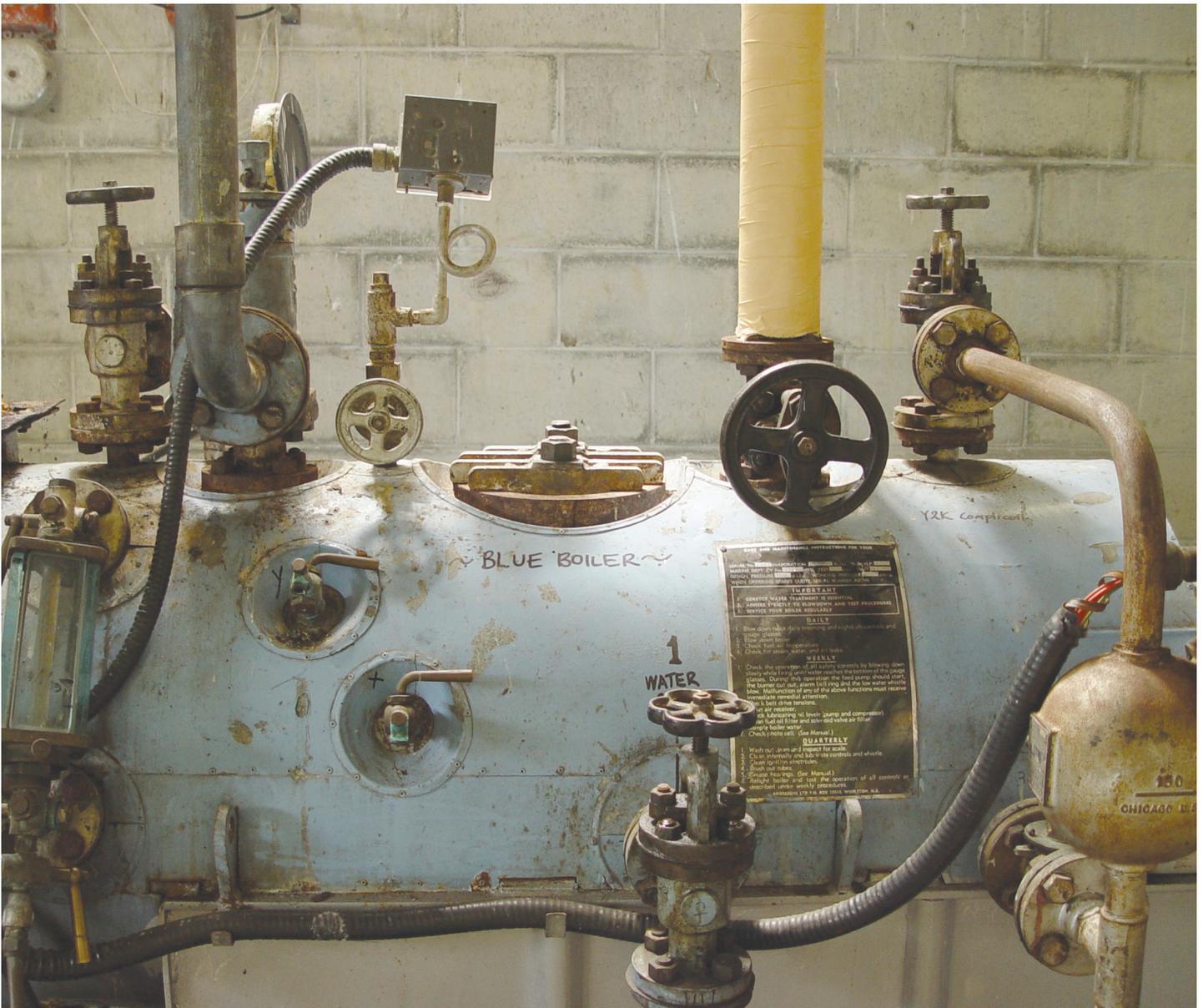




Facility Conservation Improvement Program

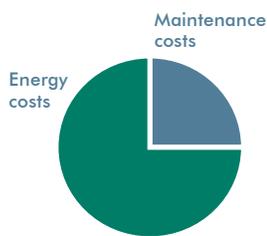
ENERGY SAVINGS PERFORMANCE CONTRACTING FOR KANSAS PUBLIC BUILDINGS



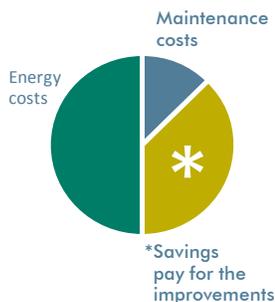
FCIP: A tool for improving

The FCIP is nationally recognized as a best practice. To date, the 86 projects completed through the FCIP are saving Kansas taxpayers over \$20 million annually.

Before FCIP improvements



After FCIP improvements



Many publicly owned facilities in Kansas are aging and inefficient, incurring high costs for energy and maintenance. Wise public officials know that cost-effective energy efficiency upgrades would save them money in the long run. But tight budgets often compel them to postpone these large capital improvements, even as they continue to pour money into repairing inefficient equipment.

Helping public entities overcome this problem is the reason the State developed the Facility Conservation Improvement Program (FCIP). The FCIP enables local governments, school districts, universities, and others to implement energy-efficiency and deferred-maintenance projects—with no upfront capital expenditures.

Since 2000, 86 projects have been completed using the FCIP, involving over 43 million square feet in schools, city offices, county courthouses, universities, and hospitals throughout Kansas. All together, these projects are saving local governments and Kansas taxpayers more than \$20 million a year in avoided energy and operating costs.

Performance contracting means your project pays for itself

Administered by the Energy Division at the Kansas Corporation Commission, the FCIP involves an innovative approach known as Energy Savings Performance Contracting (ESPC). ESPC offers a budget-neutral way to finance improvements, in which the energy and O&M savings repay all project costs.

To make it easy for public officials to access the benefits of performance contracting, the Energy Division has established partnerships with 13 private-sector Energy Service Companies (ESCOs). These pre-qualified ESCOs

(see list, lower left) provide turn-key project management—from the design and implementation of custom-tailored improvements through the monitoring of energy savings after the project is completed.

No RFPs, no bids

The FCIP's streamlined procurement process means there's no need to issue Requests for Proposals (RFPs). FCIP also saves time by freeing busy public officials from having to develop specifications, write contracts, or hire outside consultants and engineers.

We know you're busy. With the FCIP, you can focus on your core mission and say goodbye to complex procurement procedures.

FCIP assists you through each step of your project

Our experienced team assists customers and advocates on their behalf every step of the way. This engagement and oversight ensures that customers fully understand all aspects of their project and the ESCO's guarantee of savings.

FCIP helps busy public officials tackle deferred-maintenance and energy-efficiency projects with confidence. Identified nationally as a best practice, the FCIP lets you focus on your core mission instead of spending hours on cumbersome procurement procedures and project management.

FCIP Partner ESCOs

360 Energy Engineers
Ameresco
ConEdison Solutions
Control Technology & Solutions
Energy Solutions Professionals
Energy Systems Group
Honeywell
Investive Building Projects
Johnson Controls, Inc.
McKinstry
Navitas
OpTerra Energy Services
Schneider Electric
Trane

Kansas public buildings

FCIP PROJECT PROFILE

Oxford Unified School District 358

In 2009, USD 358 in Oxford, Kansas, faced mounting problems in their aging school facilities. Major mechanical equipment, including the Middle School’s boiler and the rooftop air-conditioning units at the High School, needed replacement. The gymnasium at the Middle School was not air conditioned. A number of warranties for existing equipment had expired, and some equipment had already failed.

It was clear that substantial investment in the district’s facilities was necessary. The School Board also wanted to reduce the district’s energy consumption (as well as costs). They needed a budget-neutral solution.

By working with the FCIP, the school district developed a suitable Energy Savings Performance Contract with one of FCIP’s pre-qualified Partner ESCOs (Trane). They successfully implemented a \$1.93 mil-

lion package of improvements, involving 137,579 square feet in six buildings. *See project details (right).*

The work began in March and was completed in September 2010. Significant energy savings became apparent soon after the project began. With overall savings in operations, maintenance, and utility expenses of nearly \$90,000 annually, the district will be able to repay all the project costs, including financing, in 15 years.

Reflecting on the project and making such a large investment during a time of looming budget cuts, Superintendent Deborah Hamm concluded that it was a wise decision. “The FCIP is a great opportunity for districts, especially those with older facilities that want to save money.”

FCIP Project Details

Oxford USD 358
Oxford, Kansas

ESCO

Trane

Contract dates

March 2010 – August 2010
15-year guarantee term

Project size

6 buildings
137,579 square feet

Project Costs

\$1.93 million

Improvements

- Lighting efficiency upgrades
- Water efficiency upgrades
- HVAC upgrades/replacement
- Boiler replacement
- Window upgrades
- Roof upgrades
- Building automation systems
- Occupancy sensors installed
- Building entryway repairs

Guaranteed annual savings

Electric usage: 1,189,572 kWh
Natural gas usage: 6,499 MCF
Energy savings: 3,446 MMBTU
Total savings: \$82,959

With the FCIP, USD 358 completed much-needed facility improvements.



Before



After



Before



After



Before



After



Before



After

[Clockwise from top left] Middle School gymnasium: Replaced single-pane steel windows with new, aluminum thermal-break windows with double-pane insulating tinted glass.

High School: Replaced existing rooftop units, reconfigured ductwork, connected all equipment to building control unit, and overlaid existing roofing with Duro-Last® single-ply roofing glass.

High School: Replaced surface-mounted light fixtures with higher-efficiency recessed fixtures and T8 bulbs.

Middle School: Replaced existing gas boiler with new high-efficiency boiler.

A Partial List of FCIP Participants

Bluestem USD 205
Cherokee USD 247
City of Colby
City of Manhattan
City of Salina
Coffey County Hospital
El Dorado Correctional Facility
Ellis County
Ellsworth Correctional Facility
Emporia USD 253
Fairfield USD 310
Fort Hays State University
Haven USD 312
Hutchison Correctional Facility
Iola USD 257
Kansas Department of Wildlife, Parks and Tourism
Kansas School for the Deaf
Kansas School for the Blind
Kansas State University
Marysville USD 364
Municipal Services of Olathe
Nemaha County USD 442
Norton Correctional Facility
Osage County
Piper USD 203
Pittsburg State University
Plainville USD 270
Rawlins County USD 105
Rock Creek USD 323
Sabetha USD 411
Sedgwick County
Shawnee County
Smith County
Southeast of Saline USD 306
Sumner Regional Medical Center
Tonganoxie USD 464
University of Kansas
University of Kansas Medical Center
Wichita County
Wichita State University

Performance contracting in the FCIP

Step 1: The Preliminary Audit

You'll select two or three of the FCIP pre-qualified ESCOs to perform the Preliminary Audit. This relatively quick inspection of your facilities allows the ESCOs to get a general idea of the improvements needed and the savings potential. *There is no charge for the preliminary audit.*

Following this initial audit, we'll help you evaluate the preliminary proposals. You'll then select just one ESCO to perform the Investment Grade Audit. FCIP staff does not take part in the ESCO selection. *No FCIP fees are charged if you decide to stop before the Investment Grade Audit.*

Step 2: Investment Grade Audit (IGA)

Before this comprehensive audit of your facilities, you'll work with the ESCO to determine the audit scope. We'll help you identify priorities and evaluate opportunities to ensure that the audit meets your needs. The IGA Agreement is signed by you, the ESCO, and the FCIP. *The cost is typically lower than a stand-alone audit.*

Step 3: Energy Performance Contract

The Energy Performance Contract defines the project scope, the terms of the guarantee—including the terms of the Measurement and Verification (M&V) period—and the construction schedule. Before the contract is finalized, we will work with you and the ESCO to ensure that the final project scope is based on your priorities as well as the projected energy and O&M savings, and costs.

FCIP staff reviews the final Energy Performance Contract for potential issues and compliance with program requirements. We'll also focus on the guarantee of savings and the M&V terms to make sure you fully understand these critical components. *The ESCO can help you make financing arrangements; most FCIP projects are financed through tax-exempt municipal leases or state/local bonds.*

Measurement and Verification (M&V)

After the project is completed, the ESCO will perform the M&V to calculate energy and O&M savings and verify that the reduction in energy usage meets the terms of the guarantee. The ESCO performs the M&V and reports results to both the customer and the FCIP. Depending on the terms of the guarantee of savings, customers may receive a shortfall check for unrealized savings.

FCIP is funded through customer fees and uses no State funds. Fees are based on overall project cost and range from 4% on the smallest projects to just over 0.5% on the largest projects.

FCIP Participation Fees

4% of the first \$100,000 of the project amount
3% of the next \$400,000 of the project amount
2% of the next \$500,000 of the project amount
1% of the next \$4,000,000 of the project amount
½% of any project amount greater than \$5,000,000



FACILITY CONSERVATION IMPROVEMENT PROGRAM
KANSAS CORPORATION COMMISSION | ENERGY DIVISION
1500 SW ARROWHEAD ROAD | TOPEKA, KANSAS 66604
(785) 271-3352 | <http://kcc.ks.gov/energy/fcip/>