Biomas Boot Camp
Session 3: Development Considerations
Performance Contracting
Maryland Wood Energy Coalition

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Agenda for discussion

• Performance Contract Funding Basics
• Focus on Life Cycle Cost
• Project Funding In Your Budget
• Traditional Funding Strategies
• Assuring Long-term Results of PC
PC .vs. Internal Efforts to Save Energy

Savings = Funding Potential
What are you focused on?

Life-Cycle Cost vs. First Cost
Average MD college - $8M annual energy spend
The cost of self-funding project flows through your meters every year!

Focus on First Cost
1% Margin of a $8M project = $80,000

Use of Energy Experts – What is their value?
1% Change in Savings Achieved = $80,000 / yr x 10 yrs = $800,000

Project Funding – Already exists in your budget!

Additional savings
PC Funding
10 – 40% Average Savings
Utility Costs
Project Funding – Already exists in your budget!

Schneider Electric – Traditional Funding Streams

Typical Financing Options
• Grants / Utility Rebates
• Multi-year Budget Allocation
• Loans / Lines of Credit
• Certificates of Participation
• Bonds
• Leases/tax-exempt leases
• PACE financing
• On-bill financing
Schneider Electric’s Approach to Maintaining Savings

Project Development & Engineering
• Identify known problems and seek root cause analysis
• Project Charrette Teams to Address High Profile Needs
• Offer solutions to identified issues
• Building Modeling to Determine Real Savings Expectations

Performance Assurance, Support Services
• Reconcile Savings annually
• Review BAS performance over time
• Schedule Training and Site Visits

Building Performance is in our DNA

Reflects years 2007 to 2008 (% change)

Source: State of Texas Legislative Budget Board
Question & Answer

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