

# **Biomass Boot Camp**

## **Session 3: Development Considerations**

### **Performance Contracting**

Maryland Wood Energy Coalition

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Larry F. Myers, PE, MBA, CEM

[larry.myers@schneider-electric.com](mailto:larry.myers@schneider-electric.com)



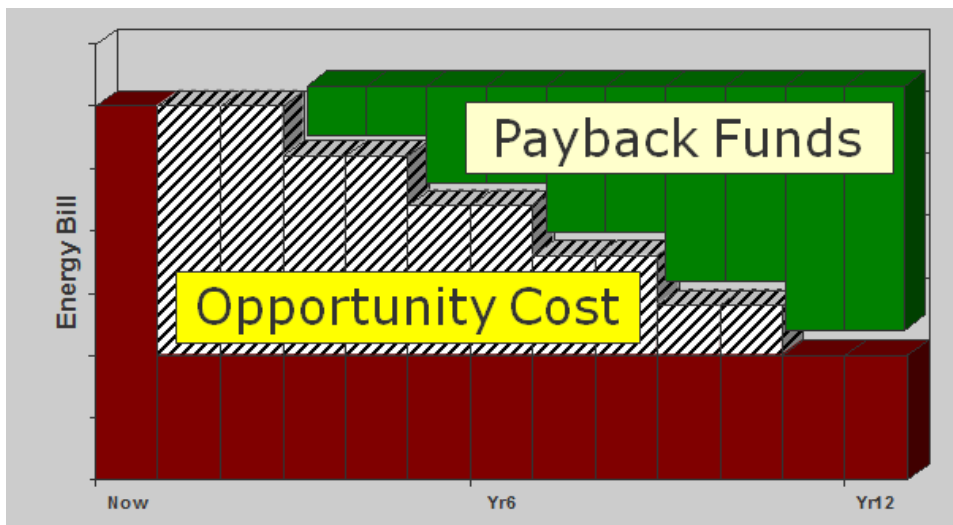
## **Agenda for discussion**

- Performance Contract Funding Basics
- Focus on Life Cycle Cost
- Project Funding In Your Budget
- Traditional Funding Strategies
- Assuring Long-term Results of PC

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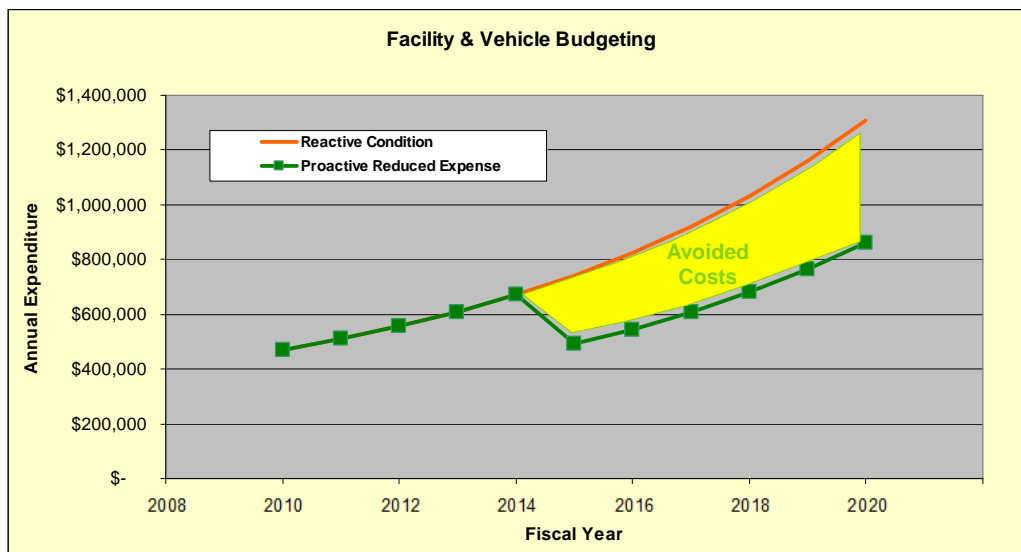
## PC .vs. Internal Efforts to Save Energy



Source: State of Texas Legislative Budget Board

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## Savings = Funding Potential



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## 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

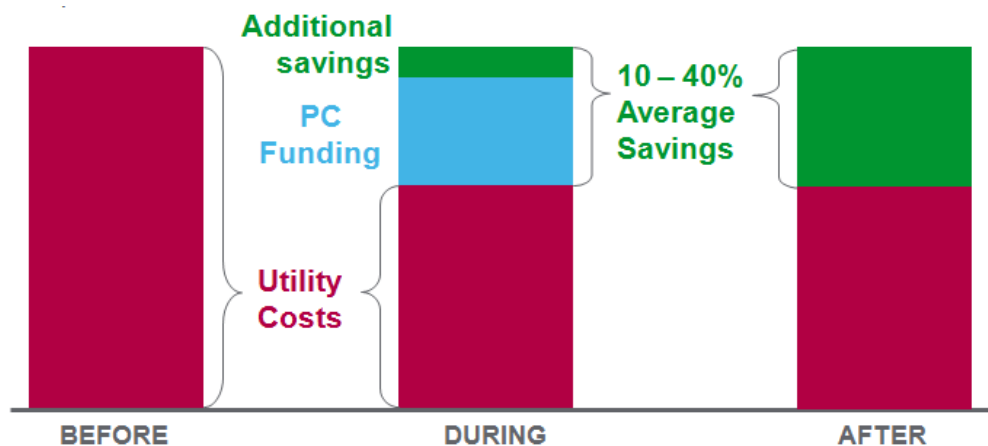
#### Use of Energy Experts – What is their value?

1% Change in Savings Achieved = \$80,000 / yr x 10 yrs = \$800,000

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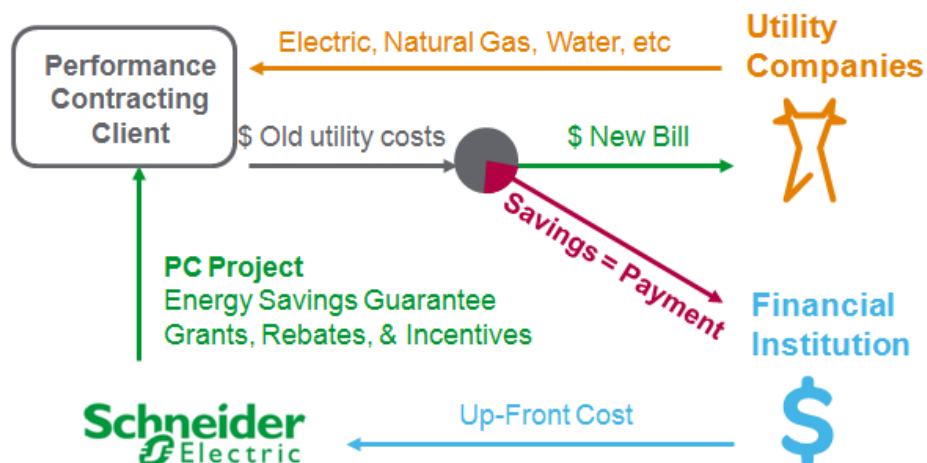
## Project Funding – Already exists in your budget!



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## Project Funding – Already exists in your budget!



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## 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

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# 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

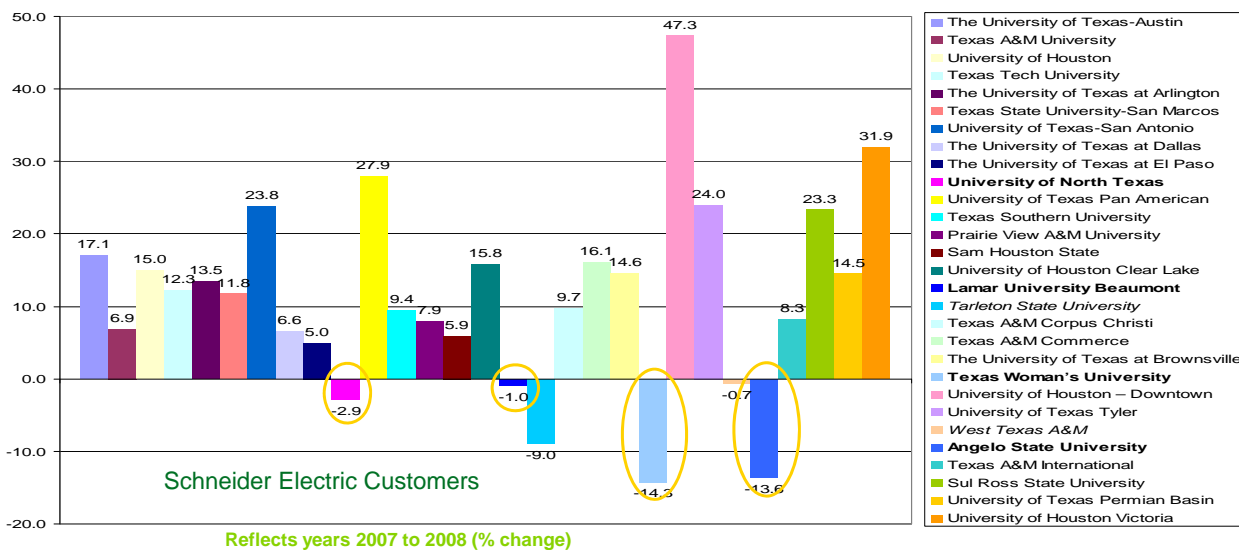
## Performance Assurance, Support Services

- Reconcile Savings annually
- Review BAS performance over time
- Schedule Training and Site Visits

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# Building Performance is in our DNA



Source: State of Texas Legislative Budget Board

## Question & Answer

- > Larry F. Myers, PE, MBA, CEM
- > [larry.myers@schneider-electric.com](mailto:larry.myers@schneider-electric.com)
- > 814 937 7602 cell
  - > Sales Team Leader

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