

# ***Energy Efficiency Initiatives for Municipal Buildings***

## ***Melrose Energy Commission***

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- **Objective:** Increase energy efficiency of municipal buildings in order to reduce energy bills and increase building comfort and performance
  
- **Several alternatives for achieving objective:**
  1. Performance Contracts with Energy Service Companies (ESCOs)
  2. Utility-sponsored energy efficiency programs (National Grid. Keyspan)
  3. State-sponsored grants for municipal energy efficiency programs
  4. Others (?)
  
- **Performance Contracting**
  - ✓ Binding contract with ESCO to purchase energy-saving improvements in buildings
  - ✓ Payment to ESCO is based on a performance level guaranteed in the contract
  - ✓ ESCO receives a portion of savings created by installed efficiency measures
  - ✓ Contracts can offer a range of associated design, installation, and maintenance services
  - ✓ Contract period can range from 5 to 10 years
  - ✓ Contracts usually require a certain minimum level of capital investment before a contract is considered
  - ✓ RFP/solicitation process for selecting ESCOs (may hire facilitator to design and conduct RFP process and selection) – model solicitation process and ESCO contract available from state
  
- **Utility-sponsored efficiency programs – National Grid is best and most comprehensive example**
  - ✓ Project Expediter benchmarking program
  - ✓ No upfront cost and minimal commitment (authorization to disclose energy use data)
  - ✓ Benchmarking study and potential savings analysis provided via pre-selected, highly qualified vendors
  - ✓ Can be scaled to small and large applications (3-4 buildings vs. entire campus)
  - ✓ Costs of efficiency measures funded by City but various utility rebates are available (30-50% or more) and cost can be financed inexpensively
  - ✓ No sharing of savings with ESCO
  
- **State-sponsored grants – Massachusetts Technology Collaborative (MTC)**
  - ✓ MTC administers fund collected from all electric bills

- ✓ Solicitations underway include program providing funding for energy efficiency implementation projects targeting non-residential municipal buildings that serve low-income customers of Massachusetts utilities
- ✓ Grants of up \$100,000
- ✓ Targeted for municipally-owned non-residential buildings such as community centers, youth centers, and senior centers
- ✓ Solicitation issued February 26, responses due April 20
- ✓ Other MTC solicitations periodically available
  
- **Other alternatives may include direct negotiations with energy consultants and efficiency contractors**
  - ✓ Not attractive given other low-cost / zero-cost and state-sponsored alternatives
  
- **MEC's initial approach to analysis**
  - ✓ Given zero cost and small commitment of National Grid Project Expediter program, recommend signing up immediately to take advantage of free auditing services
  - ✓ Analyze pros and cons of alternatives identified (ESCO performance contracts vs. National Grid program vs. MTC grants)
  - ✓ Report to Mayor and Board of Aldermen on the conclusions reached by analysis and recommend action plan