



## OVERVIEW OF UTILITY COST REDUCTION SERVICES

- Energy Service Partner Ameresco
- Energy conservation measures for
  - 30 buildings on the West Texas A&M University campus totaling 2,232,104 square feet
  - 2 off-campus facilities at the Palo Duro Research Facility and First United Bank Center totaling 125,377 square feet
- Program allows for projects with 20 year payback
- Interest rates for ESCO projects still lower than typical construction projects
- Third-Party review of investment grade audit completed on project
- Ameresco guarantees minimum savings sufficient to make loan payments
- Reduce annual:
  - Electricity consumption by 9,947,037 kWh/yr
  - Electricity demand assessments by 20,010 kW
  - Natural gas consumption by 48,440 MMBtu
  - Water consumption by 9,587,000 gal

## PROJECT BENEFITS

- Items Include:
  - > Interior Lighting Retrofits
  - > Exterior Lighting Retrofits
  - > Controls and Instrumentation Improvements
  - > Air Distribution System Improvements
  - > Chilled Water System Improvements
  - > Steam System Improvements
  - > Plumbing Fixture Improvements
- Several of these are deferred maintenance items that the University would be doing anyway
- Longer payback period allowed inclusion of traditional capital items that would normally be done without any sort of payback
- Budget neutral approach with a longer term enables a more comprehensive solution
- Financing the needed improvements at lower than normal interest rates through energy savings that won't otherwise occur, and are guaranteed by Ameresco to occur each year for 18 years, is an attractive implementation option
- Optimization of the chilled water plant, which is the largest consumer of electricity on the campus
- Conserve water, which is a priority for the State of Texas
- Enhance the reliability and quality of the facility operations

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## FINANCIAL

- **\$15,130,500** (\$14,735,000 bonds for energy savings; \$395,500 in institutional funds)
- **13.7** year simple payback on energy conservation measures
- **18** year financing term includes: project engineering, installation, financing costs, and ongoing Measurement & Verification and third party support services
- Paid from guaranteed energy savings
- Bond payments and ongoing support services averaged at **\$1,101,669** per year
- Project average savings of at least **\$1,102,935** per year (Expected average energy savings of at least **\$1,221,163** per year)
- Project includes some longer payback items such as the replacement of aging boilers, which will improve the reliability of the campus heating system at the central utility plant and which will avoid future capital costs
- Not doing the project does not save money, as the University would be paying the above amount to the utility company every year in the form of higher bills
- Project was approved by the Texas A&M University System Board of Regents in April 2018

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## SUMMARY

- Allows three major accomplishments:
  - > Reduce energy costs
  - > Replace capital budget items that are in poor condition without additional capital dollars
  - > Addresses key comfort and learning environment improvements for students, faculty and staff
- The cost will be paid by energy savings and guaranteed by Ameresco in a performance contract that has been reviewed by:
  - > TAMUS' Office of General Counsel
  - > West Texas A&M University's CFO
  - > A registered Professional Engineer in the State of Texas unaffiliated with the contract has provided the legally required third party review
- Seeking approval to enter into an Energy Savings Performance Contract with Ameresco