

# FEDERAL UTILITY PARTNERSHIP WORKING GROUP SEMINAR

January 14-15, 2014

Golden, CO

## UESC Best Practices Discussion

Hosted by:



# Engage all serving utilities

- Provide fair opportunity to natural gas, electric, and water utilities that provide service to the site.

42 USC 8256 lists all three utility types

# Engage all serving utilities

- Each serving utility can help you identify potential incentives and rebates.
  - EISA Section 516. Retention of Savings, December 19, 2007 modified 42 USC 8256 (EPA Act '95) to permit agencies to retain the full amount of savings obtained from utility incentive programs

# Capturing and keeping rebates

- How have you captured rebates?
- Discuss strategies for maximizing the benefits of the incentives
- Is there a risk to using a rebate to pay down the energy bill?

# Capturing and keeping energy savings

- Have you been able to keep energy savings after an energy project has been fully paid and if so, how?

# Contingency Funds for Installation Phase (Escrow Account)

- Contingency Escrow Account - several agencies have and are including escrow accounts for final design and construction phase contingencies in their UESC project negotiations.
- The dollar amount will depend on specific project factors/issues such as size, complexity, design completion, and site considerations.



# Contingency Funds for Installation Phase (Escrow Account)

- COs appreciate the assurances that contingency escrow account offers given suitable parameters are agreed to in advance such as,
  1. Specific purpose of the account and uses for funds.  
For example,
    - to buy down the contract amount at acceptance;
    - to minimize risk and reward the contractor for curtailing contract mods;
    - to cover additional design requirements such as expired subcontractor bids; remediation of unforeseen hazardous materials; installation of additional ECMs; or delays caused by emergency situations.

# Contingency Funds for Installation Phase (Escrow Account)

2. Process for requesting, approving, and tracking the use of funds including
  - written statement for the use of funds and
  - CO signature required before withdrawal.
  
3. Establish the use and distribution of post-acceptance balance of funds. For example,
  - a % of balance used for a down payment on financing and
  - a % as a bonus to the contractor for “putting a cap on mods”

# Contingency Funds for Installation Phase (Escrow Account)

Finally, it is clear from project successes with contingency accounts that

- building in requirements,
- considering strategies that support the project and the stakeholders (win-win), and
- patient negotiations can pay off

Thank you



Federal Utility Partnership Working Group  
January 14-15, 2014 Golden, CO