Best Practices: Performance Assurance Update

Hosted by:

FEMP
Federal Energy Management Program

TVA
Performance Assurance Plan (Plan)

Performance Assurance for UESC

• Plan principles and perspective
• Task Order “Plan Deliverables” examples
• Strategic investments in performance
• Update on Guide Chapter and Training
Plan Principles

Functionally, the Plan must

1) Provide accurate analyses, design, and quality installation

2) Prove actual performance meets or exceeds design

3) Provide for the Agency’s preparedness to operate, maintain, verify performance, and recommission each ECM

4) Offer continued Utility engagement as negotiated and written in the contract
Perspective: The Plan as Task Order Deliverables

The Plan as a set of deliverables
• Performance-focused, actionable obligations
• With assigned responsibilities and schedules

When implemented:
• Deliverables ensure a working project that meets or exceeds design performance for the term of the contract and the life of each measure
1. **Commissioning expert**: on Utility Team committed to performance assurance planning and implementation

2. **Baseline**: a substantiated and accurate baseline

3. **Design**: ensuring quality and effectiveness in meeting project priorities, objectives, and clearly states proposed performance

4. **Training**: an ECM-specific training plan and delivered training

5. **Installation**: quality assurance, functional testing, commissioning (Cx), and Cx Report proving proposed performance has been met or exceeded

6. **Performance period plan for long-term optimal performance**: O&M plan, measurement and verification through recommissioning (rCx) and retuning

7. **(Optional) Performance period services**: such as rCx and O&M
Task Order Example: Project Development

Deliverable: Dedicated Plan Lead

- Plan development will be led by a commissioning expert
- The majority of the Plan development and implementation responsibilities are on the shoulders of the Utility through project acceptance
- The Agency will be engaged throughout project and plan development, including O&M experts and engineers
Task Order Example: Performance Period

Deliverables: Performance period services as negotiated in the contract

a) Utility to provide warranty
   i. Wrap-around 1-year warranty
   ii. ECM-specific extended equipment warranty

b) Utility to provide recommissioning consultation for specified ECMs
   i. Provide recommissioning consultation at end of performance years 1, 4, 8, 12, and 16
   ii. Include rCx refresher training, assist rCx walk-through, and
   iii. Provide written observations, evaluation input, and recommendations for corrective actions as needed

c) Utility to provide O&M services for ECM# - CHP plant
   i. Provide full O&M services
   ii. Provide annual rCx
   iii. Provide for corrective actions within negotiate costs range
Strategic Investments in Performance

Project savings when considered as a funding source, can be invested to support intended outcomes

• Invest in long term performance
• Invest proportionally on ECMs with the greatest savings potential
• Build in resources for complex ECMs e.g. rCx and O&M
• Prepare Agency staff
  – The O&M Team is responsible for day to day operations, periodic maintenance, and scheduled recommissioning
  – Facilities engineering and planning staff
Strategic Investments in Performance

Performance assurance flexibility: Prioritize project savings investments to augment existing Site capabilities when needed

• O&M resources
  • Staff knowledge, experience, and availability for specific ECM(s)
  • Funds for added O&M responsibilities from project savings or from appropriations

• ECM specific “optional services” at the level and duration negotiated
  • Recommissioning consultation
  • O&M
  • Performance guarantee
Strategic Investments in Performance

Performance assurance flexibility: Prioritize project savings investments to optimize use of warranties

- **1-year wrap around warranty:** part of the minimum performance assurance services required in every UESC

- **Extended equipment warranties:** with more frequency we see extended equipment warranties for high impact/complex ECMs

- **Performance or savings guarantees:** when ECMs are exceptionally complex, mission critical, require immediate response to alerts, investing in a guarantee may be an option
UESC Performance Assurance Updates

1) Guide Chapter:
   a. Draft is being field tested and updated with practical lessons learned
   b. Contact Deb Vasquez, deb.Vasquez@nrel.gov

2) Training
   a. 90 minute training module; 50% developed
   b. Energy Exchange Track 12; performance assurance for performance contracting
Thank You

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