



Finance and Funding Case Studies - Federal

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Session Description

- There are many examples ... alternative financing measures
- ...real-world examples of implemented projects
- ... challenges to these successful projects
- As with any good **gumbo**, you need a roux and great ingredients
- Enjoy this savory mix and let the good times roll
- **"Laissez les bons temps rouler!"**



Things to Think About...

- Talked to the finance person?
 - A solid understanding of the finances within your organization
 - A visit to your director of finance
 - How the **money flows** and who actually has control of it





Things to Think About...

- Spent time with your procurement person?
 - Good working relationship with contracts
 - Understand how the money gets applied
 - Track your accounts closely





Things to Think About...

- Talked with your vendor?
 - There are ways to purchase items that you need
 - Sometimes need to be creative
 - Take advantage of their knowledge of how the system works



Things to Think About...

- “Spend no money” we spent \$ just had NONE assigned to us
 - How do you get money when there is none?
 - Concentrate on variances
 - Find ways to save enough money to pay for the next round of projects



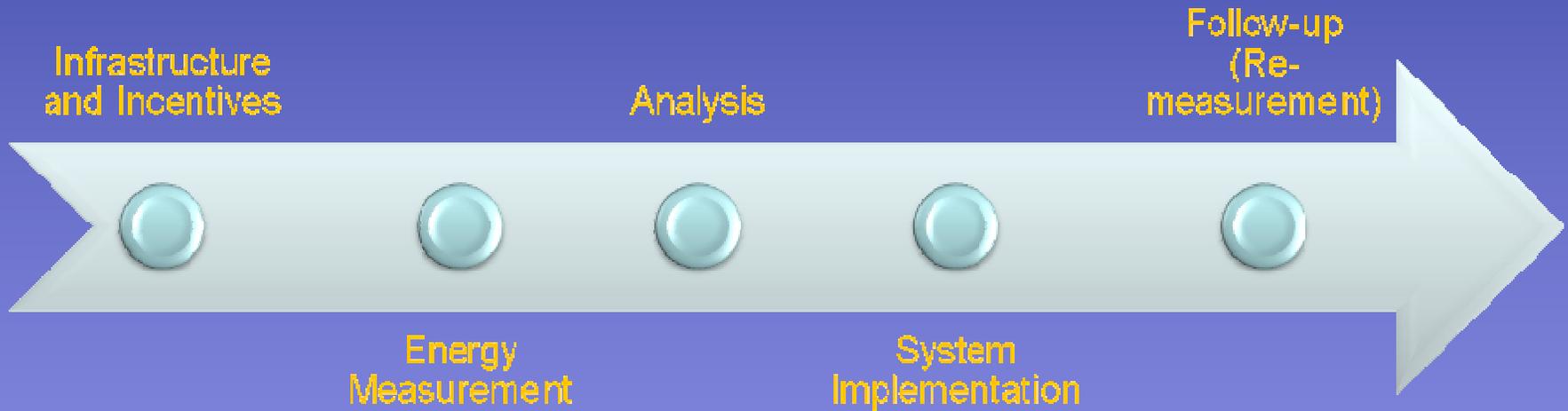
The Energy Management Model

- Must have M&V for EVERY Project
 - Deming - you cannot improve what you do not measure
 - EVERY project must have measurement
 - This means steam, water, air, chilled water as well as electricity.





The Energy Management Model





Incentives

- In most organizations, there are no incentives to save energy
- A global solution within your organization
- Success = this issue is resolved
- Effective incentive systems encourage the energy saving efforts that everyone knows needs to be done





Alternatives—Organizational

- A portion of energy savings returned to initiating division each year
- Percentage of savings is returned to sponsoring division
- Returned Each Year
- External funding/with minimal investment
 - Return after savings validation





Alternatives—Individual

Energy saving contest

Demonstration projects

- Develop an Energy Council – projects based on local needs
 - Group will filter out any self serving ideas





Infrastructure

- Sub-metering
- Verifiable savings tied to rewards
- Need reports on progress on sub-metering efforts
- Needs to be in place to prove anything





Analysis

- Specification of the equipment to replace existing
Expected usage specified along with projected savings.
- Forms the basis of the Follow-Up phase.



Analysis

- Watch how much analysis you do
- You can truly paralyze your teams with over-analysis
- Sometimes close enough is plenty good enough





Follow-Up

- Re-measurement to ensure anticipated savings
- Old VFD project
- That project sounds similar
- No follow-up and people are still upset over it.
- We cannot be so involved with implementation that we fail to emphasize follow-up.





Summary

- Get serious about Incentives
- Steam projects are more important than previously perceived. It is also visible to Council members. The whole system should be evaluated for general upgrading.
- While sub-metering is progressing, it is not clear what the status is and what the implementing scheduling is.



Summary

- Incentive implementation will require extensive sub-metering.
- Analysis is a strength of the project and should be maintained at its high level.
- Follow-Up must be recognized as an area that has not been done in the past. If the EM Team is to maintain credibility, Follow-Up must be done well.