



# UTILITY ENERGY SERVICE CONTRACTS (UESC) ADVANCE TOPICS

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# Agenda

- Utility Energy Services Contracts and Financing
  - Why UESC?
  - Benefits of UESC vs. ESPC
  - Partnering with Utility Provider
  - Lessons Learned
  - Questions?



# Cliff's Bio

- I retired a number of years ago and was looking for some additional income. I saw this ad looking for someone to paint a church steeple.





# Cliff's Bio

■ **REPAINT.....AND THIN NO MORE!**





# Cliff's Background

- Retired from Civil Service and now working for Erica Lane Enterprises, Inc. as a Resource Efficiency Manager (REM)
- Perform work at Naval Air Station Jacksonville and Naval Support Activity, Orlando, FL
- REM's work with the Facilities Maintenance Department staff in development for UESC Projects



# Why Utility Energy Service Contracts?

- Successfully used to implement more than \$2B in energy, water and renewable technology projects
- Some projects qualify for utility rebates on fuel conversion
- Federal agencies can use UESC to accomplish energy efficiency projects without using direct appropriations



# Why Utility Energy Services Contracts Cont'd

- Procurement process has a much quicker turn-around
- Wide range of projects can be implemented
- Flexibility in performance assurance
- Low finance rates
- Long standing relationship with serving utility



# Limitations?

- None at NAS Jacksonville, we've developed numerous projects with no major issues
- Projected savings is based on accepted engineering industry standards and practices



# UESC Benefits

- Implement *Alternatively Financed* energy conservation projects from your utility provider using *Basic Ordering Agreement (BOA)*
- *Preliminary Feasibility Audits (PFA)* are conducted by the utility provider at no cost to the installation



# Differences UESC-ESPC

- Energy Saving Performance Contracts are implemented by an Energy Services Company (ESCO)
- UESC projects at NAS Jacksonville are implemented by TECO/Peoples Gas and are managed by PWD



# TECO ENERGY – Peoples Gas BOA

- All projects at NAS JAX and N.S. Mayport, FL have been accomplished using UESC's
- BOA's have a five year term and the one for JAX and Mayport is under a one year extension
- Largest UESC at JAX for \$17.2 M with \$3.3M annual energy savings was awarded in Sept 2009
- Comments



# Existing UEESC Projects

- N.S. Mayport, FL (CNIC) Phase II: Awarded July 2010, \$4.3M, Annual Savings \$468K
- FLEET READINESS CENTER SOUTHEAST (FRCSE) Infrared Heaters: Awarded April 2010, \$482K, Annual Savings \$281K
- BUREAU OF MEDICINE (BUMED) Awarded Sept 2009, \$1.07M, Annual Savings \$90,750



# TECO/Peoples GAS BOA

- The BOA that we utilize is not a Contract
- Task Orders (the contract to do the actual work to implement energy conservation projects) is issued pursuant to the terms of the BOA)
- Energy Conservation projects must achieve savings over the life-cycle of equipment or system being repaired and otherwise comply with 10 USC 2913



# TECO/Peoples Gas BOA

- What impact does the 10 USC 2913 have on us?
- Projects now have the following life cycle payback requirements:
  - Boiler Plant, HVAC, Weatherization, Energy Recovery Systems, and Water Technology...All 20 years
  - Lighting, Steam and Condensate Systems...15 Years
  - EMCS/HVAC/DDC Controls...10 Years



# How to partner with utility provider

- Stay engaged with top management of the utility provider
- Let them know your concerns and problems with projects as they move from concept to completion
- Ask about energy credits and initiatives from project implementation





# How the Financing works

- Energy Savings/Reduced Utility Costs pays for the project financing
- No increase in government spending occurs
- Pay a lower utility bill



# Lessons Learned

- Engage all divisions/departments that have ownership of the project, i.e. facility managers, engineering, planning, environmental, safety and all contract personnel
- Hold weekly meetings to discuss progress on the energy conservation measures (ecm's)
- Document all events that transpire during the construction process and implementation for future projects



**With Out UESC it's  
like Money Down  
The Drain**



# Questions?

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# The No. 1 Energy Conservation Tool



Is You !!

Erica Lane Enterprises, Inc.