Biomas Boot Camp
Session 3: Development Considerations
Performance Contracting
Maryland Wood Energy Coalition

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Larry F. Myers, PE, MBA, CEM
larry.myers@schneider-electric.com

Agenda for discussion

• Performance Contract Funding Basics
• Focus on Life Cycle Cost
• Project Funding In Your Budget
• Traditional Funding Strategies
• Assuring Long-term Results of PC
PC vs. Internal Efforts to Save Energy

Payback Funds

Opportunity Cost

Savings = Funding Potential

Facility & Vehicle Budgeting

Avoided Costs

Confidential Property of Schneider Electric

Source: State of Texas Legislative Budget Board
What are you focused on?

Life-Cycle Cost vs. First Cost
Average MD college - $8M annual energy spend
The cost of self-funding project flows through your meters every year!

Focus on First Cost
1% Margin of a $8M project = $80,000

Use of Energy Experts – What is their value?
1% Change in Savings Achieved = $80,000 / yr x 10 yrs = $800,000

Project Funding – Already exists in your budget!
Project Funding – Already exists in your budget!

Typical Financing Options
- Grants / Utility Rebates
- Multi-year Budget Allocation
- Loans / Lines of Credit
- Certificates of Participation
- Bonds
- Leases/tax-exempt leases
- PACE financing
- On-bill financing
Schneider Electric’s Approach to Maintaining Savings

Project Development & Engineering
- Identify known problems and seek root cause analysis
- Project Charrette Teams to Address High Profile Needs
- Offer solutions to identified issues
- Building Modeling to Determine Real Savings Expectations

Performance Assurance, Support Services
- Reconcile Savings annually
- Review BAS performance over time
- Schedule Training and Site Visits

Building Performance is in our DNA

Reflects years 2007 to 2008 (% change)

Source: State of Texas Legislative Budget Board
Question & Answer

> Larry F. Myers, PE, MBA, CEM
> larry.myers@schneider-electric.com
> 814 937 7602 cell
> Sales Team Leader