

FACILITY CONSERVATION IMPROVEMENT PROGRAM

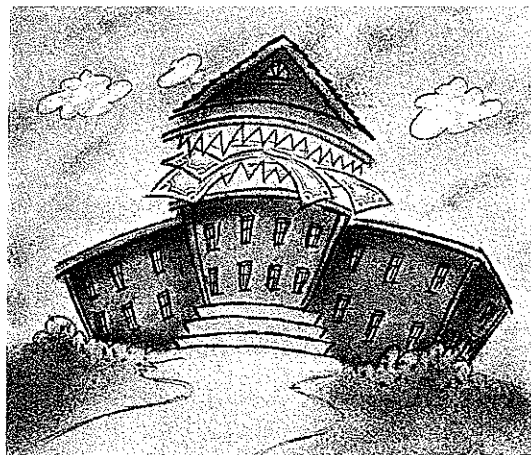


*What can the FCIP program
do for you?*

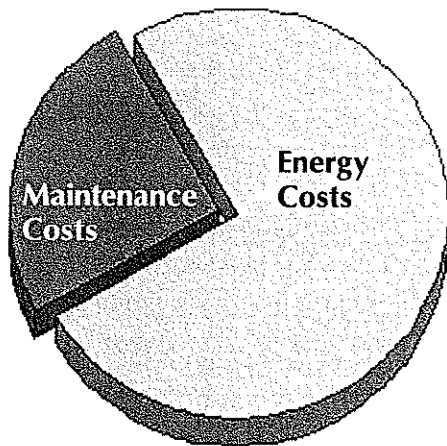
KANSAS ENERGY OFFICE
www.kcc.state.ks.us/energy/

A TOOL FOR KANSAS PUBLIC BUILDINGS

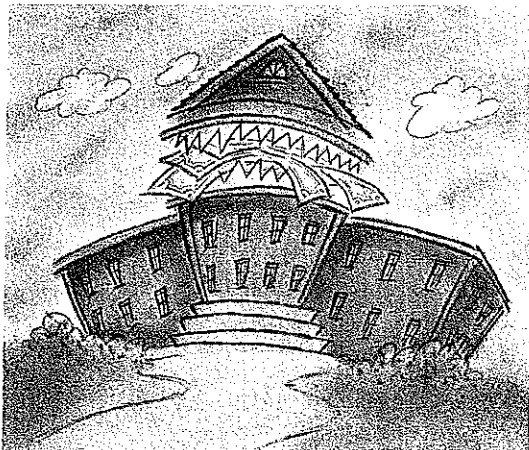
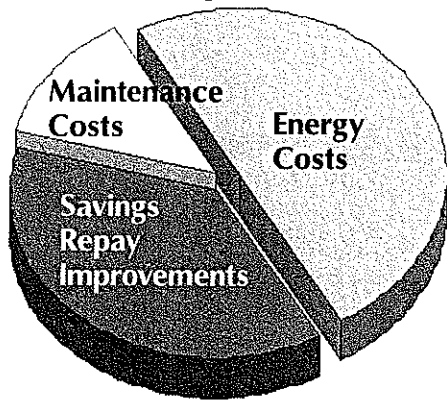
The Facility Conservation Improvement Program (FCIP) is a streamlined program enabling all public entities to use a tool known as energy savings performance contracting (ESPC) to access financing for planning and implementing projects quickly and easily. Tax-exempt financing with a very attractive interest rate makes your project more economical and reduces the pay-back period. Financing can be customized to meet the particular cash flows associated with your projects. The ESCO can bid out and arrange an equipment lease-purchase agreement with a private financing institution for a project.



Before Improvements



After Improvements



WHAT IS ENERGY SAVINGS PERFORMANCE CONTRACTING?

Here's how it works:

You enter into an agreement with a private energy service company (ESCO). The ESCO will identify and evaluate energy-saving opportunities and then recommend a package of improvements to be paid for through savings. The ESCO will guarantee that savings meet or exceed annual payments to cover all project costs—usually over a contract term of seven to 10 years (Kansas law allows a maximum of 20 years). If savings don't materialize, the ESCO pays the difference, not you. To ensure savings, the ESCO offers staff training and long-term maintenance services. Many types of building improvements can be funded through your existing budgets—new lighting technologies, boilers and chillers, and energy management controls, to name a few.

A QUALIFIED ESCO CAN HELP YOU PUT THE PIECES TOGETHER:

- ✓ Identify and evaluate energy-saving opportunities;
- ✓ Develop engineering designs and specifications;
- ✓ Manage the project from design to installation to monitoring;
- ✓ Arrange for financing;
- ✓ Train your staff and provide ongoing maintenance services; and
- ✓ Guarantee that savings will cover all project costs.

The Facility Conservation Improvement Program (FCIP) is available to all public buildings. Some examples of qualifying entities include: State Agencies, Cities, Counties, Public Universities & Colleges, Private Universities & Colleges, Public Schools, Community Colleges, Technical Colleges, Public Hospitals, Not-For-Profits...and more.

To see if your institution qualifies, or to find out how the FCIP can start saving you money, contact the Kansas Energy Office.

THE KANSAS FCIP PROGRAM

The Facility Conservation Improvement Program is designed to be easy for you to use, resulting in the implementation of more energy conservation projects.

Program Features:

1. Funding can be arranged for your particular project in a matter of days rather than months.
2. Conservation Projects are not limited strictly to energy. Savings from water, maintenance, labor, etc. may be considered when determining economic justification. In other words, reductions in all operating costs may be used for debt service.
3. Economic justification should also consider revenue increases. If a project results in an increase in revenue to the agency then this revenue may also be used in the economic justification for a project.
4. You are encouraged to invest savings accrued beyond debt service needs into additional conservation projects.

The State of Kansas has in place a master agreement with four pre-approved Energy Service Companies (ESCO's) to provide one-stop, turn-key energy services from project identification and analysis to design and implementation to maintenance, measurement and verification.

The master agreement allows you to easily use the expertise of pre-approved ESCO's plus use the FCIP's low cost financing to fund the projects.

A team consisting of key agency personnel, ESCO representatives and the FCIP administrator develops projects tailored to a facility.

By using a pre-approved ESCO and the master agreement, the agency saves the time and cost associated with producing a RFP and completing the ESCO selection process.

ENERGY CONSERVATION PROJECTS BENEFIT EVERYONE

Community & Environmental Benefits

By reducing electricity needs, conservation projects help delay the need for constructing new electrical generation plants, allowing existing plants to meet society's ever increasing demand for electricity.

By reducing heating energy needs, conservation projects help extend the supply of natural resources.

Conservation not only helps keep energy rates lower for everyone, these projects protect the environment by reducing the pollutants created when energy is consumed.

Better Buildings

By updating or replacing equipment that is old and obsolete with newer, more efficient technologies, you will have higher-quality systems, fewer breakdowns and reduced maintenance. When building occupants experience improved lighting, better air quality and more comfortable room temperatures, they are likely to be happier and more productive.

A Wise Investment

Energy performance contracting allows you to divert funds that would be spent on energy bills into investments in your buildings. For you, this means limited budgets can stretch further, putting taxpayers' money where it really counts. For all building owners, more modern, efficient energy systems can increase your property value and improve marketability of your buildings.

Improvements Without Sacrifice

Energy performance contracting allows you to tackle energy efficiency projects now even if no funds are available. This means you can still afford improvements when faced with budget cuts or competing priorities. And, with energy performance contracting, you can take a comprehensive approach that will optimize your benefits.

Cost Savings

New systems and equipment can lower your energy costs. Many building owners see energy savings of 15 to 35 percent and also reduce their long-term maintenance costs. You keep all the savings once the equipment is paid off, plus any excess savings during the contract term.

Proven Technology & Expertise

In recent years, performance contracting has become a widely accepted and reliable way to make energy improvements. Today's ESCOs use industry-standard practices and proven energy-saving technologies and have excellent track records for satisfying their customers. ESCOs have a financial incentive to make sure savings are achieved throughout the contract term.

One-Stop Shopping

Performance contracting offers a streamlined approach to making facility improvements because, with a single contract, you can tackle multiple energy-efficient projects throughout your facility, rather than doing one project at a time. The ESCO can provide a full range of services and continue working with you once the projects are complete to ensure that you get optimal long-term energy performance.

FREQUENTLY ASKED QUESTIONS

How do I find those energy savings?

By working in partnership with a professional energy service company (ESCO), you can tap its expertise to determine what building improvements make the most sense for improved comfort, easier maintenance and your budget. An ESCO's recommendations might include replacing lighting equipment, modifying or replacing boilers and chillers, installing modern energy management control systems, replacing motors or even installing pool covers or more efficient kitchen equipment.

Can't I do this myself?

Sure, if you have the time, money and expertise. But an ESCO can work with you to put together a complete package of services that meets your needs and saves you time and money. An ESCO can identify and evaluate energy-saving opportunities, provide engineering services, order and install equipment, and manage all phases of construction. To complete the package, the ESCO can guarantee the savings and even arrange financing.

How risky is this for me?

ESCOs typically work under a performance guarantee that shifts the risk to the ESCO. Your guaranteed energy savings pay for the upgrades, so you have no up-front costs. If energy savings don't materialize, the ESCO pays the difference, not you.

What can I do to get started?

It's simple: Contact the Kansas Energy Office. Act today and get those energy savings working for you.



KANSAS ENERGY OFFICE

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