

Office of Energy

Energy Efficiency in Florida State Law and Programs

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Office of Energy**

January 18, 2019



Energy Contracting Legislation: Background

- 1992 - Energy contracting legislation for schools (s. 235.215) enacted
- 1997 - Law substantially amended during School Special Session; transferred in 2002 to Education Code (see s. 1013.23, Florida Statutes)
- 1994 - Energy contracting legislation for state agencies and local governments (s. 489.145) enacted
- 2001 - Law substantially amended during 2001 Regular Legislative Session



Key Provisions of the Law

- Savings: fuel, energy, O&M costs; new construction
- Contract term: up to 20 years
- Must use competitive procurement process
- Requires annual written savings guarantee
- Contract must include design and installation, O&M, actual annual savings, financing charges



Key Provisions of the Law

- Allows for 3rd party financing
- Contract must stipulate that the financing does not constitute debt, liability, or obligation or a pledge of faith and credit of agency
- 100% public construction bond required
- Payback based on building life-cycle costing calculations

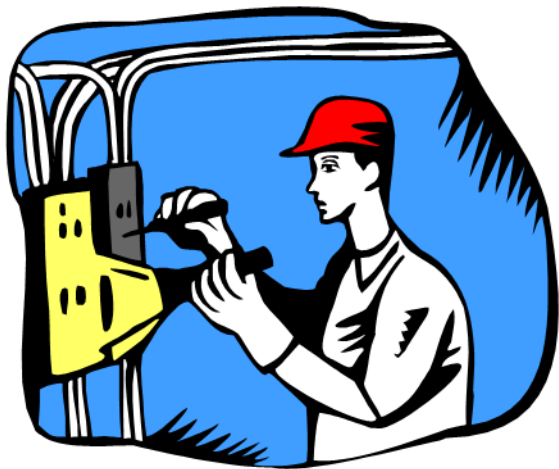


Key Provisions of the Law

- Contractor performs annual reconciliation of savings
- Energy contractor liable for shortfalls
- Excess savings cannot cover shortfalls in future contract years



Energy Conservation Measures



A training program or a facility alteration or equipment used in an existing facility or in new construction that reduces energy costs.



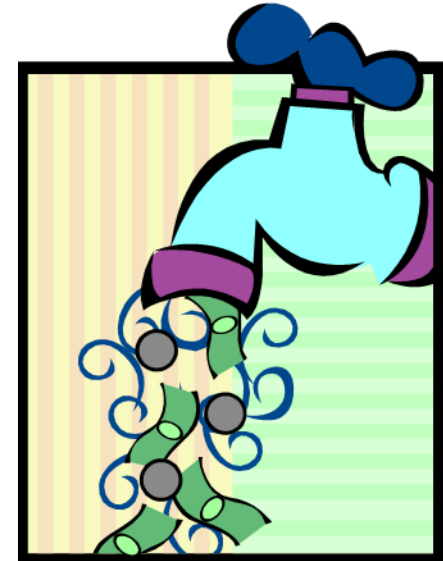
Energy Conservation Measures

- Insulation
- Storm windows & doors
- Lighting
- Heating, ventilating and A/C
- Energy recovery systems
- Automatic energy control systems



Energy Conservation Measures

- Co-generation systems
- Measures which reduce long-term operating costs and Btu's
- Renewable energy systems (solar, biomass, wind)
- Trash disposal
- Water or sewer consumption reductions



5 Steps to Successful EPC

- Decide if energy performance contracting is a good solution for you.
- Select an energy service company (ESCO).
- Contract with your ESCO to identify energy saving opportunities.
- Negotiate a long-term contract with your ESCO.
- Verify savings and enjoy the benefits.



Step 1 : Decide if energy performance contracting is a good solution for you.

- Find out if your facility is a good candidate for a performance contract.
- Assemble a team.
- Assess ESCO services and benefits.



Step 2: Select an energy service company (ESCO).

- Develop a facility profile.
- Develop an RFP.
- Invite ESCOs to tour the facility. Evaluate the proposals.



Step 3: Contract with your ESCO to identify energy-saving opportunities.

- Negotiate an energy audit and project development agreement with your ESCO.
- Review the energy audit.



Step 4: Negotiate an energy performance contract with your ESCO.

- Negotiate the scope and terms of the contract.
- Negotiate a guarantee to meet your needs.
- Arrange financing.
- Review maintenance requirements and services.



Step 5: Verify savings and enjoy the benefits.

- Approve the installation.
- Operate the building as agreed in the contract.
- Maximize benefits through trained staff.
- Review the quarterly reports.



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