



Implementing Energy Efficiency Projects

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Key Drivers of Energy Efficiency Programs



Guaranteed Energy Savings Program (GESP)

- Department of Commerce program enabling contracting and financing to implement energy-savings projects
- 11 Pre-qualified Energy Services Companies (ESCO) under Master Contract, standard documents & contracts
- ESCO Assumes Turn-key Responsibility for Project Design, Bidding & Implementation
- ESCO Provides Guaranteed Savings & Guaranteed Maximum Price
- Third-party Lease Purchase Financing
- Intended for projects \$1 million or larger

Local Energy Efficiency Program (LEEP)

- Department of Commerce program enabling completion of Investment Grade Audits (IGA) to implement energy-savings projects
- 10 Pre-qualified Firms under Master Contract, standard documents & contracts
- IGA Report details energy-savings opportunities including estimated savings, implementation costs and utility rebates
- Project Design, Bidding & Implementation handled by local government
- Enables use of lease purchase financing – St Paul Port Authority provides low-cost financing for LEEP participants through its **Energy Savings Partnership**
- Projects as small as \$70,000 can be financed using **ESP**

LEEP or GESP? ... Commerce Assists with Choosing Program that Best Fits Your Needs

- Needs, Issues and Goals?
- Anticipated project size?
- Need to coordinate with Capital Improvement Plan?
- Available funding?
- Interest in alternative financing mechanisms?

The image shows two overlapping screenshots of the Minnesota Department of Commerce website. The top screenshot displays the 'Guaranteed Energy Savings Program' page, which includes a 'RESOURCES' section with a 'Forms & Documents' button. The bottom screenshot displays the 'Local Energy Efficiency Program' page, which includes a 'CONTENTS' section with a 'Forms and Resources' button and a 'QUESTIONS?' section with contact information for Alex Cecchini, Program Administrator. Both screenshots also show 'Program Goals' sections with detailed bullet points.

Guaranteed Energy Savings Program

Information on the Guaranteed Energy Savings Program. The main goal of the program is to provide technical and financial assistance to state agencies, local government units, school districts, and institutions of higher learning.

Governor Dayton signed [Executive Order 11-12](#) in April 2011 "Providing for Job Creation through Energy Efficiency and Renewable Programs for Minnesota's Public Buildings." EO 11-12 established the Guaranteed Energy Savings Program, within the Department of Commerce, Division of Energy Resources. We provide technical and financial assistance to state agencies, local government districts, and institutions of higher learning that elect to implement energy efficiency and renewable energy improvements through Guaranteed Energy Savings Contracts.

The intent of this program is to maximize job creation and energy savings through investment in public facilities with the goal of reducing aggregate energy consumption by 20 percent throughout all public facilities.

Program Goals

The Guaranteed Energy Savings Program (GESP) has been established to:

- Promote awareness and implementation of energy efficiency measures by state and local governments, school districts, and institutions of higher learning, resulting in annual energy savings while creating jobs, improving infrastructure and reducing carbon emissions.
- Develop and administer Master Contract for Energy Efficiency for public entities.
- Pre-qualify Energy Service Companies (ESCO) for participation in the program.
- Provide technical, contractual and financial assistance to state agencies, local government units, school districts, and institutions of higher learning to implement energy efficiency and renewable energy measures.
- Assist public entities with:
 - Evaluating their facilities for potential energy efficiency improvements.

Local Energy Efficiency Program

Minnesota Statutes [§216C.42](#) and [§216C.43](#) grant the Department of Commerce authority to provide local units of government with technical services in completing energy project studies and a standard project financing agreement.

The Local Energy Efficiency Program (LEEP) provides a master contract with qualified engineering firms (Contractors) along with the technical and contractual assistance to complete investment grade audits (IGA) for local units of government.

The intent of this program is to maximize energy and operational cost savings through investment in public facilities, contributing to statewide energy use reduction goals while creating jobs across the state.

Program Goals

LEEP has been established to:

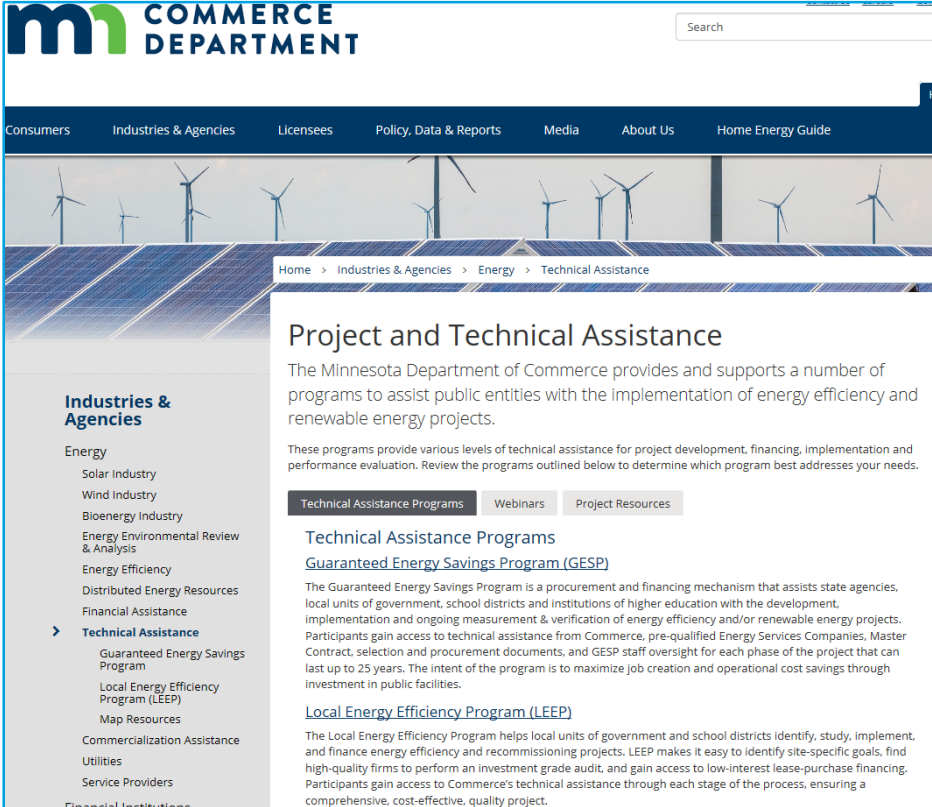
- Promote awareness and implementation of energy efficiency and renewable energy measures in public facilities at local units of governments by completing investment grade audits (IGA). By focusing on studying technically and economically feasible energy conservation measures, the program will encourage local governments to implement projects that reduce annual facility energy costs, create jobs across the state, improve facility infrastructure, and reduce carbon emissions.
- Pre-qualify Contractors through a standard State RFP process to participate in LEEP and administer a master contract of these Contractors.
- Develop and administer master contract for use by local units of government, defined as a Minnesota:
 - County
 - Statutory or home rule charter city
 - Town

CONTACT INFORMATION:
Alex Cecchini, Program Administrator
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Fax: 651-539-0109

Department of Commerce

What We Do ...

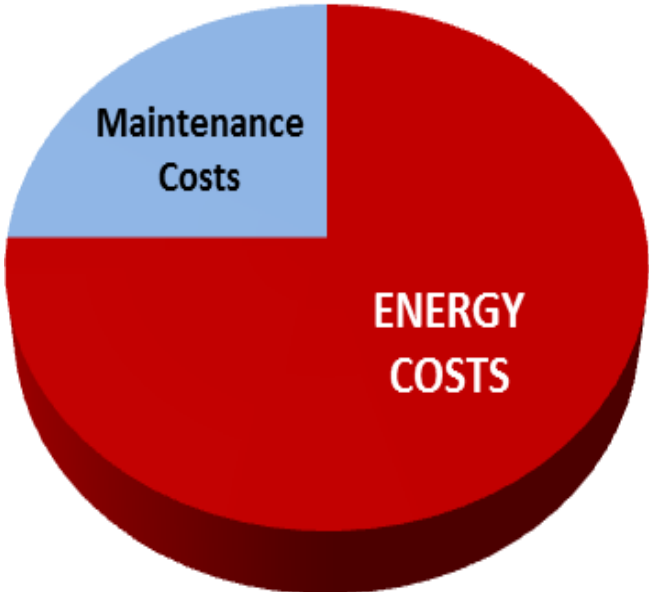
- Program Development and Administration
 - Pre-qualify Providers (firms/contractors)
 - Master Contract and Procurement Documents
- Opportunity Assessment
 - B3 Benchmarking Data
 - Needs, Issues and Goals
- Technical Assistance
 - Provider Selection
 - Investment Grade Audit Review
 - Project Development Assistance
 - Project Implementation Oversight (GESP)
 - Annual Project Performance Evaluation



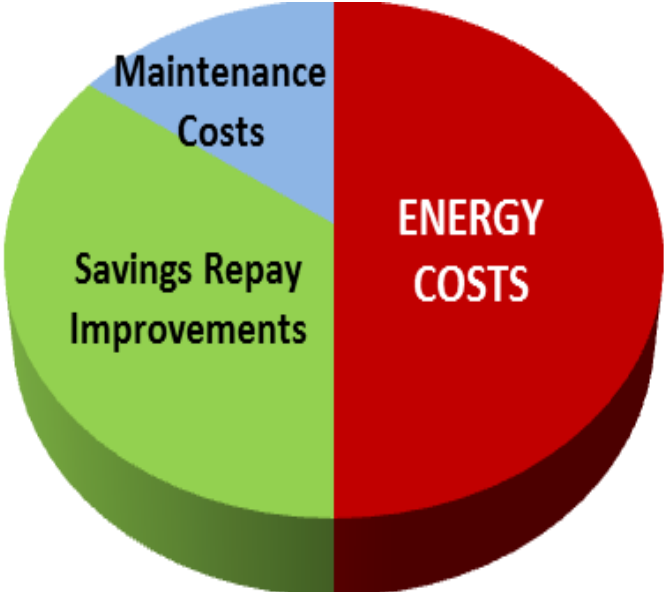
The screenshot displays the Minnesota Department of Commerce website. The header includes the logo and a search bar. The navigation menu lists: Consumers, Industries & Agencies, Licensees, Policy, Data & Reports, Media, About Us, and Home Energy Guide. The main content area features a banner with wind turbines and solar panels. Below the banner, a breadcrumb trail reads: Home > Industries & Agencies > Energy > Technical Assistance. The page title is 'Project and Technical Assistance'. The introductory text states: 'The Minnesota Department of Commerce provides and supports a number of programs to assist public entities with the implementation of energy efficiency and renewable energy projects.' A sub-section titled 'Technical Assistance Programs' lists 'Guaranteed Energy Savings Program (GESP)' and 'Local Energy Efficiency Program (LEEP)'. The GESP description notes it is a procurement and financing mechanism for state agencies, local government, and higher education. The LEEP description states it helps local units of government and school districts identify, study, implement, and finance energy efficiency and recommissioning projects.

Strategic Approach to Funding Energy Efficiency Projects

Before Improvements



After Improvements



The use of savings gained from the maintenance, operations and utilities budgets, **as capital to make needed upgrades** to your building systems, that is financed over a specified period of time.

Strategic Approach to Addressing Energy Efficiency and Deferred Maintenance Needs

- Capital Improvement Plan (CIP) doesn't fund all your Deferred Maintenance needs
- Some Capital Improvement work has associated energy savings:
 - Electrical
 - Lighting System replacement
 - Building Envelope
 - Window and exterior door replacement, caulking, insulation
 - Mechanical Systems
 - Heating, ventilation and air-conditioning (HVAC) and control system replacement
 - Indoor Air Quality

Strategic Approach to Addressing Energy Efficiency and Deferred Maintenance Needs

LEEP enables local government and schools to:

- Identify project costs, energy/operation/maintenance savings and utility rebates
- Update 10 Year Capital Improvement Plan (CIP) and/or Long Term Facility Maintenance Plan (LTFM)
- Enable use of lease purchase financing to expand available funding beyond Capital Improvement Plan funding (*doesn't require voter approval*)
- Leverage savings to fund lease purchase payments (*budget neutral*)
- Utilize traditional plan-bid-build approach for project implementation (*transparent – low cost*)
- Implement Energy Conservation Measures standalone or integrated with related capital projects (*simplifies coordination of financing and implementation*)

Chisago Lakes Schools

An aerial photograph of the Chisago Lakes Schools campus. The image shows several large, dark-roofed school buildings arranged in a U-shape. A large parking lot filled with cars is situated between the buildings. In the background, a large, calm lake stretches across the horizon under a blue sky with light clouds. The surrounding area is lush with green trees and grass.

Local Public Building Enhanced Energy Efficiency Program (a.k.a LEEP) – pilot project

- Investment Grade Audit completed in 4 buildings with 488,000 sq.ft.
- Building Envelope, Pumps, HVAC Controls and RTU Improvements
- Implemented \$215,000 project using various contractors
- \$22,500 Annual Energy, Maintenance & Operation Savings

LEEP Provides the Tools Necessary to Achieve Your Energy Goals

- Master Contract with Pre-Approved Providers
- Pre-Approved Joint Powers Agreement
- Site-Specific Request for Proposals Template
- Provider Evaluation & Selection Tools
- Work Order Contract
 - Preliminary Investigation Tasks
- Amended Work Order Contract
 - Detailed Investment Grade Audit Tasks

The image shows a spreadsheet on the left and a 'State of Minnesota Department of Commerce Request for Proposal' form on the right. The spreadsheet is titled 'LEEP SSRFP Proposal for [Local Unit of Government] Project' and contains fields for Respondent, Project Title, Contact, RFP Ref Nbr, Topic Area, and Submittal ID. The form is titled 'STATE OF MINNESOTA PROFESSIONAL AND TECHNICAL SERVICES WORK ORDER CONTRACT' and includes sections for Term of Contract, Contractor's Duties, Consideration and Payment, Project Managers, and E-Verify Certification. A large 'DRAFT' watermark is visible across the form.

State of Minnesota Department of Commerce Request for Proposal

STATE OF MINNESOTA PROFESSIONAL AND TECHNICAL SERVICES WORK ORDER CONTRACT

This work order contract is between the [FILL IN NAME OF STATE INSTITUTION], acting through its [FILL IN NAME OF YOUR AGENCY OR BOARD], EXAMPLE: "commissioner of _____" OR "director of _____" ("State Institution") and [GIVE THE FULL NAME OF THE CONTRACTOR INCLUDING ITS ADDRESS] ("Contractor"). This work order contract is issued under the authority of Master Contract T-Number _____, CFMS Number _____, and is subject to all provisions of the master contract which is incorporated by reference.

Work Order Contract

- Term of Contract**
 - Effective date.** [SPELL OUT FULL DATE (e.g., April 1, 2001)], or the date the State Institution obtains all required signatures under Minn. Stat. § 16C.05, subd. 2, whichever is later. The Contractor must not begin work under this contract until this contract is fully executed and the Contractor has been notified by the State's Authorized Representative to begin the work.
 - Expiration date.** [SPELL OUT FULL DATE (e.g., April 1, 2001)], or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- Contractor's Duties**

The Contractor, who is not a state employee, will perform the duties specified in Exhibit A which is attached and incorporated into this work order contract.
- Consideration and Payment**
 - Consideration.** The State Institution will pay for all services performed by the Contractor using the Fee Schedule specified in Exhibit B, which is attached and incorporated into this work order contract. The Contractor will be paid for actual eligible costs, not to exceed (Written Amount) dollars (\$x.xx), consistent with the breakdown of costs contained in Exhibit B which is attached and incorporated into this work order, at rates not to exceed the hourly rates listed below.

Travel Expenses. Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Contractor as a result of this work order contract will not exceed (Written Amount) dollars (\$x.xx).

Total Obligation. The total obligation of the State Institution for all compensation and reimbursements to the Contractor under this work order contract will not exceed (Written Amount) dollars (\$x.xx).
 - Invoices.** The State Institution will promptly pay the Contractor after the Contractor presents an itemized invoice for the services actually performed and the State Institution's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule outlined in Exhibit A.
- Project Managers**

The State Institution's Project Manager is [NAME, TITLE, ADDRESS, TELEPHONE NUMBER]. The State Institution's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Contractor's Project Manager is [NAME, TITLE, ADDRESS, TELEPHONE NUMBER]. If the Contractor's Project Manager changes at any time during this work order contract, the Contractor must immediately notify the State Institution.
- E-Verify Certification** (In accordance with Minn. Stat. §16C.075)

For services valued in excess of \$50,000, Contractor certifies that as of the date of services performed on behalf of the State, Contractor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. Contractor is responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at <http://www.mnwd.admin.state.mn.us/doc/EVerifySubCertForm.doc>. All subcontractor certifications must be kept on file with Contractor and made available to the State upon request.

WOC - State Institution - Contractor
Work Order Contract (rev 20170101)

Thank You!

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