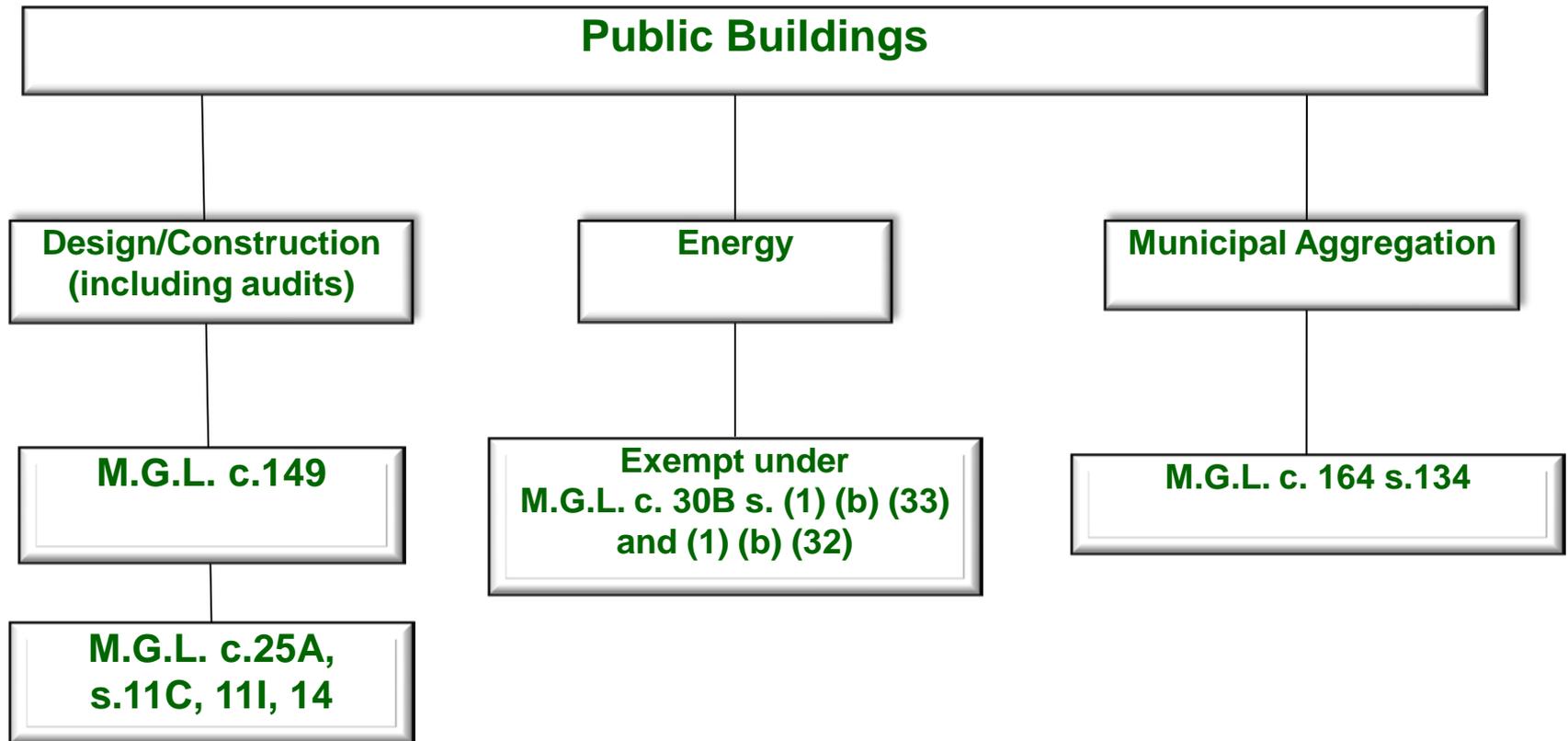


# ENERGY CONTRACTS UNDER M.G.L. 25A

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# Applicable Laws for Energy & Energy Related Contracts



This chart provides relevant Massachusetts General Laws (M.G.L.) for energy contracts. Please contact Eileen McHugh at 617-626-7305 for more information.

# Chapter 25A, DOER

- ✦ §11C - contracts for the procurement of energy management services (RFP).
- ✦ §11I - energy management services contracts (RFQ).
- ✦ §14, Contracting with utility company for projects \$100k or less

# Section 14

Section 14. (a) A state agency, building authority or local governmental body may contract for energy conservation projects that have a total project cost of **\$100,000 or less, directly and without further solicitation, with electric and gas utilities**, their subcontractors and other providers of such energy conservation projects authorized under sections 19 and 21 of chapter 25 and section 11G.

# Section 14

(b) For purposes of this section, “total project cost” shall mean **all construction costs** of an energy conservation project, whether borne by the utility, agency, authority or body including, without limitation, the costs associated with equipment purchase and installation of such equipment. Ancillary services provided at no cost by utilities, such as **auditing and design, shall not be considered part of project cost.**

# Section 14

c) A state agency, building authority or local governmental body **may pay** for such energy conservation projects through additions to their **monthly utility bills**.

(d) Sections 44A to 44M, inclusive, of chapter 149 and section 39M of chapter 30 **shall not apply** to contracts entered into under this section.

# \$100K Contracts

- ✦ Contracting with your utility company
- ✦ Statewide energy efficiency programs
- ✦ Expeditors must be part of the program
- ✦ DOER guidance on web site



# Energy Management Services (EMS)

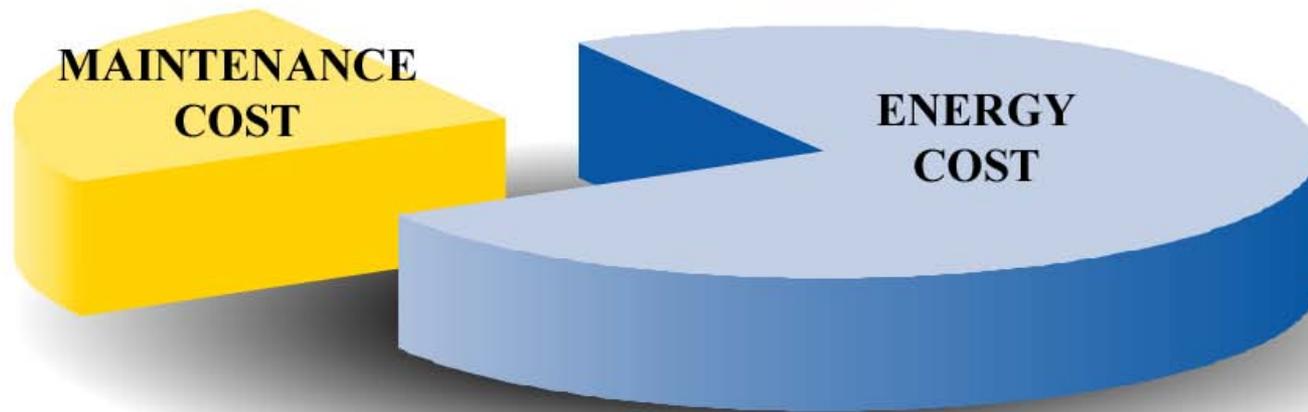
EMS is an alternative method of public procurement that contains provisions for implementing projects that provide a program of services with a limited exemption from chapter 149.

# Procurement Process



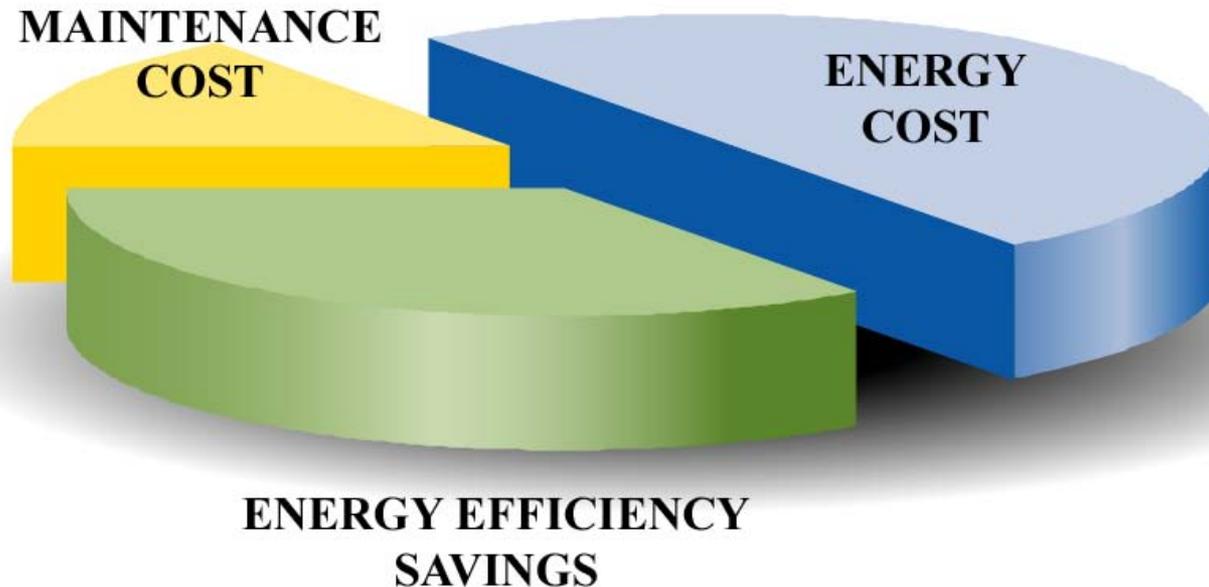
# Operating Budget

## Before Improvements

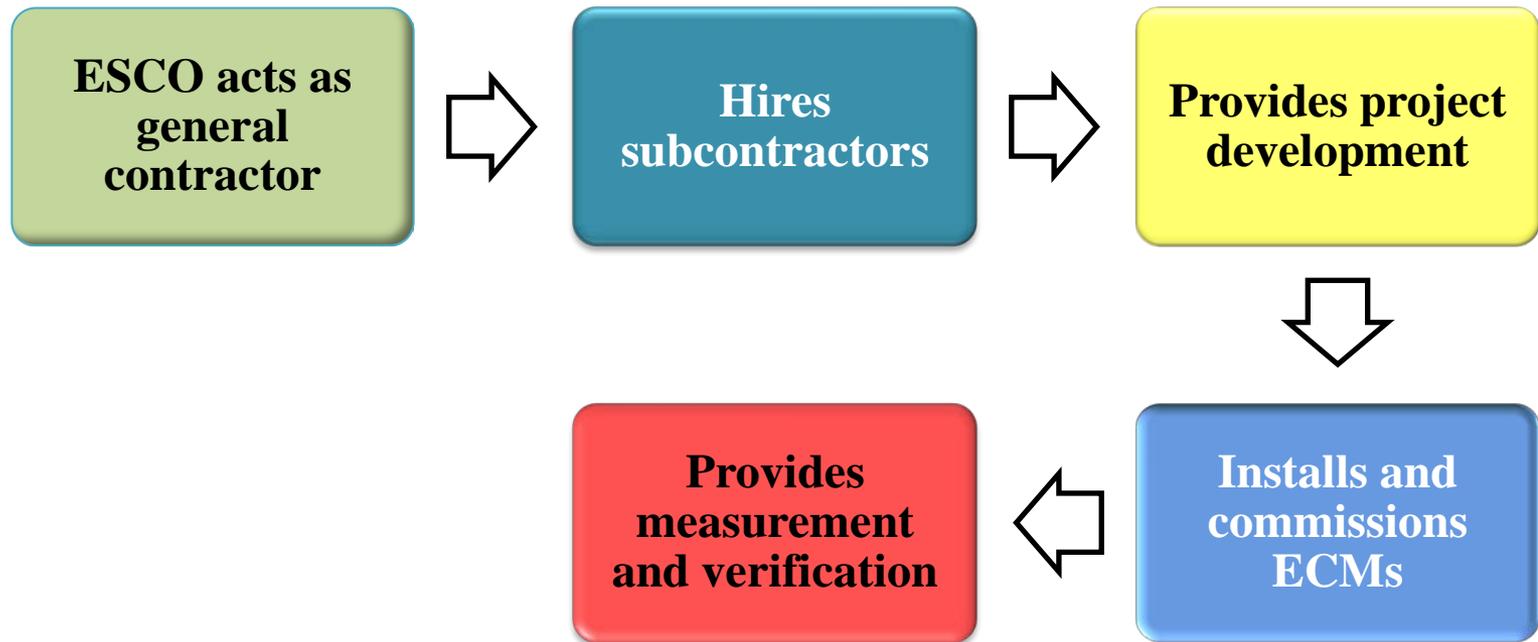


# Operating Budget

**After Improvements**



# ESCO Services



# Core Components

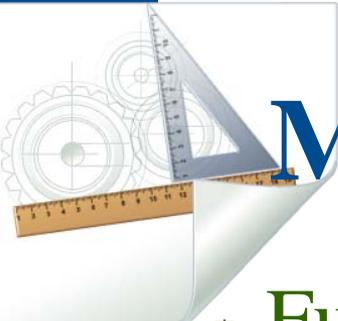
- ✦ Energy Baseline
- ✦ Guarantee
- ✦ Measurement & Verification

# Energy Baseline

- ✦ Two to three years of energy usage
- ✦ Include all energy types
- ✦ Building description, include square feet, type, and occupancy rate
- ✦ Weather conditions
- ✦ Utility and water rates

# Guarantee

- ✦ Measurement & Verification of savings performed at least annually.
- ✦ Guaranteed energy savings or onsite electricity generation is calculated annually.
- ✦ ESCO must pay the “shortfall”.



# Measurement and Verification

- ✦ Fundamentally defines the meaning of the word ‘savings’ for each project.
- ✦ Must follow the most recent Federal Energy Management Program (FEMP) M & V Guidelines
- ✦ Central to proper savings determination and the basis for verification.

# RFP/RFQ

- ✚ Contact DOER
- ✚ Follow Mandatory Requirements
- ✚ Use DOER Model Documents
- ✚ File according to instructions on web page.

# General Requirements

## Performance Guarantee

- Contractual commitment that project will result in a specified reduction in energy and water use over a set period of years

## DCAMM Certification

- Contractors must be certified under prime contractor; subcontractors do not need certification

## ECMs/WCMs

- Allowable equipment that saves energy, water, or provides onsite energy generation

## Construction Bonds

- 100% of total project cost for performance bond; payment bond

## Competitive Process

- Contractor selection, pricing

## Regulations

- Follow DOER guidance

## Maximum Term

- Twenty years



# Questions



# Contact Information

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[mass.gov/energy-management-services\\_public-procurement](https://mass.gov/energy-management-services_public-procurement)

**“Energy Management Services”**