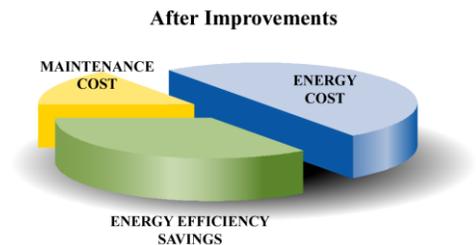
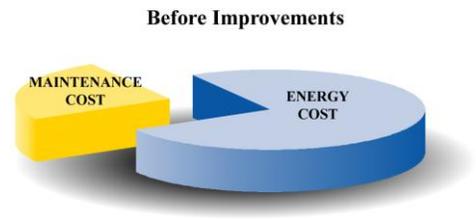


Energy Management Services (EMS), a form of energy saving performance contracting, is an alternative method that cities and towns may use to implement projects that save energy and water.

M.G.L. c.25A §§11C and 11I authorize a limited exemption to G.L. c.149 that provides for the procurement of energy, water, and utility conservation services, onsite energy generation, and cogeneration with two significant differences:

1. First, using EMS allows for a streamline, flexible procurement process to proceed from design to closeout without further public bidding.
2. Second, public agencies purchase performance results, not just new equipment. Energy savings that are guaranteed by the ESCO pay for the project; in other words, a public agency purchases capital improvements to the premises and, in return, pays for the improvement with cost savings attributed to the ESCO's performance on energy expenditures. The graph here illustrates costs and savings to a facility under an Energy Management Services arrangement.



EMS is a way to make investments in new energy-efficient equipment using a self-funding financing mechanism structured so that the cost of implementing the Energy Conservation Measures (ECM) is recovered from savings created by the performance of those measures. Best of all, these savings are guaranteed. You benefit by getting new equipment, expertise from energy service professionals, and the ability to accomplish many projects all at once.

Five steps to a successful project:

1. Decide if energy performance contracting is a good solution for you
2. Select an Energy Service Company (ESCO)
3. Contract with your ESCO
4. Negotiate a long-term contract with your ESCO
5. Verify savings and enjoy the benefits

STEP 1: Your first step is to consider how a performance contract would work for you. You will want to look at your facility needs, current staff capabilities, and your potential to make improvements. Performance Contracting may benefit you if you have:

More that 40,000 square feet of floor area	Scarce budget resources
Spend more that \$40,000 annually on energy costs	Too little energy management expertise
Aging buildings or equipment	Too many demands on your maintenance staff
Recurring maintenance problems or high maintenance costs	No recent upgrades of your lighting or controls systems
Comfort complaints	Energy-using equipment that is ready for replacement

STEP 2: The ESCO will be your partner for a long time, so it is important to select one that shares your vision and is able to meet your needs. The Energy Service Company can:

Identify and evaluate energy saving opportunities	Order and install equipment
Provide engineering services from design to equipment specifications	Manage construction of a wide variety of projects
Provide long-term energy management and maintenance services	Guarantee performance and savings

STEP 3: The ESCO will perform an investment-grade energy audit that identifies energy-saving opportunities and evaluates their potential. Projects pay for themselves. Typically, any energy conservation measure that either saves energy or water or produces on-site electricity from new renewable sources qualifies for the project.

Heating: Replace aging boilers, steam traps and pumps	Controls: Install a new energy management control system or improve operational strategies
Cooling: Replace aging chillers, cooling towers or pumps	Lighting: Replace lamps and ballasts or entire fixtures
Ventilation and Distribution: Install variable speed fans or replace fan or pump motors	Water: Install low-flow fixtures

STEP 4: An energy performance contract is your road map for implementing and tracking the project over the term of the agreement. It should clearly define roles and responsibilities and explicitly state how savings are determined and how the guarantee will function.

STEP 5: Follow-up monitoring helps ensure that you are getting full value from your energy performance contract. The success of the monitoring effort depends on the level of detail provided in the energy performance contract. Verify the Savings:

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

HOW DOER CAN HELP:

- Provide a guide and model RFP, RFQ, and contract documents
- Provide assistance on the procurement process
- Provide education, workshops, and presentations

FOR MORE INFORMATION CONTACT

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