

# 2018 State Showcase



## What Does Success Look Like in Delaware

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2018 National ESC Conference  
Atlanta, Georgia



# What does the DESEU do?



Mission is to reduce Delawareans' energy usage and reliance on fossil fuels

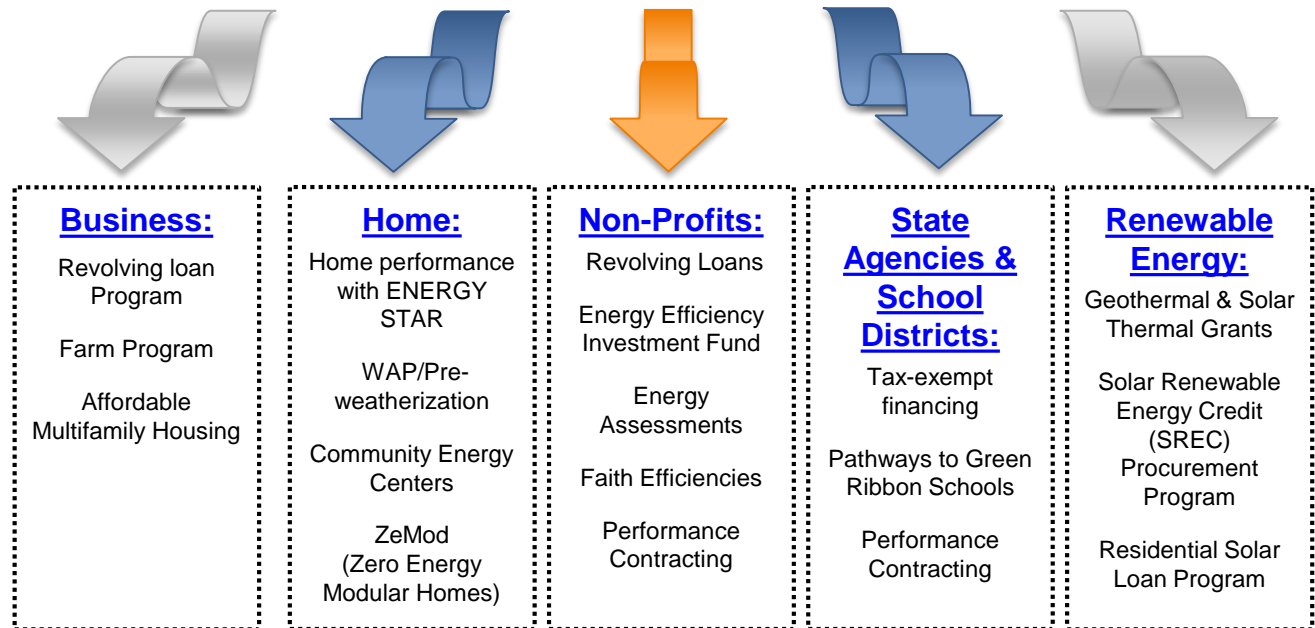
We do this by providing grants, loans, technical assistance, and education

**ZeMod**  **Delaware**  
Zero Energy Modular Homes

 **ENERGIZE  
DELAWARE**  
SUSTAINABLE ENERGY UTILITY

# What does the DESEU do?

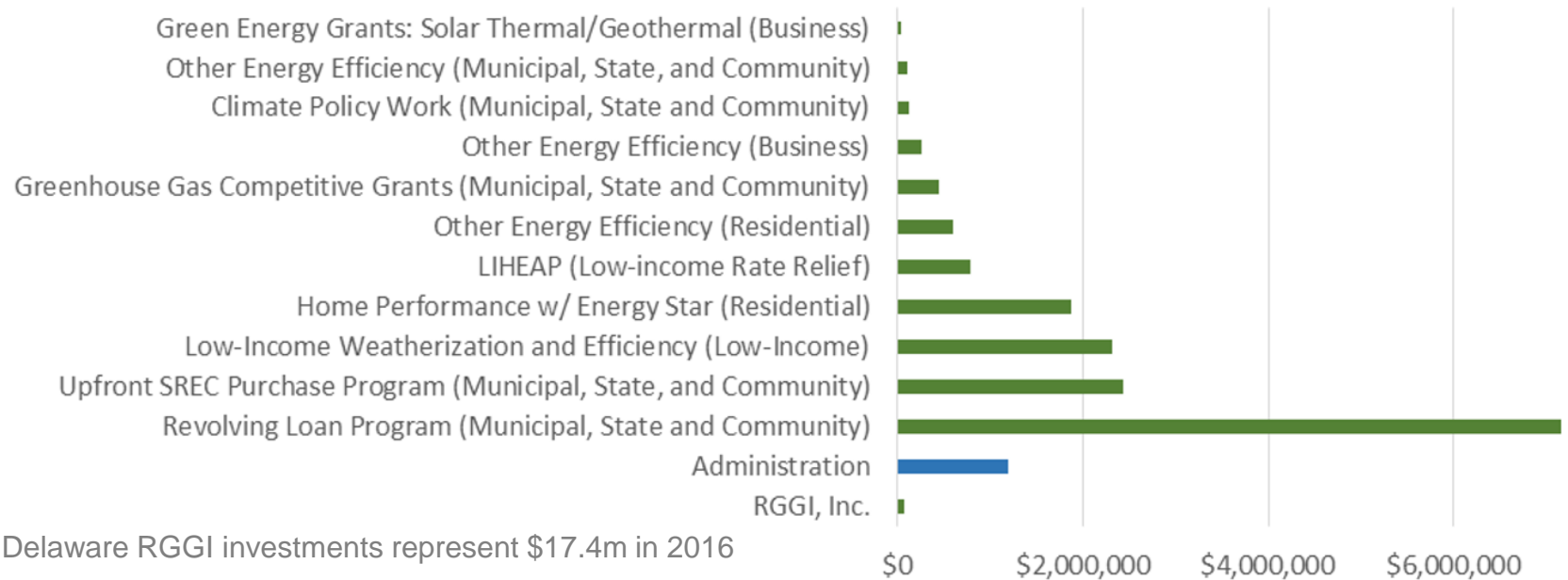
## Assess...Incentivize...Finance



# Success in Delaware



## 2016 Delaware RGGI Investments by Recipient



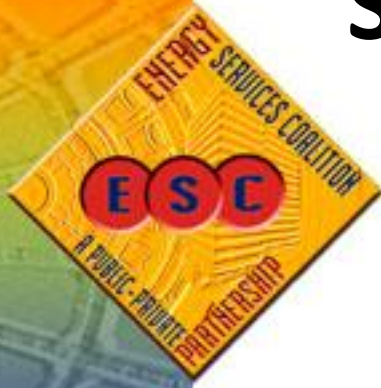
# Success in Delaware - Projects



## ENERGY SAVING PERFORMANCE CONTRACTING

- Delaware Energy Performance Contracting Act
- Financing Options
- Engaging Independent Owners Reps (IOR)
- Engaging State OMB
- Training

# Success in Delaware - Projects



## DELAWARE ENERGY SAVING PERFORMANCE CONTRACTING ACT

- Title 29, Chapter 69, Subchapter V
- Governs State Agencies & School Districts
- Bond Financing or RGGI Funds
- Energy Savings Companies (ESCO) offer guaranteed energy savings for utility savings

# Success in Delaware – Financing Options



- Bond Financing
- Low-Interest Loans
- Bridge loans for Bond Program
- Tax Exempt Leases



# Delaware Success – Bond Financing



- DESEU has authority to issue tax exempt energy efficiency bonds
- Prequalified Energy Services Companies (ESCO) that offer guaranteed energy savings
- DESEU measures construction job hours during construction – to realize full economic impact
- The 2018 bond issue is expected to finance total project costs of \$20 million
- The 2011 bond issue was \$64 million



# Performance Contracting Bond Financing

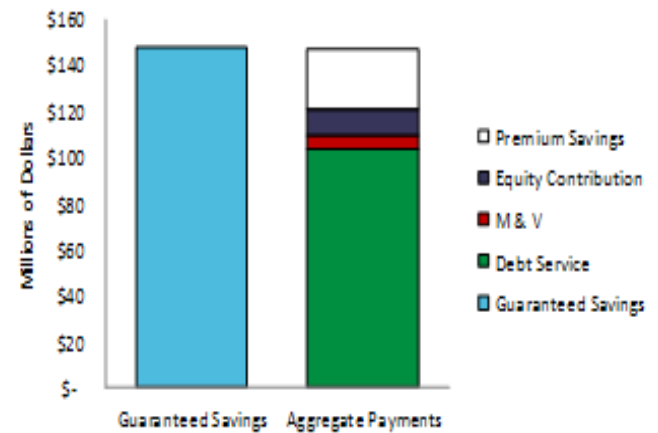
## Energy Efficiency Revenue Bonds - Series 2011



### THE BONDS:

- Raised over \$72 million in 2011 to support energy performance contracts;
- Carried a 4.07% interest rate (All-in True Cost of Interest);
- Awarded AA+ by Standard and Poor's; Aa2 by Moody's.

### DE Energy Efficiency Revenue Bonds



# Performance Contracting Bond Financing

## Delaware State University



**Project Details:**

- \$11,260,900
- Net Annual Savings \$263,330 – over 20 years
- Guaranteed Energy Savings \$24,511,552



# Performance Contracting State Agency - Loan

## Delaware Army National Guard



*“This is a win-win for everyone. The sheer size of our facility and our annual energy usage is enormous. The capital improvements to the base facilities will save us millions over time.”*

*- General Francis D. Vavala, Delaware National Guard*



Program Start .....2011  
2017 Contracted State Agencies..... 1  
Overall Financing Interest Rate ..... 3.28%  
Bond (loan) Term..... 20 years  
Total Loan Amount..... \$7.67 million

Total Construction Value..... \$7.67 million  
Annual Energy Savings .....\$492,461  
Lifetime Energy Savings .....\$9,849,224  
Tons of Air Emissions Avoided.....3,263

# Delaware Schools - Performance Contracting

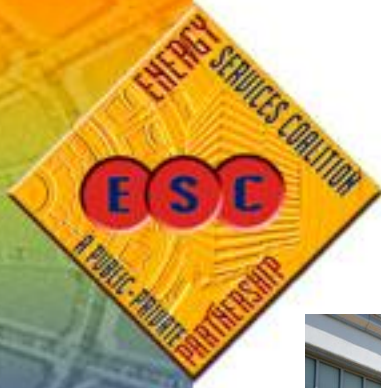


*“Partnering with the SEU on this energy project has been great. The energy savings that we’ll see means that we’re shrinking our carbon footprint, which is so important, but the SEU’s program means that we can do it without asking our taxpayers for any additional funding. This really lets us focus on our resources and making a bigger impact with our students.”*

*- Dr. Lori Duerr, Assistant Superintendent, Colonial School District*



# Performance Contracting Bridge Loan - Bond



## Colonial School District

- Bridge loan of \$7.6 million
- Energy Efficiency & Renewable improvements
- 16 Buildings
- \$9.8 million in savings over 20 years
- Net savings of \$626,866
- Permanent Financing – Bond Issue 2018

# Performance Contracting Tax Exempt Lease



## Red Clay School District

- \$20 Million Total Contract
- \$1 Million in Gas & Electric Savings Annually
- Improvements at 25 schools
- DESEU did not finance



# Engaging Independent Owners Representatives



- Goal is:
  - to get better projects,
  - more accurate savings estimates, and
  - provide added capacity to Delaware OMB
- Use experienced IOR's
- Following the Guidebook process
  - eliminates the need for “risk mitigation”

# Engaging Independent Owners Representatives



- SEU has spent \$220,000 RGGI funds (1/2%) to pay for the IOR Services
- Services include:
  - ✓ Attending project meetings and advising agency
  - ✓ Review preliminary and interim IGA
  - ✓ Prepare OMB IGA checklists
  - ✓ Investigating Agencies concerns and questions



# Engaging Delaware OMB



- Identified and Assembled Task Force
- Developed Energy Performance Contracting Guidebook
- Developed Program Forms & Documents
- Established Parameters of Acceptance



# Delaware OMB Website



The screenshot shows the Delaware OMB MyMarketplace website. The header includes the State of Delaware logo and the text 'The Official Website of the First State'. Below this is the 'MyMarketplace Delaware's Procurement Portal' banner. The navigation menu on the left includes: Home, About MyMarketplace, Contact Information, Employment, Related Websites, Bids and Contracts, State Agencies, Vendors, and Results Delaware. The main content area is titled 'Agency Bid Process Forms' and contains the following text: 'Government Support Services continues to offer their services to Agencies on a consulting basis or as a partner in the entire process. The services provided by the Division allow the Agency to focus on the critical task of criteria evaluation without being distracted by the formal administrative needs of the bid process.' Below this text is a list of links: 'Levels of Contracting Assistance' and 'Level III Participation Form'. Further down, there is a section for 'Energy Performance Contracting Program' with a list of links: 'Performance Contracting Program Guidebook', 'DESEU Letter of Intent', 'IGA Agreement', 'Guaranteed Energy Savings Agreement (GSA)', 'Program Agreement', 'Installment Payment Agreement', 'Schedules for IGA and GSA', and 'IGA Checklist Documents'. At the bottom of the page, there is a link for 'My Marketplace Input Documents'.

<http://mymarketplace.delaware.gov/agency-forms.shtml>

# Delaware Success = Training



## Delaware Technical Community College

- Approved Training Provider - Certified Energy Manager (CEM) certification
- Energy Management Program Graduates take CEM
  - Exam free of charge
  - Support provided by Delmarva Power
- 8 of 12 Energy Managers in Training in Delaware are alumni of the program
- Program helped alumni secure high wage middle class jobs and bring their skills to the GESPC industry

# Delaware Success = Training



AEE

MENU

Member Log In

## Approved Training Providers

U.S. Training  
Providers

[Scheduled Course Listings](#)

The following are U.S. approved training providers for the Certified Energy Manager (CEM) and/or the Certified Energy Auditor (CEA) certification programs:

- ▼ **AEE PROGRAMS ENERGY SEMINARS**
- ▶ **DELAWARE TECHNICAL COMMUNITY COLLEGE**
- ▶ **LANE COMMUNITY COLLEGE**
- ▶ **SALT LAKE COMMUNITY COLLEGE | ENERGY INSTITUTE**
- ▶ **TUNXIS COMMUNITY COLLEGE**
- ▶ **UNIVERSITY OF TURABO**
- ▶ **WESTERN NEW ENGLAND COLLEGE | SCHOOL OF ENGINEERING**

# Delaware Success = Skilled Workforce



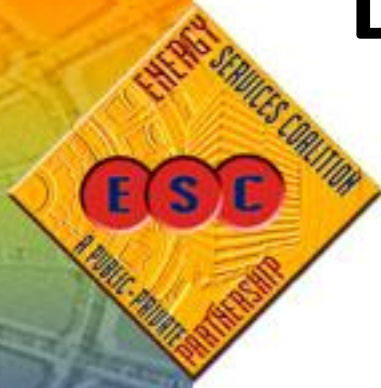
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Energy Managers in Training (EMIT's)  
in Delaware are  
Delaware Tech graduates.



[go.dtcc.edu/energy](http://go.dtcc.edu/energy)

# Delaware - Lessons Learned



- Engage State OMB Early in Process
- Offer funding for IOR's
- Develop Guidebook
- Create online resources - documents and guidelines
- Bond Issue Path is difficult -  
Timing- all ready to go at once  
Enough mass for bond issue

# Questions & Answers



**For more information:**

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[www.EnergizeDelaware.org](http://www.EnergizeDelaware.org)

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