

LEEP – Local Energy Efficiency Program

Alex Cecchini

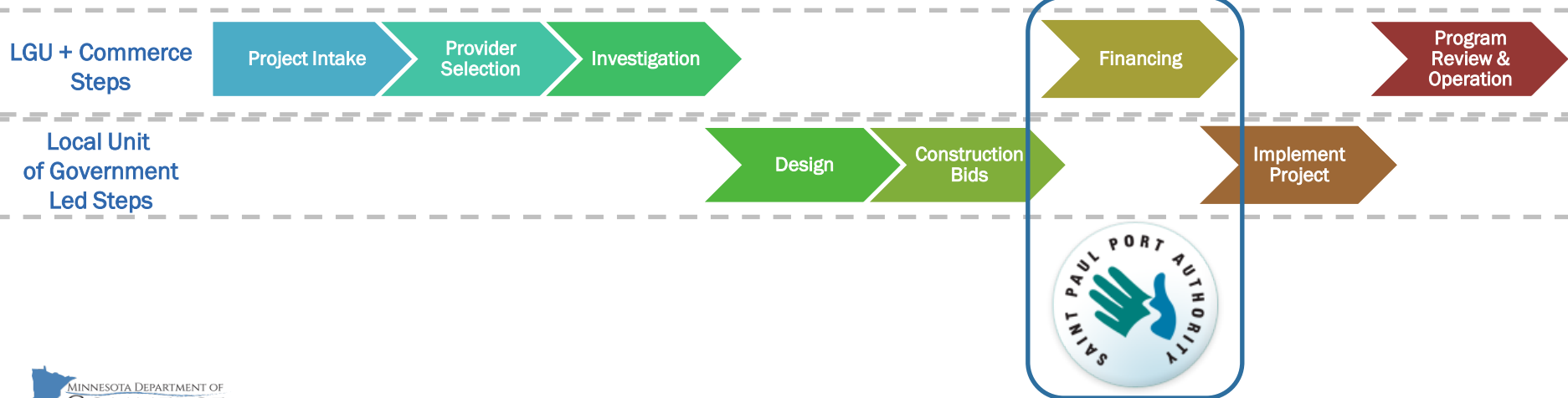
Wastewater Treatment Facility EE + RE Financing Session

1/13/2016



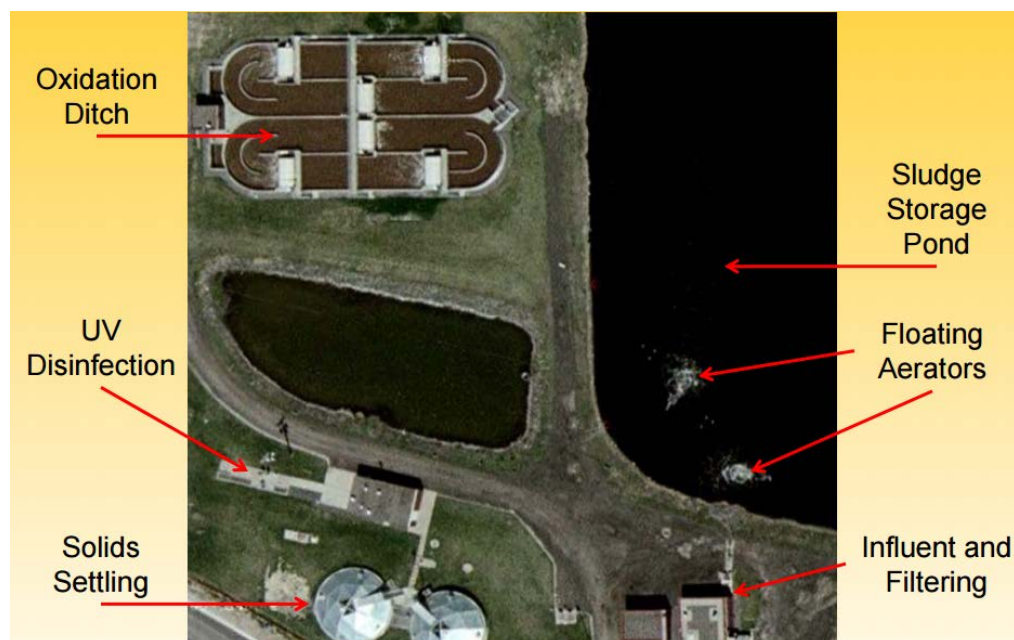
LEEP – Local Energy Efficiency Program

- Commerce program enabling Energy Studies to be used in cost-effective energy-savings projects
- Pre-qualified firms, standard documents & contracts, Supplemental Cash Flow Agreement
- Project Design & Implementation handled by LUG
- St Paul Port Authority provides financing agreements for LEEP participants through **Energy Savings Partnership**

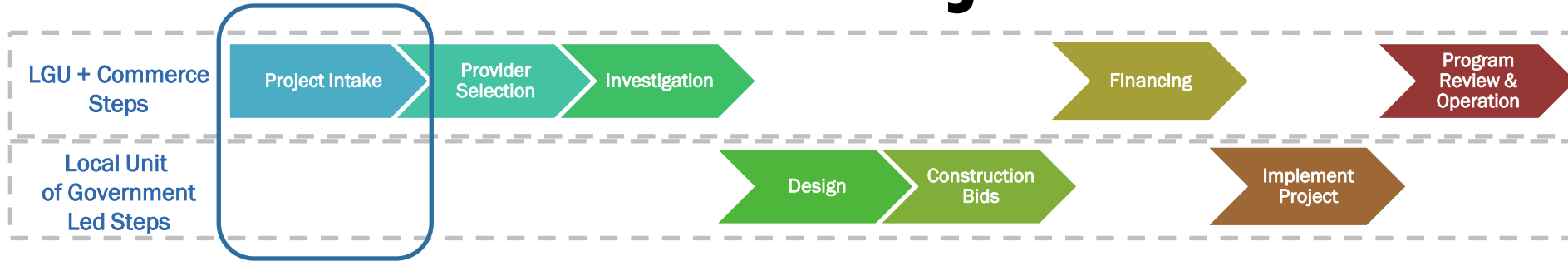


LEEP + WWTF Hypothetical Project

- 20-30 year-old facility
- ~\$50-70k per year energy costs
- ~50% energy spent on aeration
- Outdated, inefficient equipment

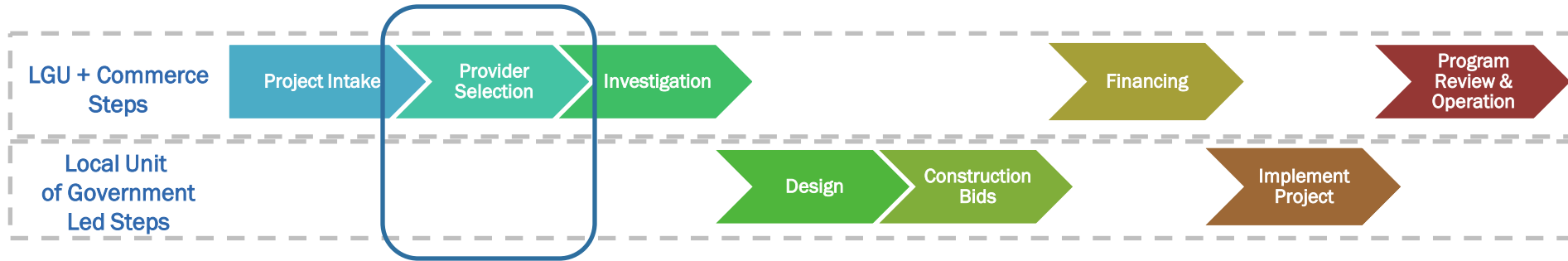


LEEP + WWTF – Project Intake



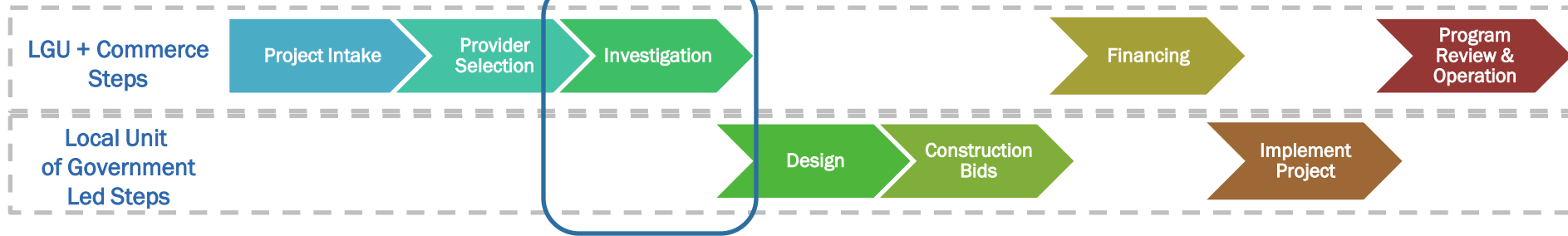
- General Commerce intake process
- Calls & emails to review site information utility data, past improvements to facilities, etc
- Determine if site is viable for LEEP or a better fit for other Commerce programs

LEEP + WWTF – Provider Selection



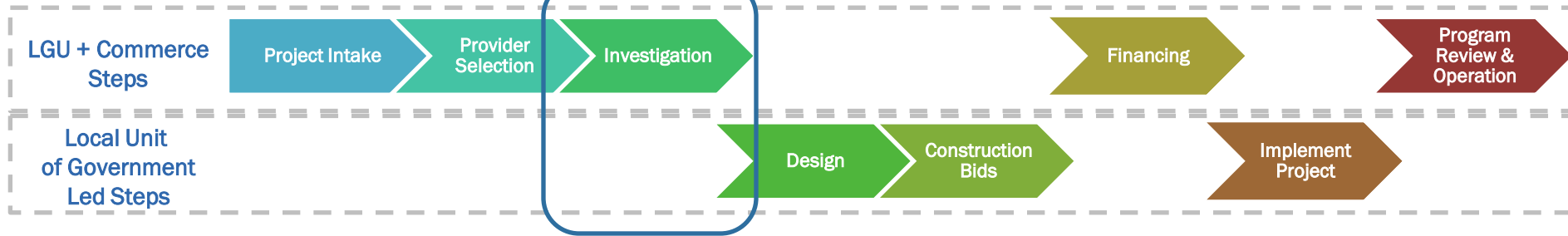
- Sign Joint Powers Agreement
- LUG issues Site-Specific RFP to pre-qualified Providers
- Interested Providers perform site walk-through & submit response to SSRFP
- LUG uses Commerce-provided tools to evaluate & select a Provider to perform Investment Grade Audit

LEEP + WWTF – Investigation



- Provider completes a Preliminary Assessment & Analysis, recommends which ECMs to evaluate in detail
- Provider completes an full Detailed Investment Grade Audit and provides a report with cost and savings estimates
- Commerce reviews IGA with LUG

LEEP + WWTF – Investigation

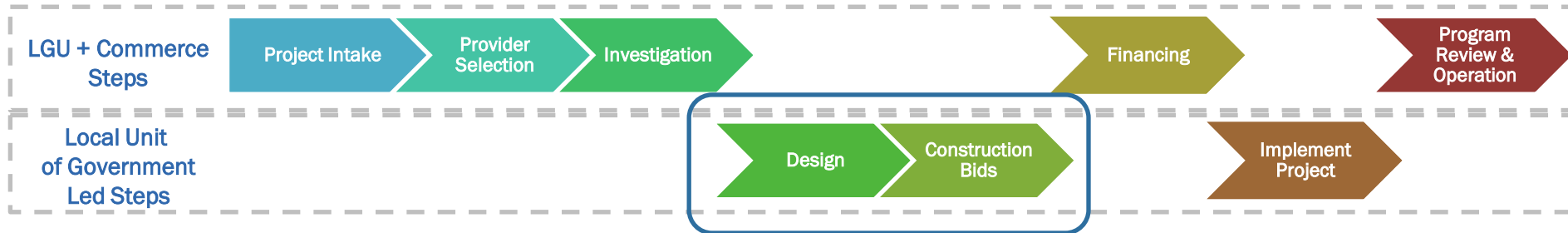


Potential Findings:

- VFD & control system
- Building & lighting improvements
- ~\$150,000 project cost with 5-7 year payback

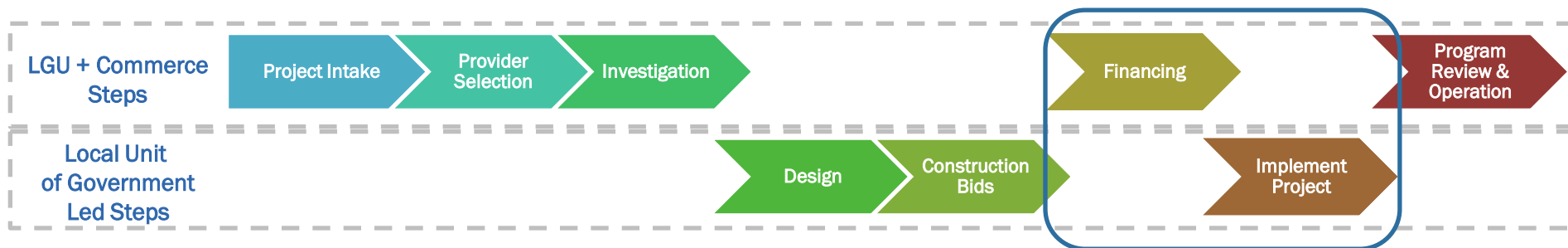
- Longer-term payback ECMs or Renewable investments may also be possible

LEEP + WWTF – Design & Bids



- LUG contracts out engineering design work using standard procurement practices
- With design & drawings in-hand, LUG solicits construction bids
- Both happen outside the LEEP scope

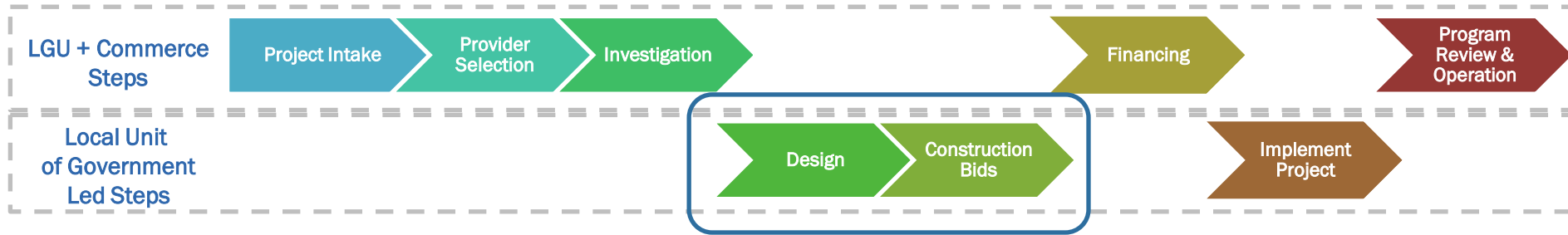
LEEP + WWTF – Finance & Implementation



- LUG may independently finance a project, or seek financing through Commerce and the St Paul Port Authority
 - Peter Klein at SPPA manages ESP
- LUG implements project with contractor using standard practices



LEEP + WWTF – Operation



- LUG performs Provider Review to help improve future LEEP projects
- Supplemental Cash Flow Agreement
 - Optional savings shortfall loan program for LEEP participants
 - LUG agrees to perform M&V
 - 15-year, low-interest loan in the event of an annual savings shortfall

LEEP Launch Timeline

- RFP for Master Contract participants to release February 1
- Two-month response timeframe
- Master Contract negotiations mid-April
- Site-Specific RFPs at LUGs may begin after Master Contract signed

- *LUGs interested in LEEP should begin intake with Commerce in coming months*

Questions?

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mn.gov/commerce/energy