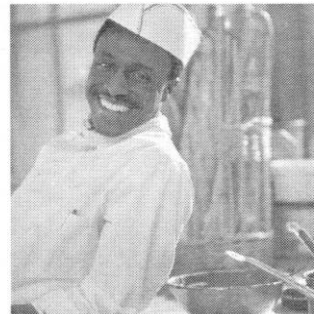
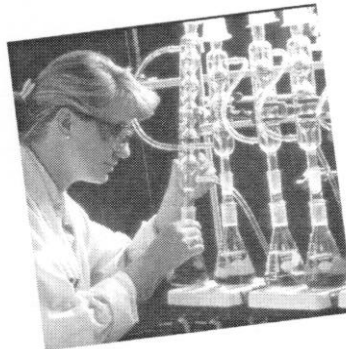
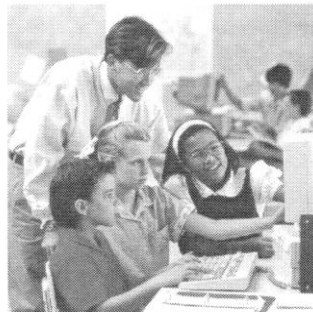
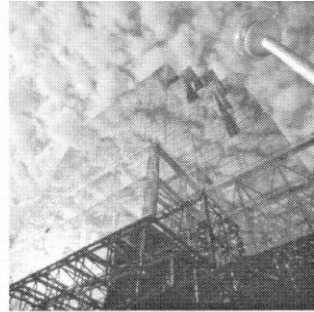




E N E R G Y E F F I C I E N C Y



FEDERAL BUILDINGS INITIATIVE

■

Questions and Answers

■

*Part of the Efficiency and
Alternative Energy Program*

Un élément du Programme de
l'efficacité énergétique et des
énergies de remplacement



Natural Resources
Canada

Ressources naturelles
Canada

Canada

Acknowledgement

This Questions and Answers Document
was developed by Power Smart Inc.
on behalf of Natural Resources Canada

October 12, 1994

Canadian Cataloguing in Publication Data

Main entry under title: Federal Buildings Initiative. Questions and answers

(Energy ventures) Text in English and French with French text on inverted pages. Title on added t.p.: Initiative des bâtiments fédéraux. Questions et réponses. "Part of the Efficiency and Alternative Energy Program." "Developed by Power Smart Inc." – Prelim.

ISBN 0-662-61364-3

Cat. no. M92-82/1994

1. Public buildings – Canada – Energy conservation. 2. Real estate management – Canada.
I. Canada. Natural Resources Canada. II. BC Hydro. Power Smart. III. Title: Initiative des
bâtiments fédéraux. Questions et réponses. IV. Series.

TH4021.F52 1994 658.2'0971 C94-980342-1E

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FBI Q & A Document

This document outlines questions and answers to issues raised by federal departments on the implementation of the Federal Buildings Initiative (FBI), a Natural Resources Canada (NRCan, formerly Energy, Mines and Resources Canada) program. It is a companion piece to FBI's "How To" guide, providing greater detail and more in-depth discussion. We hope it will add to your understanding of energy management service contracting and what FBI provides.

WHAT IS THE FEDERAL BUILDINGS INITIATIVE?

A Natural Resources Canada program, FBI is a new and innovative way of providing custodian departments with a streamlined opportunity to realize the benefits of improved energy efficiency in federal facilities, through the use of energy management service contracting.

FBI also provides a comprehensive package of products and support services to help departments realize energy savings within their facilities. These support services are available from the FBI office in Ottawa, at fax number (613) 947-4121.

WHAT IS ENERGY MANAGEMENT SERVICE CONTRACTING?

Energy management service contracting is a means of reducing operating costs through the implementation of facility energy efficiency improvements, with no up-front cost and no risk to the custodian department.

The department can access a complete package of energy management services from an external supplier, without having to commit any front-end capital investment. Most of the technical, financial, and maintenance risk is the responsibility of the energy management firm.

Energy management service contracting brings engineering and energy management expertise, project management experience, and project financing capabilities together as a package to address building energy management.

Q WHAT ARE THE TYPES OF ENERGY MANAGEMENT SERVICE CONTRACTS?

A In Canada, three main types of energy management service contractual agreements are used: first-out, shared savings, and guaranteed savings or chauffage.

Under first out agreements, the energy management firm retains 100 per cent of the energy savings until the project is paid out or until the end of the contract, whichever occurs first.

With shared savings, the energy management firm and the facility owner each receive a pre-agreed percentage or dollar value of the energy cost savings over the life of the contract.

In guaranteed savings, the energy management firm pays the facility owner's utility bills for the contract period. The facility owner pays to the energy management firm a fixed monthly fee equal to its energy costs before the project, less an agreed-to discount of up to 15 per cent.

The first-out contract arrangement is the model used for structuring an energy management service contract through FBI. Departments may choose to use a shared savings or guaranteed savings contract if they wish.

WHAT IS AN ENERGY MANAGEMENT FIRM?

An energy management firm is an organization capable of providing a turnkey service for the implementation of building energy efficiency or energy management projects.

The services provided by an energy management firm are not new. It is its comprehensive range, including financing, and its delivery by one supplier that makes energy management service contracting so innovative and attractive.

Energy management firms are also known as "energy service companies" (ESCOs).

Q HOW DOES ENERGY MANAGEMENT CONTRACTING WORK?

A Energy management service contracting provides a full range of project services, including auditing analysis, design, engineering, construction, commissioning, staff training, maintenance, and monitoring, as well as the procurement of capital resources needed to implement the project.

Payment to the management firm is based solely on the energy savings realized through the energy efficiency improvements.

DEFINING THE SCOPE OF PROJECTS

Q WHAT ARE MY OPTIONS FOR OBTAINING A PRELIMINARY AUDIT FOR FACILITIES THAT I THINK ARE GOOD CANDIDATES FOR THIS PROGRAM? DO I HAVE TO PAY FOR AN AUDIT?

A There are a number of organizations that provide preliminary audits:

- energy service companies
- private contractors
- electric and gas utilities
- provincial governments

Some will complete a preliminary audit for a fee, while others offer audits at no charge. Contact the organization in which you are interested to obtain information on its audit services.

Q WHAT IS THE “QUALIFIED BIDDERS LIST”?

A FBI keeps a list of pre-screened energy service companies (ESCOs) for your convenience.

Q CAN I USE THE LIST TO GET A PRELIMINARY AUDIT?

A Yes. Just ask at least three ESCOs from the bidders list to complete a preliminary audit on your facility. If you ask a company to bid on a Request For Proposal (RFP), you should also give that company an opportunity to do a preliminary audit, while advising them of the likelihood of the project proceeding.

Be aware that an ESCO audit will not be an independent audit, as would one performed by a utility or a third party contractor; the ESCO may use audit information to bid on a future RFP. On the other hand, a utility or contractor audit may place more emphasis on certain components of the building in which the auditor has an interest, such as electrical devices or controls, and may not address all the building systems.

Q WOULD CONTRACTORS OFFER PRELIMINARY AUDITS?

A There are many contractors who are experienced in performing preliminary audits. Circumstances may dictate whether the contractor will charge for an audit. Larger firms may be willing to foot the bill if they know the project is likely to proceed and that their chances for getting more work are good.

Q DO UTILITIES AND GOVERNMENT AGENCIES OFFER ANY AUDIT ASSISTANCE?

A Some electric and gas utilities offer free preliminary audits for customers who are interested in retrofitting their facilities. Regardless of cost, utilities are a good source of information for defining the parameters of an audit and identifying qualified contractors. Contact the utility in your service area for information on what services they will provide free of charge.

Some provincial governments provide preliminary audits at no cost to customers. Governments which are actively promoting energy efficiency retrofits can provide information on audit programs and contractors. Again, you should contact your provincial energy agency for information on the energy services available.

Q IS IT WORTHWHILE DOING SINGLE TECHNOLOGY OR QUICK-PAYBACK RETROFITS, RATHER THAN DOING COMPREHENSIVE RETROFITS?

A Although single technology retrofits may have relatively short payback periods, there are a number of reasons why comprehensive retrofits are more beneficial.

A building has a series of energy-consuming systems which interact with one another. Dealing with one system in isolation can have an impact upon the performance of the others and may prevent them from working properly. A comprehensive review of electricity, gas, oil and water usage is recommended to determine the optimum project scope.

Consider the status of all-facility components before retrofitting a single technology. If some large components of the facility are nearing the end of their operating life, it may be cost-effective to include these in the retrofit project rather than having to replace or repair them later.

Q HOW CAN I GET THE MOST OUT OF MY INVOLVEMENT WITH FBI?

A One of the strengths of the FBI program is its ability to use quick-payback measures to help pay for longer-term work. While the main objective of the program is to save energy, it is also possible to increase lighting levels, and improve air quality and comfort levels. This is one way of getting additional improvements at no cost to the department.

Q **I HAVE SEVERAL SMALL FACILITIES SCATTERED ACROSS THE PROVINCE THAT I WOULD LIKE TO RETROFIT UNDER THIS PROGRAM. IS IT POSSIBLE TO ASSEMBLE A PROJECT THAT IS ECONOMICALLY VIABLE FOR BOTH MY DEPARTMENT AND AN ESCO?**

A

It may be possible to group together a series of buildings in a department, or a series of buildings at a single location belonging to different departments, into one contract. The viability of a contract depends upon the energy consumption of the buildings, the cost of energy, and the ESCO's administrative costs.

Besides, it may not be economically feasible for an ESCO with high overhead costs to retrofit a facility with relatively low energy consumption, whereas a small company may find such a project to be quite feasible. However, there may be some large firms that will retrofit small facilities.

The Qualified Bidders List provides some indications of the size of projects that energy firms typically undertake. You may also contact the FBI program office for assistance in finding appropriate energy firms.

Q **MY FACILITIES ARE NOT METERED AND I HAVE INCOMPLETE RECORDS OF OUR PAST GAS AND ELECTRIC UTILITY BILLS. CAN I STILL NEGOTIATE AN ENERGY MANAGEMENT SERVICE CONTRACT?**

A

Facilities that are neither metered nor have utility bill records, can still undertake an energy management service contract. Some departments have one electricity meter and one gas meter for two or more buildings. In such instances, a large ESCO can use the meter data for the entire location to establish the average annual energy consumption (the baseline).

Q **COULD THE ESCO DO ITS OWN METERING?**

A

The ESCO could meter the facilities for short periods of time, such as 24 hours, to verify average consumption patterns for individual buildings. Short-period metering can be used to establish a baseline for possible work in each building. The benefit to the department is that the ESCO carries the technical risk for the accuracy of the data.

Q **HOW MANY ENERGY AUDITS DO WE NEED TO IMPLEMENT A PROJECT?**

A

An energy management service contract requires three levels of energy audits: preliminary, walk-through, and detailed. The preliminary audit describes the facility's use of energy in general terms, to identify areas of potential savings. A walk-through audit is performed upon awarding an energy management service contract in order to confirm data collected in the preliminary audit. The third detailed audit takes inventory of the building's energy consuming technologies so that energy saving calculations can be made.

Q

**WHO COMPLETES THE FIRST AUDIT?
WHO PAYS FOR THE AUDIT?**

A

A preliminary audit may be performed in-house or through a utility, provincial government, ESCO, or contractor. NRCan has produced a self-assessment audit directory and has developed an audit training workshop to assist departments in performing a preliminary in-house audit.

Some utilities and provincial governments provide a preliminary audit free of charge. Contact your local utility and/or provincial government for information on energy audits and other related services.

Contractors may perform a preliminary audit at no cost if they perceive the project to be viable and the client to be committed to retrofitting the facility. In such a case, the contractor would hope to receive more work from the project.

Q

**WHO COMPLETES THE SECOND AND THIRD AUDITS?
WHO PAYS FOR THESE AUDITS?**

A

The walk-through audit is completed and paid for by the ESCO upon receiving the contract. The detailed audit is also performed and paid for by the ESCO.

Q

**OUR DEPARTMENT PLANS FROM ONE FISCAL YEAR
TO THE NEXT. WE HAVE NO LONG TERM OPERATIONS
OR MAINTENANCE PLAN IN PLACE AND IT IS DIFFICULT
TO COMMIT TO A FIVE- OR EIGHT-YEAR CONTRACT WHEN
DEPARTMENTAL PRIORITIES MIGHT CHANGE WITHIN THAT
TIME FRAME. WHAT CAN WE DO ABOUT THIS?**

A

At first it may seem difficult to commit to a multi-year contract when a department only plans one year in advance. However, when you look at the project in practice, you see that a five- or eight-year contract can work. If a facility is put up for sale during a lengthy retrofit contract, the ESCO agreement can easily be made part of the conditions of sale. The existence of energy improvements will in almost every case make the facility more valuable.

Where a department has received its approval to move to a new building, the planning and implementation process involved in new construction will typically take a minimum of three years.

Any building scheduled for demolition during a contract period should not be retrofitted, unless the retrofit is planned as an extension to the life of the building.

As a final note, remember that all departments already have multi-year contracts with utilities. A contract with an ESCO would be administered in a similar manner.

ISSUING THE REQUEST FOR PROPOSAL

Q IS ENERGY MANAGEMENT SERVICE CONTRACTING A SERVICE OR A CONSTRUCTION CONTRACT?

A ESCO contracts are non-consulting service contracts and can be signed by departmental authorities after the first Treasury Board approval for that department. Approval in some departments has been delegated by the Deputy Minister to the Regional Director General, or a lower level.

NRCan is producing a summary of each custodian department's approval process. For information on this document, contact the FBI program office in Ottawa at fax number (613) 947-4121.

Q WHAT IF WE DON'T HAVE ANY INFORMATION ON OUR PROPERTY HOLDINGS AND ENERGY CONSUMPTION?

A Even if you do not have information on property holdings and energy consumption, you can start gathering information immediately to define the scope of a project. First, obtain background departmental information on facilities, such as square footage, which properties are leased and which owned, and the types of heating and cooling systems in each building.

Additionally, start developing some end-use energy statistics, such as energy consumed, hours of operation, any special energy uses, etc. Data on energy use should be analyzed to establish a baseline.

In many cases, audits have been performed on similar buildings operated by the department in other locations. This information could be used as a guideline for the proposed project.

Q WE DON'T HAVE THE TECHNICAL, ADMINISTRATIVE OR LEGAL EXPERTISE IN-HOUSE, OR THE RESOURCES, TO DRAW UP AN RFP THAT WOULD SUIT OUR NEEDS. CAN WE GET ASSISTANCE WITH THIS?

A While it may be cost effective for departments to write their own Requests for Proposal, there are a number of free or low-cost options available to assist departments without in-house expertise.

NRCan has produced a model RFP which can be used to call for proposals. Using the model requires minimal administrative effort, but customizing the RFP may require technical resources. NRCan, Public Works Canada (PWC), or your local utility can provide technical support in setting the baseline and determining the most cost-effective proposal.



EVALUATING A REQUEST FOR PROPOSAL

Q **HOW DO WE KNOW THAT WE WILL SELECT THE BEST BIDDER, IN TERMS OF FINANCIAL, TECHNICAL, AND ADMINISTRATIVE EXPERTISE?**

A NRCan has produced a model RFP which contains a recommended marking guide for an evaluation. Evaluating criteria are based on the technical and financial capabilities of the firm. This format allows a formal, fair, and thorough evaluation.

Q **HOW DO I GET A MARKING GUIDE?**

Anyone interested in receiving a copy of the model RFP and marking guide can contact:

A Energy Publications
c/o Canada Communication Group
Ottawa, Ontario K1A 0S9
fax: (819) 994-1498

Q **WHO SHOULD BE ON THE ENERGY FIRM SELECTION TEAM?**

A The selection team should be comprised of representatives from each relevant functional areas of the department, as each person may examine the proposals within his/her own area of expertise.

Representatives from operations, technical, legal, and financial areas of the department should provide their input in the selection process.

Q **HOW DO WE EVALUATE A CONTRACT THAT IS HIGHLY CUSTOMIZED TO SUIT THE DEPARTMENT'S SPECIAL NEEDS?**

A If contract terms proposed are different from the model contract prepared by NRCan and approved by Treasury Board, then a contract expert may be required. If there are serious questions about the implementation method, a representative of the tenant departments or divisions should be present. Inclusion of a union representative is not essential, but could be useful in obtaining a "buy-in" at this early stage.

CONTRACT MANAGEMENT

Q DO I HAVE THE AUTHORITY TO ENTER INTO AN ENERGY MANAGEMENT SERVICE CONTRACT ?

A In February 1992, Treasury Board Canada introduced a new policy that allows custodian departments to access energy management service contracting. The new contracting guidelines provide departments with the authority to enter into energy management services contracts for both water and energy. These contracts can last up to eight years with values up to \$25 million.

To find out more about the contracting authority, please contact FBI in Ottawa, at fax number (613) 947-4121.

Q I'M NOT SURE WHO IN OUR DEPARTMENT HAS THE AUTHORITY TO SIGN THE CONTRACT - AND BEFORE IT EVEN GETS TO THAT STAGE, THERE ARE SEVERAL FINANCIAL, LEGAL, AND ADMINISTRATIVE LAYERS OF APPROVAL THE CONTRACT MUST GO THROUGH. WHERE DO I BEGIN?

The contract approval process is different for each department. NRCan is preparing a summary of each department's national and regional approval process to assist in implementing this program.

For information on this document contact the FBI office in Ottawa, at fax number (613) 947-4121.

Q HOW CAN WE ENSURE THAT WE DON'T LOSE CONTROL OF OUR FACILITIES ONCE A CONTRACT IS SIGNED WITH AN ESCO?

A At no time does the client department lose control over the facility, unless they specifically arrange for it by modifying the model contract or Request for Proposal. The implementation plan approved by the client will dictate when and how the project is implemented. Should the department change the facility's operating mode, the contract will provide a baseline amendment formula or a resolution process.

Q HOW CAN WE ENSURE THAT THE NEW EQUIPMENT IS MAINTAINED AND OPERATED CORRECTLY?

A For new equipment, the ESCO can either provide the required training, or provide staff under a service contract to operate and maintain the new equipment. In either case, the ESCO bears the cost of the training for operational changes. The issue of adequately trained operating staff should be dealt with in the contract by defining minimum standards of knowledge, product specific training, and the number of days involved in training at the ESCO's expense.

The only concern for the department should be in guaranteeing the continued availability of training for its operating staff, as staff may leave and training will need to be provided again.

Q WHAT IS THE ROLE OF THE CONTRACT MANAGER? WHEN IS IT NECESSARY TO HAVE ONE?

A A contract manager's role is to supervise the contract work and to provide liaison between the ESCO and the client. If the department does not have a contract manager in-house, a requirement for hiring a manager can be included in the contract. The department must be careful to specify whether the contract manager is an ESCO employee or third party contractor, as well as who the manager works for under the conditions of the contract.

The contract manager would normally be engaged at the detailed audit stage, participate in the baseline setting, and be present during the complete implementation stage.

Q IS IT NECESSARY TO HAVE THE ESCO PROVIDE GUARANTEES AND/OR BONDS?

A An energy management service contract provides the department with a performance guarantee for the period of the contract. This should be sufficient for most purposes. If the ESCO does go out of business during the retrofit installation, then the department will need to issue another RFP for a replacement ESCO. The model contract contains a clause which addresses this contingency.

If a guarantee or bond is required, the department can expect to pay the extra costs associated with the guarantee and/or bonding. This will lengthen the payback period of the contract.

Q WHAT KIND OF REPORTS SHOULD WE REQUEST AND HOW FREQUENTLY SHOULD WE RECEIVE THEM?

A The standard reporting period will be on a monthly basis, based on utility bills. On an annual basis, you may wish to see the ESCO's monitoring data. A meeting with the ESCO should be arranged if ever the billings fall short of their projections.

Q WHAT DO YOU DO IF THE ESTIMATED LOAD IS INCORRECT?

A There are only two possible outcomes of an incorrect load estimate: either the ESCO overestimates or underestimates the potential savings. If it is an overestimate, the ESCO may not have recovered all of its costs at the end of the contract term. If the ESCO underestimates the savings, it will be paid out earlier, and the bigger savings will accrue to the department earlier. Either way, the department does not lose.

If the ESCO determines during the detailed audit that the potential savings cannot be realized, there is a clause which allows for termination of the contract at no cost to the department. Alternatively, the department can modify the scope or term of the contract if it is still in its interest to do so.

Q HOW DO WE ENSURE THE CONTINUATION OF ENERGY SAVINGS BEYOND THE CONTRACT TERM?

A ESCOs must be able to demonstrate to departments that savings can continue beyond the contract term, so that energy management service contracting will deliver on projected dollar savings. To help achieve this, ESCOs invest in building operator training throughout the contract term and provide comprehensive documentation of both the retrofit design and proper operation of the retrofitted building. The review should ensure the ESCO proposal specifies equipment with longer life cycles.

Equipment should have life cycles longer than the contract period in order to ensure continued savings. During implementation, it must be ensured that the installation conforms to the proposal.

Q HOW CAN WE ELIMINATE THE RISKS INVOLVED WITH ENERGY MANAGEMENT SERVICE CONTRACTING?

A The accountability for project performance and savings rests exclusively with the ESCO. The model contract eliminates almost all risks to the department.

Q WHAT IF, MIDWAY THROUGH THE CONTRACT, WE ARE NOT SATISFIED WITH THE ESCO'S PERFORMANCE? CAN WE ADJUST THE CONTRACT?

A There are three possible causes of dissatisfaction, each of which must be treated differently: inadequate savings, incomplete work, and inadequate follow-up service.

If the savings are inadequate, the department only pays for those achieved, and incurs no loss. If the work does not get completed, and no savings occur, then contract cancellation is straightforward. This should not happen, since the ESCO is responsible for the entire cost up to that point, and risks its reputation by non-completion. The more likely situation is that implementation proceeds more slowly than planned. This can be rectified by having the contract savings term start at commencement of site work. This will provide an incentive to start the savings as soon as possible.

If follow-up service is poor, but the work was done and there are savings, terminating the contract without paying it out will be complicated. It may be advisable to take the service discrepancies to the arbitrator named in the contract to resolve the differences.

Q **ONCE THE RETROFITS HAVE BEEN IMPLEMENTED, WHO OWNS THE NEW EQUIPMENT, AND WHO IS RESPONSIBLE FOR MAINTENANCE, DAMAGES, AND INSURANCE?**

A There are a number of different contractual arrangements which deal with ownership, maintenance, damages, and insurance. The preferred arrangement should be chosen by the department at the proposal stage. The normal method is for the ESCO to remain responsible for ownership until the end of the contract period, after which the department takes full ownership and is responsible for insuring the equipment.

If the equipment has been purchased on credit by the management firm, it will probably be encumbered by a registered security interest in the name of the manufacturer or a bank or finance company. In such a case, the management firm will not be able to give the custodian department clear title to the equipment but will only be able to give equitable interest. The management service contract should, in these circumstances, ensure that the management firm will make all payments required under its credit arrangement.

Q **CAN I INCLUDE NON-ENERGY COMPONENTS IN THE ENERGY CONTRACT?**

A As long as the main intent of the contract is to reduce the energy consumption of a facility, reasonable non-energy components can be included in the contract.

There are a lot of peripheral items which will be affected by the retrofit schedule included in the project scope. Examples include repairing walls, ceilings, and carpets which have been affected by equipment installation. Electrical equipment controls permitting operational monitoring may also be included. Provincial or municipal codes or building by-laws may require upgraded fire alarms or security systems.

Q **WHAT ARE THE BENEFITS TO THE DEPARTMENT, TENANT, LANDLORD, AND ESCO FOR PARTICIPATING IN FBI?**

A By reducing its energy costs, the department frees up funds for other operations and maintenance work. The tenant benefits by improved air quality, better lighting, more even temperatures, and generally more comfortable work conditions. The landlord improves and updates the facilities and equipment, thereby reducing operating and maintenance costs. ESCOs benefit by the creation of projects.

SELECTING PRODUCTS AND TECHNOLOGIES

Q HOW DO WE KNOW IF THE ESCO IS PROPOSING TO USE THE MOST APPROPRIATE, RELIABLE, AND VIABLE EQUIPMENT? WHAT IF THE TECHNOLOGY BECOMES OBSOLETE MIDWAY THROUGH THE CONTRACT?

A

This is a very complex problem. Technology today is changing at a rapid pace. Equipment can become obsolete on two levels: functionally obsolete where it cannot compete with the performance of the newest equipment; or totally obsolete, where it cannot be operated or maintained at the expected standard.

It is possible that new equipment coming onto the market during the contract period will make existing equipment functionally obsolete. However, this will not affect projected savings.

If the ESCO, using its best efforts, assesses and procures equipment which becomes unsupported during the contract term, the ESCO must rectify the situation.

EMPLOYEE INFORMATION

Q MY EMPLOYEES ARE GOING TO FEEL THREATENED IF WE CHANGE THEIR WORK ENVIRONMENT. WHAT CAN I DO TO ALLEVIATE THIS?

A

NRCan is producing an Employee Binder that will give guidelines and ideas on how to implement a retrofit project without disrupting employees. The binder addresses employee work schedules, and social and personal office spaces. For information on this binder, contact the FBI office in Ottawa, at fax number (613) 947-4121.

Employees may feel threatened by a change in their work environment when they have no knowledge of what is being done. The employee awareness program produced by FBI is designed to help building managers develop a program to:

- (i) convey the benefits of energy saving technologies and practices to tenants
- (ii) motivate tenants to use energy more efficiently at work

PROGRAM INFORMATION

Q HOW DO DEPARTMENTS GET INFORMATION ON TECHNICAL, PROGRAM, AND POLICY ISSUES?

A NRCan is producing a Technical Binder, including fact sheets on the major technologies relevant to energy management service contracting, a technical bibliography, and a directory of self-assessment audit software.

Program and policy information is made available to departments through an Introduction Binder containing a “How To” guide, Treasury Board guidelines, a model Request for Proposal, the Code of Environmental Stewardship, and a list of key contacts. Qualified Bidders Lists are also available to departments.

The above information is available through the Canada Communication Group by faxing (819) 994-1498. Other program questions can be directed to the Chief of FBI, at fax number (613) 947-4121.

Program implementation and coordination issues are addressed at Regional Implementation Committee (RIC) quarterly meetings. To participate in the RIC meetings, contact the Chief, FBI, at fax number (613) 947-4121.

UTILITY SUPPORT FOR FBI

Q WHAT IS A UTILITY'S INTEREST IN FBI?

A In today's utility environment, it is possible for an electric utility to make more profit, or achieve a greater return on its investment, by selling marginally less energy. This is a function of the capacity, peak loads, energy sources, power factors, and load factors on the supply grid. By managing the demand to clip peaks and fill valleys, the utility can manage the existing system more economically.

In addition, many regulatory bodies recognize that less energy consumption can produce environmental benefits, and therefore they encourage utilities to promote conservation. Finally, in some jurisdictions the regulators allow the utility to earn revenue on conservation program expenditures.



WHAT BENEFITS DO UTILITIES OFFER?

A utility's strengths from a department's perspective are:

- a high degree of credibility
- technical expertise
- project management expertise
- marketing skills and resources
- access to large pools of project financing at competitive rates
- accounts receivable resources (collecting customer payments) and verification of savings
- ability to pool large numbers of smaller customers to create projects of more economical size
- in some cases, free preliminary energy audits
- in some cases, rebates and cash incentives for energy-efficient activities