

Sustainable INL News

Meeting the needs of the present without compromising the ability of future generations to meet their needs

Volume 2 • Issue 5

February 2011

Energy Savings Performance Contracts

Energy Savings Performance Contracts (ESPC). What are they and why are they important to INL? We are pretty sure that you have at least heard about the MFC ESPC project that is replacing the boilers at MFC, but do you know why we are using this funding mechanism and why it is an important tool for INL?

Alternative Funding:

INL used to enjoy between \$250k and well over a \$1M in years past to construct energy and water efficiency projects from the Federal Energy Management Program (FEMP). Back then, there was plenty of funding for most DOE sites to implement several of these types of projects each year. Well, this funding no longer exists, while the requirements to reduce energy and water usage are still with us. Alternative funding programs like Energy Savings Performance

Contracting have been set up by the Federal government to provide a continuing mechanism to implement energy and water saving projects. Energy Service Contractors, or ESCos, have been pre-approved to develop, fund, and construct energy reduction projects in concert with our internal Project Management oversight. Once the project is completed, it is paid for over a contracted term with guaranteed energy cost savings – money we would have paid to the utility had we not completed the project. The utility benefits because they do not have to construct new generation capacity, and INL benefits by getting much needed upgrades without the upfront costs. **Remember, the intent of these projects is to obtain benefits with funding that would have gone to the utility anyway.**

IRC ESPC Project:

INL's first ESPC project was developed back in

FY 2000 for IRC to upgrade all indoor lighting and purchase new primary transformers to secure a lower electric rate. We learned a lot from this project, which saves around \$100k per year. ESPC project #1 is a little over halfway paid off.

MFC ESPC Project:

Our second ESPC project was developed for MFC and is almost complete. This project is replacing the old fuel-oil-fired boilers with new electric boilers and is providing all new indoor lighting, HVAC controls, electrical heating upgrades, a new central air compressor, and a couple of new solar walls to pre-heat incoming fresh air. This project will save over \$2M per year and has a 17-year contract term.

Our Next Project – CFA & ATR Complex:

ESPC Project #3 is planned for the enduring facilities at CFA and the ATR Complex. The goal of this project is to make needed facility upgrades to

improve employee comfort and facility efficiency, while reducing water usage and helping to certify our facilities as High Performance Sustainable Buildings as required by DOE and Federal Orders.

As this project is just in the beginning phase, we welcome all suggestions on how to improve our facilities. Let us know...

Sustainable INL Program

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