

ENERGY PERFORMANCE CONTRACTS: WHAT TO LOOK FOR WHEN SELECTING A QUALIFIED OWNER'S REP

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The concept of Energy Performance Contracting (EPC) has enjoyed a significant comeback in the last decade. Once viewed as a niche program used primarily to replace only lighting, EPC's are now considered key components in many school districts' long-term capital funding strategies.

As EPC's have risen in popularity, a new best practice has also emerged for successfully managing EPC projects to ensure your district receives the greatest value for its energy savings and avoids the potential pitfalls: retaining an expert Owner's Rep.

From writing a strong RFP, to technically evaluating Energy Services Company (ESCO) proposals, to effectively answering tough questions in a public forum, to helping negotiate a favorable contract and overseeing the construction and savings verification stages, your district should strongly consider retaining an expert owner's rep as the first step in the process.

What makes an owner's rep truly qualified? Here are some key guidelines:

Depth of Specific Expertise

An EPC is a highly specialized engineering project that relies on savings calculations as the foundation of its financial structure. As such, your owner's rep must be able to demonstrate depth of understanding of technical factors such as degree days, utility rate structures, monitoring and verification protocols, and many other complex aspects of energy engineering in order to appropriately represent your district.

Experience with Multiple ESCO's

ESCO's are professional services companies and each has its own strengths and weaknesses. Your owner's rep should have experience managing projects with at least three major ESCO's to provide you with valuable insight on the ESCO's work performance and which firm would best suit your district's unique needs and preferences.

No Out-of-Pocket Costs

Districts need not pay out-of-pocket costs to ESCO's or technical consultants in this process. Ensure your RFP's for an owner's rep and ESCO's are structured in such a way that prohibits this potential barrier to moving forward.

In-House Energy Engineering/Certified Energy Managers

EPC's are engineering projects that primarily involve the upgrade of mechanical systems. Ensure your owner's rep team composition reflects the needed emphasis on mechanical engineers as well as Certified Energy Managers that are qualified to evaluate savings calculations and other complex aspects of energy engineering.

Proven Track Record of Successful Projects

Any firm can oversee an EPC project and claim it as experience; however, unless they can show you that the projects they managed are actually delivering the guaranteed savings, the jury is still out as to whether the process they employed was effective.

Focus and Leadership in the EPC Industry

When evaluating firms to consider an owner's rep remember to look at their website. Is there an emphasis on engineering and energy performance contracts, or is EPC consulting one of many services provided to various verticals? How many presentations has that firm delivered to demonstrate their dedication, leadership, and expertise in the area of EPC? Ensure your owner's rep is "walking the walk" when it comes to EPC projects to ensure you receive the best representation.

In summary, EPC projects are complex and often last for a term of 18 years. Ensure your project's long-term success by selecting an owner's rep with significant credentials in this specific industry.



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