



Guaranteed Energy Savings Contract LED Lighting

August 16, 2023

We Care, We Empower, We Achieve. Students are the heart of all we do.

Guaranteed Energy Savings Contract

Established by MN Legislature as a way for public entities to simplify the process and have financial guarantees in place.

Strict guidelines for Measurement and Verification of data, finances and results.

Bottom Line: Provider must guarantee that the savings from the project is greater than the cost, or Provider pays difference.



Requirements per MN Statute 123B.65

**Public Notice of
Interest**

**School Board
Selects Qualified
Provider**

Project Creation

Project Findings

**Public Notice -
Decision**

**School Board
Decision**

Construction



Overview

- Base Information Provided
 - District Facilities
 - Building Hours
 - Access to energy bills and usage
- Problems, Goals, Objectives & Options for all specific spaces
- Scope Reviews Finalized
 - Fixture Information
- Measure & Verify - after installation



Summary of Project Findings

- Includes all sites
- Gymnasiums
 - BlueTooth Dimming
 - Increase Light Levels
 - Occupancy Sensors
- Classrooms
 - BlueTooth Dimming
 - Kelvin Options
 - Occupancy Sensors
- Pool
 - Directional lighting
 - Vapor-tight strip fixtures above bleachers
- Hallways
 - Kelvin Options
 - Occupancy Sensors

5,132 New Fixtures
1,060 Retrofit/Re-lamp



Environmental Impact

- Annual Use (kWh)
 - Current: 1,586,338 kWh
 - After Conversion: 497,071 kWh
 - Savings: 1,089,268 kWh
 - 69% Reduction



Funding

Operating Capital (Fund 1)

Allowable Uses per 126C.10 MN Statutes:

(11) for energy audits for school buildings and to modify buildings if the suit indicates the cost of the modification can be recovered within ten years

(14) to pay principal and interest on state loans for energy conservation accounting to section 216C.37...

These are reserved funds that have specified uses, will not negatively impact students, programs, or staff.



Financial Impact

OPTION 1 - 10 Year Lease w/\$500k down

Cost of Project (net of rebates):

- \$1,145,816
- \$ 192,263 interest (estimate)
- \$1,338,079 total

Annual Savings (Conservative):

- \$111,116 Energy Savings
- \$ 37,016 HVAC & Maint. Savings
- \$148,132 Total

Savings over 10 years:

- \$143,241

OPTION 2 - Payment of project cost

Cost of Project (net of rebates):

- \$1,145,816

Annual Savings (Conservative):

- \$111,116 Energy Savings
- \$ 37,016 HVAC & Maint. Savings
- \$148,132 Total

Savings over 10 years:

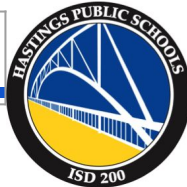
- \$335,504

Additional Savings, but not included above:

● Dimming

● Occupancy Sensors

● Xcel Rate Increases



Additional Option

- OPTION 3 - Capital Facility Bonds
 - Requires Public Notice
 - 10 Yearly Payments
 - Approximately 3.5% interest rate
 - Ag Credit eligible



Next Steps

- Answer any related questions
- Board direction to proceed with the process
- Selection of financing option
- Scope approval - Director of Buildings & Grounds
- Receive final contract
- Legal review of contract (already started on base contract)
- Board approval of contract on August 23rd

