



ACUPCC – Clinton Climate Initiative Partnership Description and FAQs

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Objective

The Clinton Climate Initiative (CCI) and the American College and University Presidents Climate Commitment (ACUPCC) are partnering to exponentially increase the number of large scale energy saving retrofits for campus buildings. Through this program, colleges and universities will dramatically reduce greenhouse gas emissions while lowering their energy bills, without dipping into their capital budgets or increasing monthly operating expenses. ACUPCC signatories will be able to take advantage of the relationships the CCI has established with private sector financial institutions, energy services companies, and product manufacturers to lower project costs while achieving greater greenhouse gas reductions.

Project Components

Energy Performance Contracting

This effort is based on the energy savings performance contracting model that has been used by a variety of sectors, including colleges and universities, for more than a decade. It allows the building owner to pay for the installation of energy efficient technology through the savings in utility bills generated by the retrofits, rather than through upfront payments from capital budgets or increases in operating budgets.

The Clinton Foundation has signed agreements with nine major energy services companies (ESCOs) that offer energy performance contracting. The agreements outline the performance guarantees ESCOs will offer to back up forecasted energy savings, and

create new incentives to undertake more comprehensive, systemic projects. A list of partners is at the end of this document.

Project Financing

The performance guarantees offered by the ESCOs provide the basis for project financing, allowing colleges and universities to undertake the projects without providing any upfront capital. Under these legally binding contracts, the ESCO agrees to pay for the difference between projected and actualized energy savings during the term of the energy services contract.

ACUPCC signatories can finance the projects in several ways. In many cases, the ESCOs themselves will offer financing. ACUPCC signatories can also solicit project financing from the five global financial institutions who have signed partnerships with the Clinton Foundation, or from any other financial institution.

In either case, the financing terms are negotiated between the bank or ESCO and the school on a case-by-case basis, with terms dependent on an individual school's creditworthiness. As pilot programs are initiated, the Clinton Foundation's financial partners will work with the Task Force to explore new customized financing mechanisms and approaches.

Purchasing Consortium

CCI has formed a purchasing consortium for energy efficient products by negotiating price discounts with manufacturers of a broad range of technologies. Through this consortium, CCI is able to give ACUPCC signatories access to lower prices on a variety of individual products, ranging from energy efficient light bulbs, to HVAC optimization equipment, to window films, and other environmentally friendly building materials.

The companies have agreed to offer below-market prices for their products. For commodities, discounts typically range from 8-10% below market, whereas for the more niche items, discounts may range up to 50% or higher. ESCOs usually organize products procurement with a building owner after a contract is signed and this list might be helpful to keep in mind as ESCO and financial discussions progress. Further deals with additional suppliers are currently under negotiation and will be announced soon, including deals for large tonnage chillers. Additionally, a website that helps calculate bulk procurement prices and that offers direct communication with suppliers is under development. A list of companies participating in the purchasing is included at the end of this document.

Project Rollout

Phase 1: Pilot Programs

A small group of institutions with experience in executing building retrofits or with the ability to proceed quickly through the contracting process, and who have identified new potential campus energy efficiency projects started to launch pilot programs in

November, 2007. ACUPCC and CCI are offering limited support by working with pilot schools, energy services companies, and financial institutions to facilitate the projects. The RFPs and contracts with energy services companies and financial institutions will be used to develop “best practice” models that will be shared with all ACUPCC signatories. A small number of additional schools can be accommodated in this initial phase of the program. If your institution has identified potential retrofit opportunities and is willing to issue an RFP by February 20, 2008, contact Andrea Putman of Second Nature or Jon Magaziner of CCI to discuss potential participation. ACUPCC signatories can also taking advantage of the discounted products available from the CCI partners listed at the end of this document.

Phase 2: Standardized Models; Program Innovation

A task force comprised of senior higher education administrators from facilities, finance and procurement, along with representatives from CCI partners, the ACUPCC and higher education associations has been convened to build the standard templates and innovative extensions of current practice described above. The task force will release the first set of model RFPs and contracts in early 2008 and will assist other institutions with less performance contracting experience to participate in the program.

This task force will also collaborate with the CCI’s financial and energy services partners to develop innovative new ways to lower project costs and potentially extend the scope of greenhouse gas-reducing projects, customized to the unique circumstances of the higher education marketplace.

Frequently Asked Questions

How is this different than what the schools are doing already?

Some schools may already be employing performance contracting, but this will expand the ability of a large number of colleges & universities to utilize this strategy to minimize costs and reduce greenhouse gas emissions. Furthermore, while the financing mechanisms and ESCO arrangements have already been utilized by a few institutions across the country, the products discounts negotiated through the CCI purchasing consortium have not been made available previously. The ACUPCC/CCI partnership may also provide more favorable financing and payback arrangements for such programs, as well as access to technical expertise that some colleges and universities do not currently have.

What's the benefit of working with the Clinton Foundation?

Working with the Clinton Foundation and through the ACUPCC will provide access to significant pools of financing, to energy service companies willing to give the most favorable costs for services and a commitment that work will be of the highest quality; and to deep discounts on technologies and equipment due to the benefits of leveraging scale. CCI will also help mobilize a peer-to-peer network under the leadership of the ACUPCC that will link school personnel and consultants with performance contracting experience to schools with less experience.

How is this going to be rolled out?

The program will be coordinated by the ACUPCC and CCI, in partnership with several higher education associations. It will start with the initial group of pilot schools, from which the agreement will be refined and then the program will be rolled out across the higher education community.

What does it mean to be participating in a pilot?

Pilot schools are willing to issue RFPs for significant emissions-reduction project that provide the opportunity to work with the banks and ESCOs that agree to the terms of the MOU signed by nine ESCOs and the Clinton Foundation, and to ultimately issue contracts for energy efficiency building retrofits and share those contracts and results (best-practices) with other colleges and universities through the ACUPCC.

Do schools have to use the companies that have signed MOUs with the Clinton Foundation?

No, a school can use any ESCO or financial partner they desire, and still get access to the Foundation's other partners, if the school is willing to undertake ambitious energy efficiency building retrofits under a performance contracting model that will substantially reduce greenhouse gas emissions.

Which energy services companies, banks and product manufacturers are participating?

See the list below.

How does the financing work? Can we get access to “below market” rates or grants?

This is not a grant program. Schools can arrange financing through energy services companies or directly through banks. Terms are set with each school individually based on the type of financing to be done, and the school’s individual credit rating. The CCI and ACUPCC teams will work with the banks and ESCOs to develop innovative new financial mechanisms which might ultimately result in more favorable terms or more advantageous financing options than are currently available.

Can we still participate in a pilot project?

A small number of additional schools can be accommodated in the initial pilot projects. If your institution has identified potential retrofit opportunities and is willing to issue an RFP by February 20, 2008 contact Andrea Putman or Jon Magaziner to discuss potential participation.

**ACUPCC – Clinton Climate Initiative Partnership Energy Efficiency Building
Retrofit Partners**

As of 12/19/07

Financial Partner Contacts

CCI's financial partners offer a range of direct lending and capital markets expertise and are eager to discuss this CCI program with interested participants. Each institution has a lead contact for the colleges and universities, as provided below.

Citi

Brenda Barnes
brenda.c.barnes@citi.com
860.567.7738

JP Morgan Chase

Tom Block
tom.block@chase.com
212.270.0771

Deutsche Bank

Tim Dowling
tim.dowling@db.com
212.250.7828

UBS

Harper Watters
harper.watters@ubs.com
215.496.2036

Hannon Armstrong

Nate Rose
nrose@hannonarmstrong.com
410.571.6166

ESCO Partner Contacts

Below is the list of ESCO contacts to which all RFPs, RFQs, or general inquiries from ACUPCC signatories should be distributed. Questions specifically regarding ESCO financial services, or more generally about performance contracting, should be forwarded to these email addresses as well.

Ameresco

SCohen@ameresco.com

TAC/Schneider Electric

Anna-catherine.rose@tac.com

Chevron

JWilliamson@Chevron.com

Trane

ACUPCC@trane.com

Honeywell

Sarah.mcugh-ring@honeywell.com

Johnson Controls International

Manoj.Raathor@jci.com

Noresco

BFoster@noresco.com

Siemens

Eesglobal.us.sbt@siemens.com

Participating Product Suppliers

This is the current list of product manufacturers partnered with CCI. Negotiations with companies began in the summer of 2007, and future agreements with manufacturers of other products are currently being negotiated.

Lighting

Sylvania – fluorescents and HID lamps and ballasts

Cooper – fixtures

Acuity – fixtures

Lemnis – LED lamps and fixtures

GE Lighting – fluorescents and ballasts

Windows

3m – films that reduce heat gain in summers and heat loss in winters

Bekaert - films

Roofing/Insulation

BASF Polyurethane Foam Enterprises – spray foam product suitable for roofing and general insulation

Tremco – white “cool roof” membranes that reflect solar heat, reducing cooling needs

HVAC Optimization

Optimum Energy – efficiency maximizing controls for HVAC equipment