



ACUPCC – Clinton Climate Initiative Partnership Description and FAQs

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 are 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 a few decades. 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 ten 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.

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. The Clinton Foundation's financial partners will work with the ACUPCC/CCI task force to explore new customized financing mechanisms and approaches.

Purchasing Alliance

CCI has formed a purchasing alliance for energy efficient products by negotiating price discounts with manufacturers of a broad range of technologies. Through this alliance, CCI is able to give ACUPCC signatories access to lower prices on a variety of individual products, including energy efficient light bulbs, HVAC optimization equipment, 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 the list of suppliers might be helpful to keep in mind as ESCO and financial discussions progress. Further deals with additional suppliers are currently under negotiation 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 alliance is 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. ACUPCC signatories can also taking advantage of the discounted products available from the CCI partners.

Phase 2: Standardized Models; Program Innovation

A task force comprised of senior higher education administrators from facilities, finance and procurement, representatives from CCI partners, the ACUPCC, and higher education associations has convened to build the standard templates and innovative extensions of current practice. The task force will release the first set of model RFPs and contracts in

late 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 higher education.

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 and 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 alliance have not been made available previously. The ACUPCC/CCI partnership may also provide 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 ACUPCC/ CCI program will provide access to significant pools of financing, to ESCOs willing to give the most favorable costs for services and a commitment that work will be of the highest quality; and to discounts on technologies and equipment due to the benefits of leveraging scale.

How is this going to be rolled out?

The program is coordinated by the ACUPCC and CCI. It started with the initial group of pilot schools 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 Memorandum of Understanding (MOU) signed by ten 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 Climate Initiative?

No, a school can use any ESCO or financial partner they desire, and still get access to the CCI'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.

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 ACUPCC/CCI team 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.

Task Force

The ACUPCC/CCI task force is comprised of representatives from the following organizations:

APPA
Arizona State University
Catalyst Financial Group, Inc.
City Colleges of Chicago
Clinton Climate Initiative
Donahue Associates, Inc.
EcoAmerica
Energy Ventures International
Hannon and Armstrong
Holland & Knight
Los Angeles Community College District
National Association of College and University Business Officers
National Association of Educational Procurement
National Association of Energy Service Companies
Oberlin College
Rocky Mountain Institute
Second Nature
Syracuse University
Townsend Engineering
U.S. Environmental Protection Agency, Energy Star
U.S. Green Building Council

Pilot Schools

The ACUPCC/CCI pilot schools include:

Bard College
Dakota County Technical College
Los Angeles Community College District

Lee College of Baytown Texas
 Mount St. Mary's University
 New York University
 Oberlin College
 Pratt Institute
 St. Lawrence University
 Syracuse University

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

As of 3/28/08

Financial Partner Contacts

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

Citi	Deutsche Bank Tim Dowling tim.dowling@db.com 212.250.7828
Hannon Armstrong Nate Rose nrose@hannonarmstrong.com 410.571.6166	JP Morgan Chase Tom Block tom.block@chase.com 212.270.0771
UBS Harper Watters harper.watters@ubs.com 215.496.2036	

ESCOs

A school should determine the best and most appropriate ESCO to work with on its project. Many ESCOs are qualified in local markets and will offer the same terms and conditions as those outlined in CCI's best practices document.

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.

Chiller Technology

Carrier - large tonnage screw and centrifugal chillers

Optimum Energy - cooling plant optimization strategy that utilizes variable speed technology to increase energy efficiency

Lighting

Acuity – commercial, industrial, outdoor and emergency lighting fixtures and controls;
lamp technologies include fluorescent, HID and LED

Cooper – commercial, industrial, outdoor and emergency lighting fixtures and controls;
lamp technologies include fluorescent, HID and LED

GE Lighting – fluorescent lamps and electronic ballasts

Lemnis – LED lamps and fixtures

Osram Sylvania – fluorescent lamps and electronic ballasts

Roofing/Insulation

BASF Polyurethane Foam Enterprises – spray foam product suitable for roofing

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

Windows 3M – solar control and low-e films

Bekaert - solar control and low-e films

For Additional Information:

Andrea Putman, Second Nature
Director of Sustainability Financing
(703) 528-8579

aputman@secondnature.org

Jonathan Magaziner, Clinton Climate Initiative
Program Manager and Analyst

(617) 774-0110

(617) 849-1158

jmagaziner@clintonfoundation.org