



**January 2021**

## **Oceanside Union Free School District Energy Performance Contract (EPC) FAQ**

### *What is the purpose of an Energy Performance Contract (EPC)?*

The purpose of an EPC is to obtain long term energy and cost savings for the school district by upgrading energy production equipment and incorporating energy conservation improvements at **no out-of-pocket costs to the school district.**

### *What are the benefits of an Energy Performance Contract?*

There are several benefits. First and foremost, the energy upgrades will improve the overall operation of our facilities, providing the District with much more energy and cost-efficient buildings. Equally as important, the Energy Performance Contract (EPC) allows the District to perform these important upgrades through guaranteed savings and additional New York State aid - meaning **no negative impact to our taxpayers.**

### *What upgrades will be included in the Energy Performance Contract?*

The Energy Performance Contract will include a number of important upgrades:

- \*Comprehensive LED Upgrades district-wide (interior and exterior)
- \*Upgrading antiquated temperature controls with modern direct digital controls (DDC)
- \*Boiler replacements, HVAC rooftop upgrades
- \*Replacing and modernizing obsolete univents with the latest technology
- \* Photovoltaic (PV) solar panel system on all schools
- \* Other Energy Conservation Measures (ECMs)

### *What is the cost of the Energy Performance Contract? What will the savings be?*

The total value of the Energy Performance Contract is \$ 16.9 million. The annual savings is targeted at approximately \$ 944,000, guaranteeing that the upgrades will pay for themselves through cost savings and New York State aid. In addition to the project paying for itself through savings, the school district will receive rebates/grants and a guaranteed positive cash flow.

## *Do we, the taxpayers, need to approve this project? Will this affect our taxes?*

A referendum vote is not required for the District to move forward with the project. Because of the substantial cost savings that will be realized by the District, the Energy Performance Contract will pay for itself over the life of the project. There is no direct impact to taxpayers at all.

## *What if the “guaranteed” cost savings are lower than expected?*

Under the terms of the Energy Performance Contract, the cost savings are guaranteed. If the level of savings is not met, the Energy Savings Company must compensate the District for the shortfall.

## *What should we know about the companies working with us on this Energy Performance Contract (EPC)?*

The District has leveraged the expertise of many experienced professionals for this project.

The Engineering Consultant Group (ECG) will serve as the Project Manager for our District. ECG has successfully worked in this capacity for over 100 energy projects that have produced over \$ 1 billion in energy conservation improvements. They will oversee the entire project and protect the District throughout all phases of the Energy Performance Contract. ECG is overseeing numerous Nassau County projects including: Long Beach City School District, Rockville Centre UFSD, Valley Stream Elementary Districts, and Plainedge. More information about the ECG Group can be found [here](#).

The Energy Savings Company (ESCO) that was Board of Education approved is Energy Systems Group, or ESG. Their purpose is to build, develop, and deliver on the Energy Performance Contract. They have over twenty-six (26) years of guaranteed EPC experience with hundreds of projects done in K-12 school districts and have saved over \$ 3 billion in facility improvements and energy savings. Their local office is located in Suffolk County and the experts at that branch collectively have over 150 years’ experience in this type of work. Local Long Island references where ESG is currently building and developing EPCs include but not limited to: Hempstead UFSD, Freeport UFSD, Southampton UFSD, Sayville UFSD, Kings Park School District. More information about the Energy Systems Group (ESG) can be found [here](#).

For the complete presentation made at the December 2020 Board of Education meeting [here](#).

### Commonly Used Acronyms Explained:

<b>RFP (Request for Proposal):</b> formal document (or proposal) used to highlight the District’s priorities of capital improvements used to solicit bids from contractors who will help complete the project	<b>EPC (Energy Performance Contract):</b> budget-neutral approach to make critical infrastructure improvements now, through future guaranteed energy savings. Requires no government funding, no capital outlay, and no financial burden to the taxpayers.
<b>ECG (Engineering Consultant Group):</b> Project Manager, or Owner’s (District) Representative of the entire Energy Performance Contract. Oversee entire project from beginning to end.	<b>ESG (Energy Systems Group):</b> firm that was Board of Education approved and awarded the project of building and developing the project. Savings are guaranteed based on their on-site walkthroughs, assessment of District’s current energy usage / utility data, and the scope of work proposed in the project.
<b>ESCO (Energy Savings Company):</b> a company that has formally submitted a project proposal for the District’s RFP. Oceanside received six (6) proposals from ESCO and interviewed four (4) of them. ESG was the awarded ESCO for this project.	<b>ECM (Energy Conservation Measure):</b> a single initiative or priority undertaken to reduce the energy consumption of a certain aspect of essential building services. Oceanside has approximately 20 ECM’s built in our Energy Performance Contract.