Georgia Chapter Energy Services Coalition

Thursday
January 27, 2011 2- 4 pm

AGL Resources
10 Peachtree Place
Atlanta, GA  30309

David Godfrey – Public Co Chair
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Kathy Robb - Private Co Chair
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Agenda

• Update from GEFA
• New Regulations for Vendor Lobbyist
• Advisory Team Report
• Committee Sign-up/Committee Chairs
  – Reserved for current ESC membership, all others may observe
Update from GEFA

- Convene State Advisory Committee: Law, DOAS, GSFIC Finance & Construction, SAO, Regents and Corrections
  - Critical Document Review
  - Contract Value Definition/Survey Data
- EPC Advisory Committee: K. Robb, M. Otani, C. Griffith and J. Dunne
- Gantt Chart Preparation (underway)
- Ed. Program: Feb. 23 in Decatur by E-Ace
New Vendor Lobbyist Regulations

Please contact your legal counsel

- Anyone selling to the following must register: city, county, k-12, state agency, board of regents. Administrative staff not required to register. Who is a vendor Lobbyist?
  
  Any natural person who, for compensation, either individually or as an employee of another person is hired specifically to undertake influencing a public officer or state agency in the selection of a vendor to supply any goods or services to any state agency but does not include any employee of the vender solely on the basis that such employee participates in soliciting a bid or in preparing a written bid, written proposal, or other document relating to a potential sale to a state agency.

- Fees required: $300 per individual; plus $20 for badge that is required to be worn whenever on government property. $10 additional per client represented.

- Electronic reporting process required; late fees can be substantial.

- Compensation: currently individual success fees are not allowed. Company success fees are.

- Having a registered lobbyist with you doesn’t count as being covered under the new regulation. Ex: SE Regional Sales Manager or National Sales Manager visits the GA Governor or member of the Legislature or local government or state entity– they must also be registered as a vendor lobbyist.

Lobbyist Disclosure Report
Filing Schedule

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<tr>
<th>Report Period</th>
<th>Report Due On:</th>
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<tbody>
<tr>
<td>JANUARY 1 - JANUARY 31 (In Session)</td>
<td>2/5/2011</td>
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<tr>
<td>FEBRUARY 1 - FEBRUARY 28 (In Session)</td>
<td>3/5/2011</td>
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<td>MARCH 1 - MARCH 31 (In Session)</td>
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<td>APRIL 1 - APRIL 30 (In Session)</td>
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<td>MAY 1 - MAY 31</td>
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<td>JUNE 1 - JUNE 30</td>
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<td>JULY 1 - JULY 31</td>
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<td>AUGUST 1 - AUGUST 31</td>
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<td>NOVEMBER 1 - NOVEMBER 30</td>
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<td>DECEMBER 1 - DECEMBER 31</td>
<td>1/5/2012</td>
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Late Fees
1 day late $275 per report
7 day after (in session) 15 day after (not in session) $1,000 per report
21 day after (in session) 45 day after (not in session) $10,000 per report
Advisory Team Report

• Goals
• Concerns
• Preliminary Audit Phase
• RFP
• Finance
Goals – To Assist GEFA

• RFQ Process
  – Determine a process to select a pool of prequalified ESCOs.
  – Agreement to T&C’s in finance document by all parties.

• Request for Proposals – “Best Value” Choice allowed.
  – Process to short list preapproved ESCO’s for specific projects.
  – Determine a process for the Preliminary Audit.
  – Help determine a selection process to be used by the evaluation committee.
  – Assist in M & V Guidance.
Concerns

• Prevent unrealistic Savings in preliminary audit.
• Keep cost reasonable; State needs infrastructure.
• Adhering to timelines created by GEFA and RFP Agency.
• How to help GEFA/State Committee during evaluation process to compare proposals.
• Do not turn the Preliminary Audit into a Investment Grade Audit.
Preliminary Audit Phase

Facility Request Form

• Option to create a form that each facility completes that includes: baseline data, rate information, scope request, escalation allowance, M & V request, etc.
  – Each shortlisted ESCO would have the same base information to begin the facility preliminary audits.
  – Allows for creativity of scope by each ESCO.
  – Fulfills the request of facility for specific scope to be addressed.
  – Alleviates the need for 3rd party engineering unless requested by facility.
  – Gives the evaluation committee a checklist of information to verify within the ESCO proposal.

• GEFA would require use of a standard form to show a summary of ECM savings to assist in evaluation.
Preliminary Audit Phase

Owner’s Representative Engineering Services

- As an option, a 3rd party Engineering Firm could be hired to work with facility personnel to quantify scope and baseline data for the preliminary audit.
  - Eliminates variables in savings calculations and scope that can lead to difficulty in evaluation process. (example: rates, efficiency factors, escalation factors, hours of operation)
  - Allow a second alternative proposal to be submitted by ESCO that demonstrates creativity in their ECM recommendations.
  - Must qualify 3rd party engineering firms by expertise in ESPC.
    - Consider implementation of term limits for firm hired to avoid future conflict of interest, biases, etc.
    - Must determine how the State would pay for 3rd party engineering firm.
• State chosen Pre Qualified ESCO’s will go through a process to be shortlisted for facility project RFP. Method is yet to be determined.

• Requirements should include: financial strength, performance guarantee history, years of experience on similar projects, strength of development team, etc.

• Shortlisted Esco’s will participate in a preliminary audit of the facility that released the RFP.

• Potential evaluation criteria of Preliminary Audit: quantify cost & savings, savings calculations & methodologies, M & V strategies, etc.

• Set timeline for project to move through each step of the process based on factors such as: sq footage, application, etc.
Financial Documents & Processes

• Develop a standard set of financing documents acceptable to all market participants and the State of GA’s current financing statutes.

• Create a standard format to be used in the contract for cash flows, rates and cost escalations.

• Allow flexibility of term in years allowed under the Georgia law and best method of repayment, consider rebates.

• Issue an RFQ for Finance Companies?
GA Chapter ESC Member Committees

• Membership
• Outreach
• Workshop
• Documents
• Resource

Election of a chair for each committee, Co-chairs of Chapter plus chair for each committee could make up a Board.
Membership

• Recruit members for the GA State Chapter.
• Gather contact information of interested persons (e.g., attendee lists from conferences and other events attended by chapter members) and e-mail this contact information to the national ESC.
• Work with Outreach Committee to identify organizations that would benefit from membership.
Outreach/Communications

- Identify organizations whose members would benefit from learning about performance contracting; arrange to have articles in newsletters and ESC speakers at their meeting.
- Work with National ESC to prepare and submit news releases describing ESC GA chapter’s achievements.
- Prepare and keep a calendar of upcoming state chapter events.
- Prepare articles on state chapter events that have occurred (with pictures if possible).
- Submit calendar and articles to the National ESC for posting on the ESC web site.
Workshop

• Hold performance contracting workshops each year.
• Coordinate workshop logistics with the National ESC.
• National ESC can provide attendee registration through the ESC web site.
Documents

• Prepare a short summary of the laws/rules relating to ESPC in GA.
  – Cover each vertical market.
  – Include contacts and web links for rules applying to each vertical market.
  – An ESC template is available.

• Prepare a GA guide to ESPC.

• Prepare quarterly and annual summaries of new ESPC projects in GA.
  – Project address, contact information, square feet, expected energy savings.
  – Submit to the State Chapter Outreach Committee and the National ESC so they can work together to promote recognition.

• Submit prepared documents to the national ESC Documents Committee for review, approval, and inclusion on the ESC web site.
Resource

• Work with Co-Chairs to design meeting topics.
• Develop member interaction to educate all performance contract entities to “Best Practices”.
• Develop an agenda to coordinate interaction and information exchanges between all performance contracting participants.
• Promote advancement of processes and procedures.
• Provide updates of new:
  – Laws or Acts
  – Resources
  – Technology
Questions?

- Next Meeting - Date/time/location
- Agenda requests