



Cover Memorandum/Staff Report

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Item #: 5.A.2.

TO: Mayor and Commissioners
FROM: Kent Edwards, Sustainability Officer
THROUGH: Terrence R. Moore, ICMA-CM
DATE: January 7, 2025

OVERVIEW OF ENERGY SAVINGS PERFORMANCE CONTRACTING

Recommended Action:

Review a presentation on Energy Savings Performance Contracting and provide direction.

Background:

Energy Savings Performance Contracting, or ESPC, is a way of financing energy efficiency improvements which result in significant cost savings. By contracting with a company that specializes in building performance, and addressing multiple buildings at the same time, cost savings can be generated which are sufficient to fund the project.

Federal regulations and Florida Statute (489.145 FS) define ESPC processes, including a provision in 489.145(5)(a) FS, which states, "contract must include a written guarantee that... annual cost savings will meet or exceed the amortized cost of energy, water, and wastewater efficiency and conservation measures."

An Energy Service Company, or ESCO, is one that is qualified to provide services through an ESPC. The ESCO contractor is highly skilled in assessing energy use and finding cost-effective means of reducing energy use. ESCOs not only have expertise in energy efficient technology, they also stay up-to-date on the latest funding assistance opportunities through grants and tax benefits.

To find opportunities for saving energy, ESCOs will perform an Investment Grade Audit, using their expertise to determine where the greatest cost-savings can be obtained. They use improvements such as insulation, windows and doors, HVAC systems, lighting, automated controls, etc., typically achieving electrical usage savings of 30%. ESPCs can also include system management by the ESCO that performed the installation, giving assurance that systems run effectively, and freeing up City Maintenance staff time.

The cost savings associated with ESPC can be significant, and there are other benefits including reduction in greenhouse gas emissions, and increased resilience. Working through the ESPC process requires the participation of multiple City Departments, but those municipalities in Florida that have executed ESPCs have reaped significant benefits.

City Attorney Review:

NA

Funding Source/Financial Impact:

The presentation is informational and entails no financial impact. The topic, Energy Savings

Performance Contracting, could provide financial savings in the future.

Timing of Request:

Not time sensitive