



## Intro to HBCU Energy Management

Historically Black Colleges and Universities (HBCUs) have prepared generations of Black graduates for their future success through challenging and changing times since the 1800s. As new industries—including the energy sector—bring new opportunities, the future is now for HBCUs and their students.

While HBCU campuses are renowned for historic buildings and grounds, many administrations face what can be a daunting task: improving and modernizing facilities that were built more than a century ago to ensure they are ready for the next generations—Z and beyond. It can also be a great challenge for HBCUs to allocate the funding to implement the capital and energy improvements that will ultimately reduce operating expenses and address deferred maintenance. But, with new times there are new ways to not only modernize your campus, but to also equip your students for future careers.

Have you ever considered working with an energy owner's representative to help your administration navigate an Energy Performance Contract? Let us share more about why you should.





## **An Overview of Energy Performance Contracting**

Energy Performance Contracting allows HBCUs to complete energy savings projects and maintenance projects that may have been deferred without up-front capital costs. An Energy Performance Contract (EPC) is a partnership between a college or university system for an Energy Service Company (ESCO) to conduct a comprehensive energy audit for campus facilities and identify improvements to save energy. In consultation with the college or university, the ESCO designs and constructs a project that meets the college or university's needs. What's also great about this is that the ESCO funds the project and guarantees that the improvements will generate energy cost savings sufficient to pay for the project over the term of the contract.

MD Energy Advisors (MDEA) are experts at helping HBCUs navigate EPCs and ESCOs and at guiding institutional leadership on how to use future savings to pay for today's expenditures. Moreover, two-thirds of our company's co-founders are alums of HBCUs, who are **committed to creating opportunities for HBCU students to learn and gain practical experience in and exposure to emerging energy professions and mentors**, including architects and engineers.

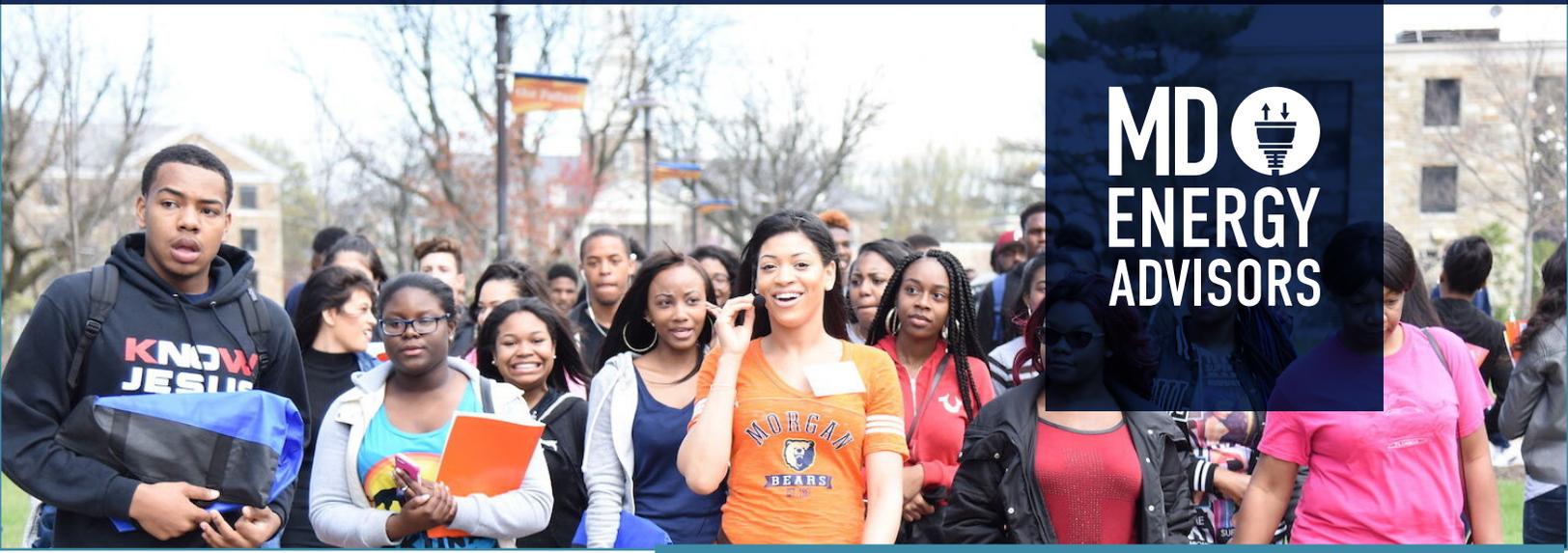
## **Benefits of Energy Ownership Representation**

As your institution's energy "owner's representative," MDEA will become an extension of your team and guide you through the entire EPC process, from initiating requests for proposals to contract end. Such hands-on support is critical for HBCUs that do not have the in-house staffing capacity. Importantly, after the contract ends, all additional cost savings accrue to your college or university. Below are key project phases and capacities in which MDEA services your needs:



Areas of Competency	Deep Knowledge of ESCP Processes	Project Management	Financial Management	Contracts, Negotiation	Energy Engineering and Building Modeling	Knowledge of Government Processes and Programs	Risk
<b>General—Getting Started and Throughout Project</b>	Build project team.	Establish roles, responsibilities, milestones, and communication protocols for owner, ESCO, and other stakeholders.	Understand customer's financial and budgeting processes to help keep project in compliance.	Help owner understand language, potential risks, and ramifications of proposals, contracts, and other documents.	Provide owner with checklists for building information to collect and prepare for RFP.	Help owner develop stakeholder engagement plan; determine who at owner's organization should attend which review meetings.	Educate owner on risks and potential issues throughout project; advocate for the facility owner's needs; help set expectations for the owner.
<b>Scope Project, Develop RFP</b>	Understand and document owner needs, help owner define objectives; draft scope of work for RFP; advise owner regarding what to focus on in choosing an ESCO; advise on ESCO selection.	Manage or advise on RFP process, kickoff meeting and ESCO facility tours; participate in reviews.	Review savings projections in RFP responses; assess feasibility of achieving savings and costs.	Assist owner with RFP language, which will have a bearing on the IGA and energy services contract language.	Review facility and baseline information needed for RFP.	Help owner with communication and stakeholder engagement within/across agency or state departments.	Ensure project abides by statutory and programmatic guidance.
<b>IGA, M&amp;V Plan</b>	Guide preparation of IGA scope of work; participate in periodic IGA meetings; perform detailed analyses of IGA content.	Lead communication and tracking to help ESCO and owner stay on agreed-upon schedule; evaluate proposals, commissioning, and M&V plans.	Review and advise on reasonability of draft financial prospectus on project capitalization, including construction, interest, and principal payments.	Assist owner with negotiating price, scope, and schedule of IGA.	Review engineering assumptions; verify baselines; independently run ESCO energy models; review M&V plans for clear, measurable methodologies.	Assure required reviews and approvals are completed by the necessary parties.	Track issues and potential risks; ensure the ability to detect and assign responsibility for shortfalls is included in M&V plan; flag inaccurate baseline calculations and other engineering errors.
<b>Project Proposal and Contract</b>	Assure responsibilities and costs of owner O&M are explicitly and accurately specified in proposal and contract.	Lead communication and project development tracking to help avoid disputes and costly delays.	Review final financial prospectus.	Assist with negotiation of final contract.	Review project design, installation plans, O&M, and training plans for compliance with the IGA; inspect/troubleshoot M&V monitoring plan.	Assist customer's "project champion(s)" with stakeholder approvals.	Assure party responsibilities and risks are clearly delineated; foresee and mitigate potential legal disputes.
<b>Construction, Verification, Project Acceptance</b>	Assure ESCO prepares/presents appropriate series of custom training for owner/facility staff on installed technologies.	Oversee or review ESCO construction management; track work progress; report potential issues; facilitate communication between ESCO and owner.	Support invoice and cost documentation review.	Assist owner with any negotiations required for project acceptance.	Review post-installation commissioning and M&V reports; assist owner with various aspects of project acceptance and clarity with warranty start/stop dates and responsibilities.	Assure any required reviews and approvals are completed by the necessary parties.	Assist owner in holding ESCOs accountable for stated responsibilities; ensure effective commissioning.





## Case Study

Colleges and universities are experiencing substantial advantages from EPCs and energy ownership representation. A university in the Southeast **saved \$350,000 with one day of negotiation**. The energy owner's representative reviewed the ESCO's engineering studies and final proposal documents in great detail and found that the ESCO overlooked a number of issues that would have significantly increased charges to the client, identifying several places in the project proposal where the university could save significant funds. The energy owner's representative then negotiated with the ESCO for one day, yielding a \$350,000 reduction in project costs for the university.

The final energy contract included lighting upgrades, water conservation, retro-commissioning, comprehensive direct digital controls (DDC) upgrades to multiple buildings, HVAC upgrades, and a central plant upgrade. The overall project value was **\$5.5 million—paid through cost savings—with guaranteed annual savings of \$441,000** over a 17-year performance period.

With rich community ties and traditions, HBCUs are some of our nation's most storied institutions. Today, many HBCUs are experiencing increased enrollment and engagement that will impact future generations of families and communities. MDEA will bring its unique understanding of the HBCU legacy to help you build your institution's future.

### Contact us to learn more:

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