

Energy Savings: Unlocking Triple Bottom Line Benefits

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Institutions looking to reduce their environmental footprint and greenhouse gas emissions are taking note of a new idea - Energy Performance Contracting ("EPC"). This has been part of the federal government strategy to reduce greenhouse gas emissions to 17% lower than 2005 levels by 2020. Institutions with older buildings in their portfolios are looking into this opportunity to reduce emissions, improve operating performance and increase occupant comfort.

Willms & Shier Environmental Lawyers LLP's Carl McKay recently spoke at Eastern Region Association of Physical Plant Administrators ("ERAPPA") 2016 conference with Gary Nower, Assistant Vice President, Physical Resources at Wilfred Laurier University ("WLU"), and Edward Ng, Senior Associate at Ernst and Young.

Using their recent project at WLU as an example, the presentation focused on the triple bottom line achievements of energy performance contracts.

Public institutions are under increasing pressure to find new and creative ways to: 1) reduce energy costs; 2) reduce emissions; and 3) address significant deferred maintenance challenges. EPC contracts achieve these three goals.

Through energy performance contracts energy services companies can address the budgetary hurdle many institutions face when considering implementing comprehensive energy saving solutions.

Under typical energy performance contracts, an energy service company, after completing a comprehensive energy audit of an institution's targeted facilities, puts forward a proposal for the design, procurement and construction of energy conservation measures.

The proposal will provide that over a specified maximum time period, energy savings will pay for all implementation and post implementation costs of the energy conservation measures, (including financing costs (where applicable)).

In the event that there is a failure to achieve the energy cost savings set out in the proposal the energy services company reimburses the institution on a dollar for dollar basis for the shortfall. This is guaranteed performance contracting and it can significantly de-risk energy retro-fit projects and budgetary constraints by making the project self-financing.

Another critical element of the implementation of energy conservation measures is the ability to concurrently address deferred maintenance backlogs. Budgetary constraints at Canadian Universities have led to significant deferred maintenance backlogs; this is an increasing challenge for large educational facilities. One of Wilfrid Laurier's goals in procuring an energy services company was to integrate proposed energy conservation measures in a manner that would also

address deferred maintenance backlogs and integrate methods to better track and manage future maintenance needs.

Public institutions interested in learning more about energy performance contracting can refer to Natural Resources Canada's Office of Energy Efficiency guide for Federal buildings promoting the use of energy performance contracts by clicking [here](#). To refer to Carl McKay's presentation with Gary Nower and Edward Ng titled: Triple bottom Line Achievements through Energy Savings and Energy Performance Contracts, click [here](#).

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