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Questions and Answers

Neelam Patel: Great. Thank you.

We're going to begin our question-and-answer session. So all the questions you've submitted throughout the Webcast, we will ask the presenters. Please stay on the line to hear the answers to these questions. And if you come up with new questions, feel free to continue to submit those through the Q&A.

And as we come close to the end our Webcast, I do want to remind everyone to take just a few minutes to fill out the exit survey questions. Again, the information we'll collect are important to us. So, with that, Lauren will start us off with asking our first question to the panelist.

Lauren Pederson: Great. Thank, Neelam. Here's a question for Pat about participation fees and getting clarification on that. Are participation fees the same as user fees, like water fees? What exactly are they?

Pat McGuckin: They can be user fees certainly, water fees. The City Babylon, New York, has a waste fee that's used to help support their energy efficiency programs. And they're not alone. There are lots of communities that have done similar things.

But they can also be fees for specific program participation. For example, the City of Cincinnati has a commercial building retrofit program, the Greater Cincinnati Energy Alliance. And in order to participate in the program, there is a fee that is charged at the outset to help cover the cost of performing an audit and – and they've talked about doing loan origination fees and that sort of thing.

There are issues with charging fees if you're using (RR) money. So that's something that you'd want – if you're using (RR) money, you'll want to talk with your project officer about whether or not fees are an option. But if your source of funding is coming from – from other places than fees for participation like for – like charging for a home energy audit, it can be a valuable way to help support your program.

Lauren Pederson: Great. Thanks, Pat. And then one more question for you. One of your slides mentioned tax incentives for public buildings. What tax incentives are available? The participant was under the impression that public buildings don't have to pay taxes.

Pat McGuckin: They don't. And that's a great question. It's a little known fact. Part of 179D Tax Deduction Legislation creates the ability for the municipality to pass the tax deduction along to the designer of the project.

So, let's say that you've got a project – you want to design a high-energy efficiency building or make improvements, high-energy efficiency improvements – when you put that out to bid, you can ask that the designers include in the bid the fact that they're going to be getting the tax

deduction passed through by the municipality and, as a result, you'll get lower bids. It's kind of a reverse way. It's not so much that it's a tax deduction for you, but it's a way that, if you use it effectively, can be used to lower your design costs for making the improvements.

I'd encourage you to go to that link. If you don't have it in front of you, you can just Google the 179D Tax Deduction and find all sorts of information about it.

Lauren Pederson: Perfect. Thank you.

The next question is for Marvin Lee from Philadelphia. How did you reduce the demand from Fels High School? Did you increase temperature set points or something else?

Marvin Lee: Am I on?

Lauren Pederson: Yes.

Marvin Lee: Hello? Oh, OK. Basically, the Fels High School reduced the demand by setting down the chillers, motors. And the lighting has very little effect to it, but you have to control the chillers and the motors.

Lauren Pederson: OK, thank you. And then, Marvin, this question is for you as well. In addition to conferences and seminars, what are the best ways to find companies who help you get into the market pricing arrangements? And, also, how do you find companies who do utility billing audits?

Marvin Lee: The suppliers, I think that the best way to reach out, the best way to get into the market is talk to your suppliers. And your local utility company usually have the approved supplier list in your – in the Web site. And they're like the usual suspects, like, usually big companies the (constellations, excellence). I mean, they usually serve your market. So you can start from there, too. And what was the other question?

Lauren Pederson: And then the last part of that was how do you find companies who do utility billing audits?

Marvin Lee: Basically, we found – I think you can put – figure out – put an RFP out on the street. That's the one way to do it. And I think, if you (go with it), there are so many companies out there.

Lauren Pederson: Thank you. And one last question for you. Did you consider the greenhouse gas effects of purchasing alternative energy?

Marvin Lee: We were really focusing on the bottom number – bottom line numbers, so we didn't really focus on the green gas and those green things. What we were focusing are the hard dollars. So we didn't really consider that as any – we didn't give any consideration to those green – green gases and stuff. No.

Lauren Pederson: OK. Thank you.

Marvin Lee: All right.

Lauren Pederson: And then moving on to Nate we have a few questions. How did you calculate savings when rates are changing frequently?

Nate Boyd: Well, the savings that we calculated for the fact of the revolving energy fund, we calculated based off of what today's dollars are, what we're paying in kilowatt hours right now. And the City of Orlando is kind of in a unique scenario where we have a partnership with the municipal – a municipal utility provider. So, although they are a public utility, they're only really owned by one entity, the municipal government of the City of Orlando.

Now, we're still a customer of them. So we still have to pay them. So, although, technically, we own them, they act like they own us, as any utility does. Now – yes, the calculation of our payment – of our paybacks is just based off of what the current utility structure is right now. Now, we did go back and we looked at the historical rate and rise of what the utility – utilities costs were for as to determine whether or not we should – we should have that as an, you know, as applicable in our calculation.

But kind of at the same time that we were doing that, the local utility also just cut the fuel rate charge of everybody's bill under their charge by 13 percent after installing a 5 megawatt solar plant at their local power plant. So, there's imbalance in there. The utility rate goes up and down here. So we kind of just left it right where it was to keep the numbers simple for the accounting side of it.

Lauren Pederson: OK. Thanks. And then for your next question, did you encounter any obstacles or challenges within the city in setting off the revolving loan fund? And how did overcome those?

Nate Boyd: No. Not really, because the leadership in the City of Orlando is pretty progressive. And, you know, we call ourselves the "city beautiful" for a reason. We've got a very lush greenscape here in the city. And we do – we do a generally a good job by trying to be stewards of the local environment.

So, it's kind of a, you know, once we – once we came to the conclusion that, yes, the city does need to have a municipal sustainability plan, a component to that plan being a revolving energy fund kind of – it takes a lot of the heat and the pressure off of having to fight that battle every single time you go to try to budget for something and want to apply it to revolving energy fund, if it's in a document that city council and the mayor have already signed off on and approved because they wanted to see something like this implemented.

You know, the city looks at – what are our finances going to look like long-term, not just year-to-year. And that's, you know, the fundamental basis behind our sustainability plan.

Lauren Pederson: Great. Thank you. And if you could provide information on the software program you use to provide data to all employees for your project.

Nate Boyd: OK. I don't, you know, I'm used to doing, you know, talks and stuff like that where you get gigged on commercialization, so I intentionally leave the names of programs and stuff out.

But if anybody does want to know, I mean, it's public record. We are a municipal government. The control system that we're using is Automated Logics Web Control and it has energy reports built in to it as a feature of that.

So we use the same Web log-on that any of our service guys would use to get into our control system. It's just a Web page that's being broadcast from a server that we have on our own city network, but on that log-in page is link to specifically take them to the energy report section of it. And the administrator of your control system, your energy manager, whoever it may be, they can set up the user profiles of whoever wants to look in. Like, for example, I've got one that's just called Orlando City Hall.

And anybody at the city hall can just log in with that as a guest password and it takes them right to the energy reporting section of it and it shows them exactly what the energy consumption is on a day-to-day or month-to-month basis. And it breaks it down into different kind of metrics, kilowatt hours per square foot, kilowatt hour per square foot per person, which is very useful when you're comparing the performance of fire stations one to another and so on and so forth.

So they've got all of that information real time accessible right there. And they can see what the sub-meter information that's coming in on a little trend display, it's right there. So that they can instantaneously go in and look and see exactly how these buildings are performing and they can, you know, send me over an e-mail or call me up and say, "Why was there a 20 kilowatt spike at 3 o'clock over at this particular fire station" or whatever.

And I can go back to the system and say, "Oh, well, they charged up their fresh-breathing oxygen tanks there. And that particular piece of equipment pulls down 20 kW when they do it or whatever. You know, it provides the instant set of information that they're going to want when they want it because decision makers don't like to wait.

When they ask for something, they want it now. And if you got it real time accessible forum, they've got it whenever they want.

Lauren Pederson: Great. Thank you, Nate.

And I'd like to thank all the participants in the audience. Hopefully, you found the overview of funding options and strategies presented by both Marvin Lee from the Philadelphia School District and Nate Boyd from the City of Orlando helpful.

For any questions that we were not able to answer, we will get written answers and post to our Web site and also send a follow up e-mail to all the registered participants for today's Webcast.

One last – two last plugs, our next Webcast, which is on financing options for clean energy, energy efficiency and renewable energy programs, will be June 13. So if you haven't already registered, please do so.

And again, as you leave the Webcast today, please take time to fill out the exit survey questions. On behalf of the U.S. Environmental Protection Agency's Local Climate and Energy Program, I want to thank you for joining us today. And we look forward to having you on our next call. Take care.

Operator: This concludes today's conference call. You may now disconnect.

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