

Sonoma County Efficiency Financing Program – The Specifics

Sonoma County Water Agency (SCWA) is enrolling public and non-profit facilities in a guaranteed savings program designed to improve energy and water efficiency. Participating organizations will receive substantial utility cost savings, including a contractual guarantee sufficient to cover the full cost of all retrofit work. The Program intends to use tax-exempt bonds to finance the projects. Your facilities may qualify if:

- Your organization is tax exempt
- You have existing facilities that are at least five years old and need more efficient lighting, HVAC, pumps, chillers, irrigation controls or other equipment
- Your organization has a credit rating and can borrow

How it Works

- 1. Check Eligibility** Call Dale Roberts at (707) 547-1979 to set up a meeting to review your eligibility and potential projects. It is important to have someone responsible for your facility maintenance at this meeting to talk about potential energy and water retrofit work. We will answer your questions about the program and help identify potential retrofit measures.
- 2. Get Started** The first step in getting started is to sign a non-binding Letter of Interest. These letters help us attract high-quality Energy Service Companies or “ESCOs” who will compete to do the retrofit work and guarantee your utility cost savings. Once you’ve signed a Letter of Interest, you can attend a workshop where you will meet representatives from each of the pre-screened ESCOs and learn more about what they offer. Additionally, at the workshop, the SCEF team will review in detail how the financing will work.
- 3. Pick an ESCO** After the workshop, if you are interested in participating, you will need to provide the ESCO(s) with access to your site, facilities staff and energy and water bills. We are working with PG&E to help make access to electric bills from multiple sites a simple process. Then, you can select an ESCO to provide you with a preliminary audit of your facility and propose a set of retrofits. The proposal will include project costs and a preliminary estimate of financial savings that the ESCO would be prepared to guarantee. We will hold a review session to go over the proposal and give you an opportunity to ask questions before committing. At this point, you can move forward with an investment grade audit or opt out of the program.
- 4. Do the Retrofits** When you authorize the work, both your agency and the ESCO will sign a Guaranteed Savings Agreement developed by SCWA to ensure that your financial savings are truly guaranteed. Your particular guarantee can cover any period of time from 1 to 20 years, and will be established based on the expected life of the energy and water savings measures. When your agency signs an agreement with its selected ESCO to perform an investment grade energy audit, the ESCO must guarantee financial savings for this second audit which are within 10% of the preliminary audit. You then have another opportunity to review and approve the final plan before the work is completed. If you opt out of the program at this late stage, you will need to pay part of the cost of the investment grade audit.
- 5. Check Results** Once the retrofits are completed by the ESCO, all of the equipment will be checked regularly to ensure performance specifications are met. The savings guarantee is then tested against your utility bills and your financial savings will be verified over a minimum period of time. The verification process is very important and you will receive regular reports from the ESCO documenting them. If the actual savings you see is less than the guarantee, then the ESCO must pay you the difference or offer additional retrofit work to compensate. In most cases, we expect the actual savings will be higher than the guarantee since that helps protect the ESCO from losing money.