



PRESS RELEASE

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Program Launched To Fund School Energy and Water Retrofits

(Santa Rosa, CA) — On October 19, 2012 representatives from Sonoma County school districts, cities, higher education and hospitals gathered for a daylong meeting to review the final details of a program to fund energy efficiency and water retrofits on schools, public and non-profit buildings. The program has been in development for nearly a year.

What the Sonoma County Efficiency Financing Program is:

This mechanism, called the Sonoma County Efficiency Financing (SCEF) Program, aggregates large numbers of energy and water retrofits to be collectively funded through a joint municipal bond. The bond is backed by contractually guaranteed cost savings through a pre-qualified set of energy service companies.

What it does:

The projects that can be funded through this program include not only short payback retrofits such as lighting and energy control systems but also large, capital intensive improvements such as windows, heating and cooling systems, boilers and chillers that are difficult to finance. Replacing these often aging items help reduce maintenance and operations costs, alleviating budget problems for schools and other government agencies.

Sharing costs and leveraging volume:

According to Sonoma County Supervisor and Water Agency Director Efren Carrillo, "This program is an innovative approach that supports the local economy while reducing energy use and lowering greenhouse gas emissions. Public-private partnerships such as this are an important part of our future."

In bringing all the participants together for a collective bond issuance, individual schools, municipalities and non-profits share administrative costs, including the expenses of developing of contracts, legal review and qualification of energy service companies. The size of the group also allows for favorable terms for the participants which guarantee financials savings to cover all costs as opposed to the traditional model of such projects which are much less secure.

Local economic impact:

“The influx of local jobs into our economy will have a large and immediate impact. Combined with the cost savings to our schools and public buildings this program will have multiple public benefits.” said Water Agency Director and Board Chairwoman Shirlee Zane.

The initial size of the project is expected to be \$30 million to \$50 million in local energy and water retrofits. Experience with other retrofit programs, such as SCEIP, has found that these types of projects often generate many local jobs. Project management will be through national energy service companies, which have the capital and experience to contractually back such large amounts of work for a 20 year period while guaranteeing cost savings to the program participants. It is expected that local contractors will perform the vast majority of the work. In preparation for the program, the SCEF Program team is working with the North Coast Builder’s Exchange to inform and educate local contractors about the program.

This program is being modeled from a successful program underway in Delaware which last year issued \$76 million in bonds to fund energy and water retrofits at eight state institutional buildings including a community college, Delaware State University and other entities. This program was developed and implemented by Nobel Prize laureate Dr. John Byrne, founder of the non-profit Foundation for Renewable Energy and Environment (FREE). Dr. Byrne and FREE are working with the Water Agency to replicate the successful Delaware program for Sonoma County.

For more information on the SCEF Program, visit sonomacountywater.org/scef



Representatives from interested Sonoma County public and nonprofit entities listen to information about the SCEF program on Education Day.

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The Sonoma County Water Agency is working to secure our future by investing in our water resources, community and environment. The Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at www.sonomacountywater.org.