



**ARAPAHOE COUNTY**





# Energy Performance Contract #3

Facilities and Fleet Management Department

Cedar Blazek, Energy Program Manager

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## What is Energy Performance Contracting (EPC)?

A **financing & contracting** tool that allows Public entities to use future savings from energy improvements to fund capital projects

**28yrs.**

**Colorado's EPC program began in 1997**

**316M**

**Public buildings have achieved 316 million energy (kWh) savings**

**\$1.02B**

**\$1.02 Billion invested into facility improvements**

**\$56M**

**Communities have realized over \$56 million in annual cost savings**

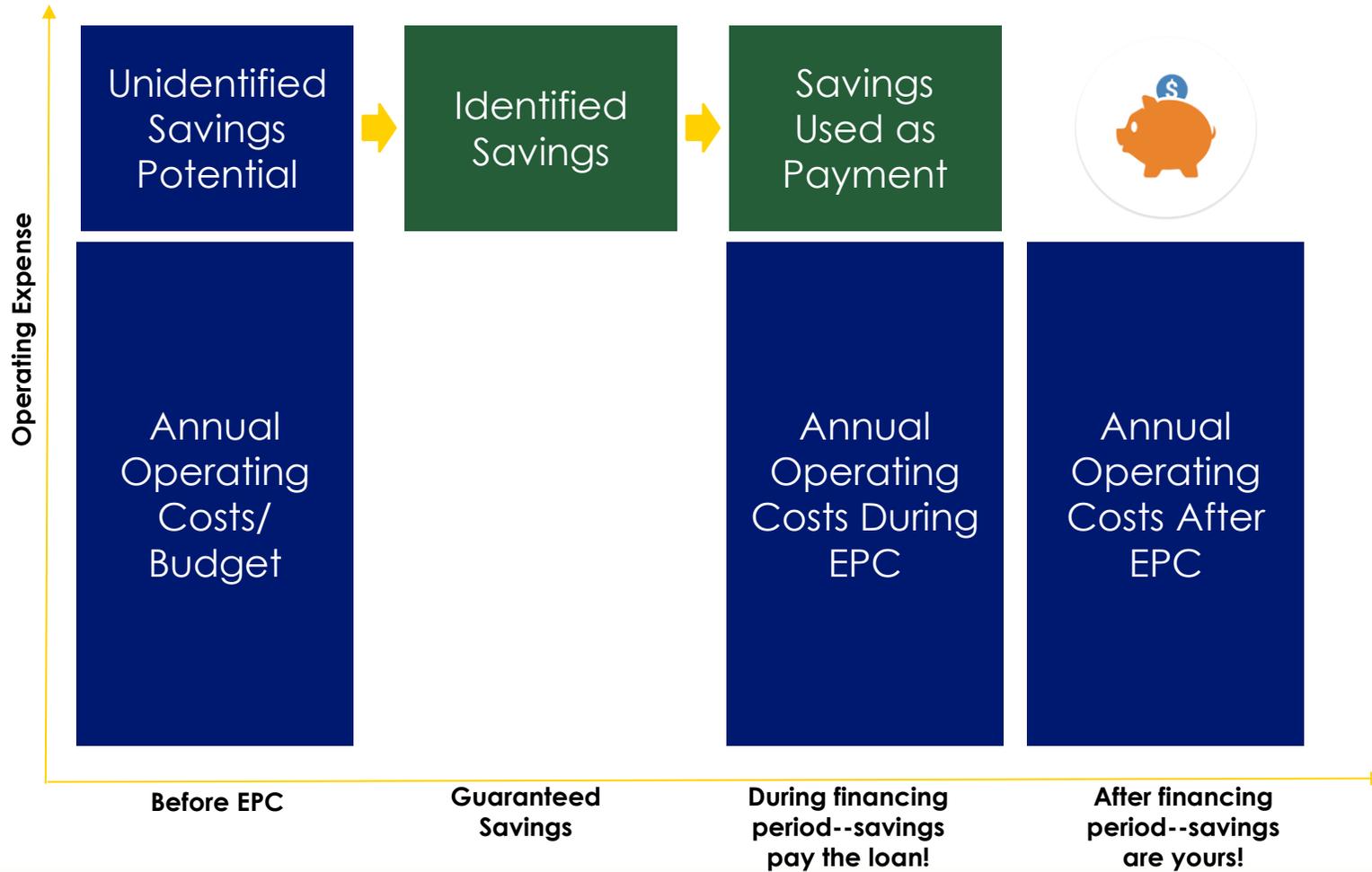
# Colorado Statute: Key Requirements

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Colorado Statute establishes EPC guidelines including:

- ✓ Guaranteed Utility Cost Savings
- ✓ Cash flow positive
- ✓ Three years of M&V
- ✓ Cost-weighted average life of equipment Greater than the project term

# How It Works - Energy Savings Financing Approach

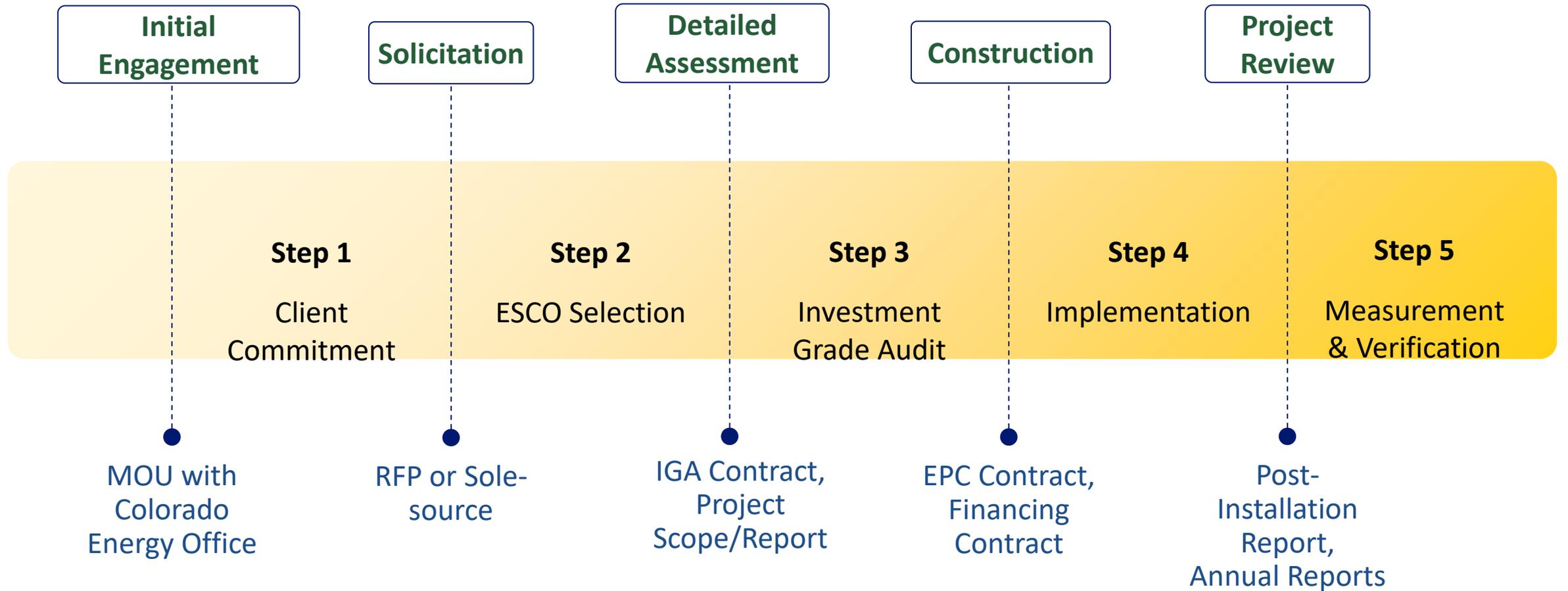


# Arapahoe County EPC History

	<b>EPC #1</b>	<b>EPC #2</b>
Year Initiated	2006	2014
Company	Chevron	Opterra
Total Funded Amount	<b>\$10,093,933</b>	<b>\$7,750,139</b>
Projected Savings	\$660,000	\$560,000
Payback	15 years	14 years
Payment	Financed through CitiMortgage	Paid Outright
Example Projects Completed	<ul style="list-style-type: none"> <li>• Lighting Upgrades (florescent)               <ul style="list-style-type: none"> <li>• Controls Upgrades</li> <li>• HVAC replacements</li> <li>• Waterless urinals</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Lighting Upgrades (LED)               <ul style="list-style-type: none"> <li>• Controls Upgrades</li> <li>• HVAC replacements                   <ul style="list-style-type: none"> <li>• Insulation</li> </ul> </li> </ul> </li> </ul>

Best Practice is to evaluate an EPC every 7-10 years based on facility needs

# EPC: 5-Step Process



# ESCO Selection – Energy Audit Costs

## State Approved Investment Grade Audit Contracts

Standard IGA Pricing Table				
Tiered Pricing (\$/sq ft)		Total Facility Square Footage		
		Under 250K	250 – 500K	500K +
Distance from CEO 1580 Logan, Denver	Under 75 miles	\$ 0.250	\$ 0.225	\$ 0.200
	75 – 150 miles	\$ 0.275	\$ 0.250	\$ 0.225
	Over 150 miles	\$ 0.300	\$ 0.275	\$ 0.250

Audit pricing for non-typical spaces to be negotiated after Notice of Apparent Awardee

Estimated Audit Costs: **\$330,171.20**

- ✓ Can be financed as part of overall project
- ✓ County does not need to pay if ESCO cannot find enough savings for a project

# Potential Measures

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EPC #3 could include\* up to **\$30 Million in CIP and BMF Projects** over the next 5 years including:

- **HVAC Replacements**
  - at Admin, ACJC, APZ, Altura, DAB, ESC, Fairgrounds, SS7
- **Window and Roof Replacements**
  - at Altura, Detention Center, PSC
- **Controls Replacements**
  - at APZ, Centrepont, DAB



*Additional Possible Measures:*

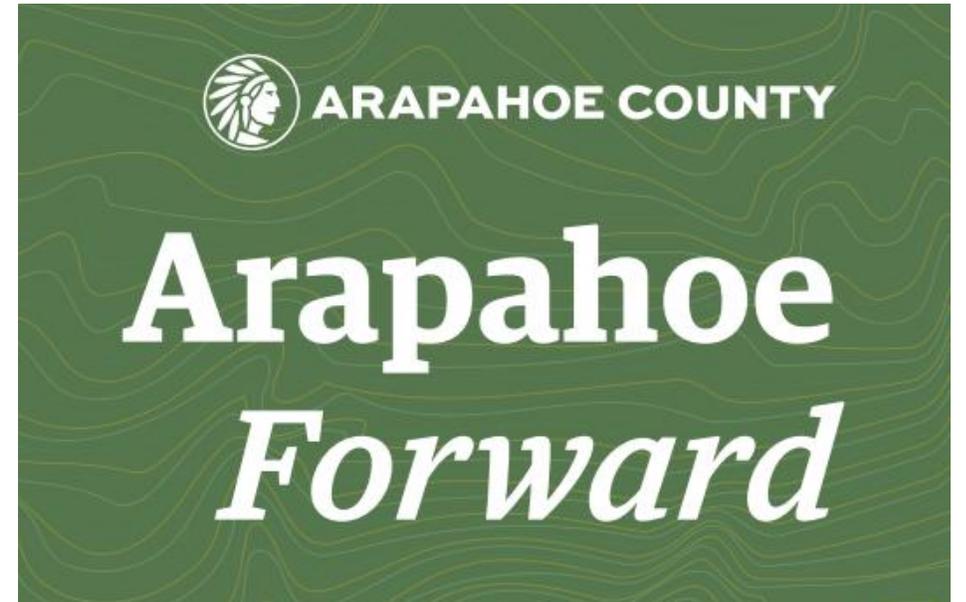
- LED Lighting + Controls
- Window Films / Shading / Replacement
- Insultation + Air Sealing
- Solar PV Systems + Storage
- Plug Load Management
- Small HVAC Systems and Components



# Strategic Plan Alignment

**We deliver exceptional County services and use resources responsibly to advance quality of life.**

- ✓ **Sustainable Growth and Infrastructure**
  - ✓ Prioritize capital improvement projects (CIP) including deferred maintenance.
  - ✓ Support environmentally responsible development and energy efficiency in county operations.



# Benefits of Energy Performance Contracting

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- ✓ **Single Procurement Contract** for design/engineering, installation, startup, and M&V
- ✓ Generates **Positive** Cash Flow
- ✓ **Guaranteed** energy and maintenance cost **savings**
- ✓ Promotes **local workforce** and **economic development**
- ✓ No-cost support from the Colorado Energy Office
  - Standardized, state-approved documents
  - Pre-qualified ESCOs
  - Colorado Energy Office engineering & contract support throughout lifecycle of the project

# Planned Timeline

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Date	Action
<b>November 2025</b>	Sign MOU with Colorado Energy Office; Issue Request for Proposal
<b>January 2026</b>	Select Contractor & Finalize Contracting Process
<b>February 2026</b>	Energy Audit (3 months)
<b>June 2026</b>	Report Audit Findings & Present BOCC Options for Implementation
<b>August 2026</b>	Kick off Project Implementation
<b>August 2026</b>	Construction & Installation (one year)
<b>September 2027</b>	Measurement & Verification (three years)

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# Seeking Approval On...

- Ability to Proceed with Proposed EPC Plan
- Use of CEF fund balance for estimated energy audit costs