

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Florida A&M University
Guaranteed Energy Performance Program**

Project Description: Florida A&M University (FAMU) seeks to reduce energy consumption and energy costs by using a Guaranteed Energy Performance Contract. The university solicited qualifications from interested firms and Siemens Building Technologies, Inc. (Siemens) was selected. FAMU desires to have Siemens implement energy savings measures in the areas of steam system partial decentralization, chilled water demand flow, energy management control system, solar thermal system and related soft costs (i.e. design, engineering and installation).

The program is consistent with the University's Master Plan.

Facility Site Location: The proposed program is for the facilities at the FAMU Tallahassee campus.

Projected Start and Opening Date: It is anticipated that the implementation phase of the program can begin within a month of approval of the project by the Board of Governors. The installation phase is scheduled to be completed within eighteen months of the notice to proceed.

Demand Analysis: The required Technical Energy Audit has been reviewed, confirmed and sealed by a registered professional engineer as required by s. 1013.23(3)(d) F.S. The energy performance program developed based on the Energy Audit demonstrates that the University can realize significant reduction in its utility costs and can create improvements in aging facilities. Energy conservation measures included in the proposed contract are: steam system partial decentralization, chilled water demand flow, energy management control system and solar thermal system.

Project Cost and Financing Structure: The proposed program's project cost is approximately \$12.85 million. The cost for these measures will be paid over a fifteen (15) year period from the money the University saves in energy and utilities consumption and in reduced maintenance of outdated infrastructure. This program will reduce annual energy costs by approximately \$1.3 million in the first year of full implementation. The savings are expected to grow to \$1.8 million in the fifteenth year. The average annual payments for the investment are anticipated

to be approximately \$1.3 million; resulting in an estimated annual net savings to the University of \$76,000 in the first year with an increase to approximately \$474,000 in the fifteenth year. A 3% annual increase in costs has been assumed. The estimated useful life of the installed measures varies between 15 and 30 years.

Security/Lien Structure: Net energy savings will be pledged for the payment of debt service. The savings are guaranteed by Siemens. There will be an annual reconciliation of the total proven energy savings with the total guaranteed energy savings. If the total proven savings is less than the total guaranteed savings resulting in a savings deficit, then Siemens must pay the amount of the deficit to the University.

Pledged Revenues and Debt Service Coverage: Not applicable

Variable Rate Debt: Not applicable.

Type of Sale: Not applicable

Analysis and Recommendation: Staff of the Board of Governors has reviewed the information provided by Florida A&M University with respect to the request for Board of Governors approval for the subject financing. Based upon a review of the information provided by the University, it appears that the proposed financing is in compliance with the Florida Statutes. Accordingly, staff of the Board of Governors recommends authorization of the Guaranteed Energy Performance Program.