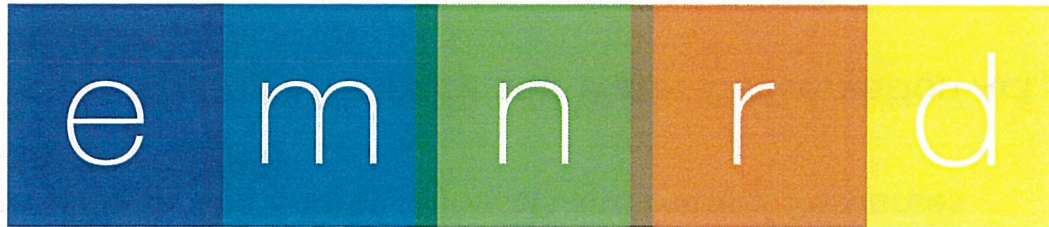


FUNDING ENERGY EFFICIENCY and RENEWABLE ENERGY PROJECTS

N E W M E X I C O



Energy, Minerals and Natural Resources Department



Program Options/Funding Opportunities

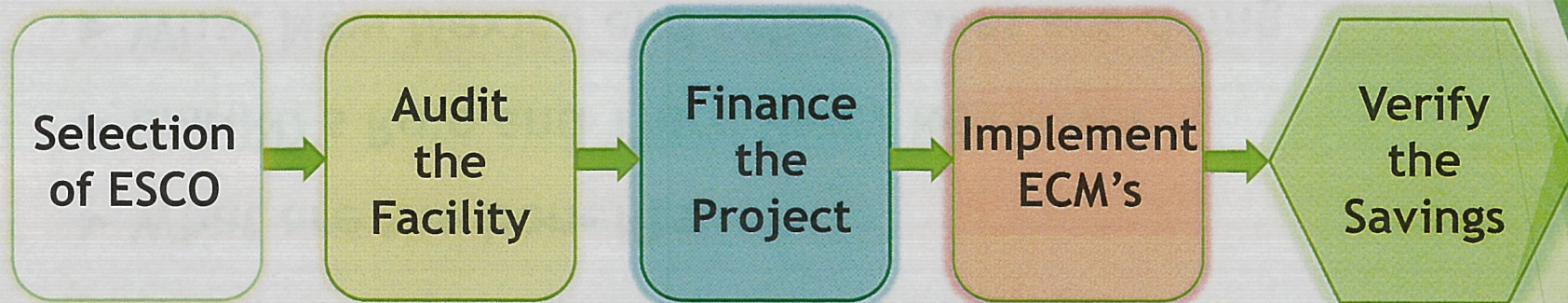
- ▶ Energy Efficiency and Renewable Energy Bonding Act, NMSA 1978 Section 6-21D-3
 - ▶ Provides funding mechanism for state agencies and school districts
 - ▶ Allows the New Mexico Finance Authority to issue bonds upon audit certification by the Energy, Minerals and Natural Resources Department (EMNRD)
- ▶ Public Facility Energy Efficiency and Water Conservation Act, NMSA 1978 Section 6-23-1
 - ▶ Provides opportunity for third-party financing for state agencies, universities, cities, counties, and public schools
 - ▶ Requires an energy savings guarantee by an Energy Service Company (ESCO)
 - ▶ Requires certification of qualifications of ESCO and of energy audit by EMNRD

How Does it work

- ▶ What is the process
- ▶ What is a Performance Contract (PC)
- ▶ What are the benefits
- ▶ EMNRD's Role and Third Party Reviewer
- ▶ What New Mexico and other states are doing



HOW THE PROCESS WORKS



WHAT IS A PERFORMANCE CONTRACT?

A construction project on a facility that uses future energy savings to pay for up-front costs of the project - eliminating the need to dip into capital budgets. These qualified construction measures include:

- ✓ Lighting upgrades
- ✓ Solar installation
- ✓ Heating, air conditioning, boilers upgrades
- ✓ Chiller replacement, building controls



PERFORMANCE CONTRACTING SOLUTIONS

1. Provides a **Self Funded** solution for an Energy Project.
 - Future Energy Savings will **PAY** for the Project.

OR

2. Provides added funding to **Supplement** the Energy Project. Future Energy Savings will:
 - Supplement the Project budget
 - Allow the Project scope to be expanded

Both Options provide a Guaranteed Solution.



Project Overview

New Mexico State University Project

Selected as the 2015 New Mexico Large Energy Project

- Selected Energy Measures= \$15 million
- Annual Savings \$1.4 million
- Utility Rebates \$1 million

Clovis Community College (23 facilities)

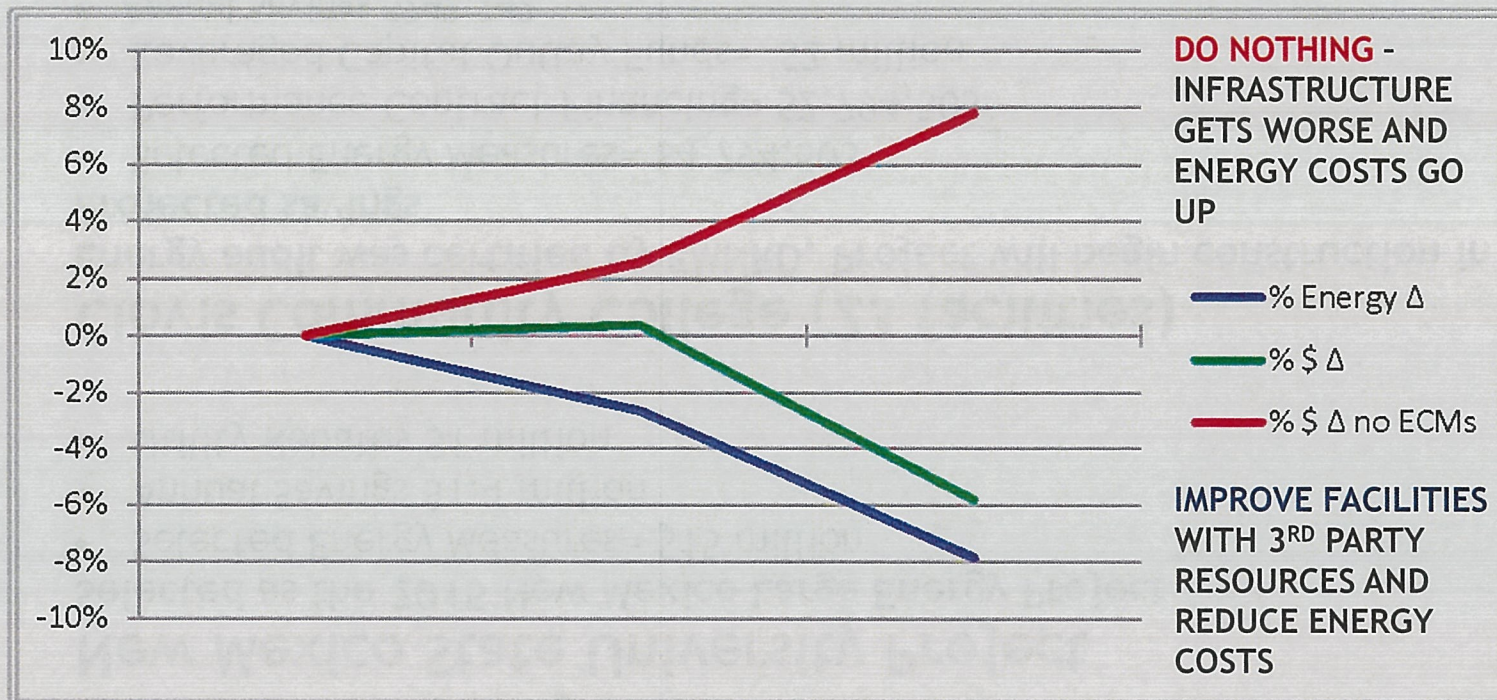
Energy audit was certified by EMNRD, Project will begin construction in 2017

Projected savings

- Selected Energy Measures= \$4,794,503
- Performance Contract Financing= \$2,794,503
- Leveraged Capital Outlay Funds= \$2 million
- Annual Savings \$242,242
 - Gas Savings: 3,188,800 kBtu/year
 - Electricity Savings: 2,160,117 kWh/year
 - Water Savings: 1,782,319 gallons/year



CONTINUE TO PAY HIGH UTILITY BILLS OR IMPROVE FACILITIES



SIGNIFICANT BENEFITS OF THE PROCESS

SCOPE OF WORK

- * Guaranteed Work
No Change Orders

SAVINGS

- * Guaranteed
Energy/Cost Savings

TERM

- * Guaranteed Payback
Time Period



Pre-Qualified Providers

- Statewide Price agreement # 15-000-14-05759AA - Seven fully vetted, prequalified ESCO's
 - Ameresco
 - ECI/OpTerra
 - Johnsons Controls
 - McKinstry
 - Noresco
 - Seimens
 - Yearout/Yesco
- Entities can issue a Request For Proposal (RFP) to select other providers
 - Sample documents available on EMNRD's website: cleanenergynm.org



EMNRD's ROLES & RESPONSIBILITIES

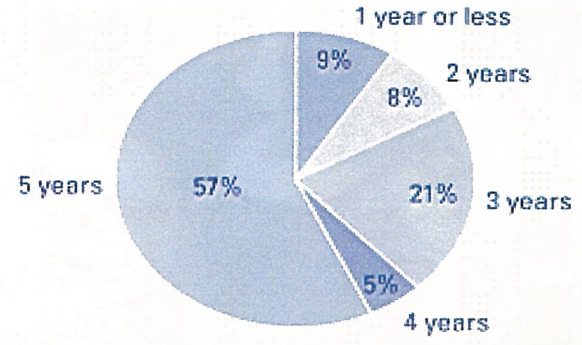
TECHNICAL ANALYSIS

TELETYPE INDICATOR
INTERPRETATION
ANALYSIS
POWER
MARKET
HYPOTHESIS
RETURNS
ECONOMIC
NETWORK
PREDICT
HYPOTHESIS
TO
ANALYSIS
INVESTOR
BEHAVIOR
VOLUME
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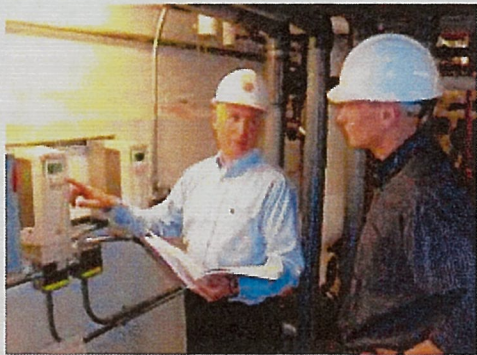


More than

Appropriate Payback Period for Energy Efficiency Upgrades



THIRD PARTY REVIEWER



New Mexico ESPC Projects

AGENCY/ENTITY	TOTAL PROJECT COST (\$)	TOTAL PROJECT COST FINANCED (\$)	ANNUAL GUARANTEED SAVINGS (\$)	SIMPLE PAYBACK (Years)	AREA (ft ²)
Totals/Averages	\$57,240,329.17	\$53,987,100.17	\$4,488,231.96	12.41	11,731,720
LOCAL GOVERNMENT					
City of Bloomfield	\$453,762.17	\$453,762.17	\$30,061.96	15.09	118,054
McKinley County	\$2,401,017.00	\$2,401,017.00	\$333,581.00	7.20	3,534,272
Sunland Park	\$257,979.00	\$175,718.00	\$14,498.00	12.12	747,200
City of Farmington	\$5,533,346.00	\$4,332,378.00	\$362,692.00	11.95	514,934
Sandoval County	\$6,026,824.00	\$6,026,824.00	\$403,734.00	14.93	447,523
City of Las Cruces	\$7,231,635.00	\$7,261,635.00	\$692,122.00	10.49	377,932
Totals/Averages	\$21,904,563.17	\$20,651,334.17	\$1,836,688.96	11.96	5,739,915
HIGHER EDUCATION					
New Mexico State University	\$15,734,306.00	\$15,734,306.00	\$1,316,662.00	11.95	3,431,407
San Juan College	\$7,301,907.00	\$7,301,907.00	\$493,790.00	14.79	920,319
Eastern New Mexico University	\$4,542,316.00	\$4,542,316.00	\$405,039.00	11.21	1,274,460
Clovis Community College	\$4,794,503.00	\$2,794,503.00	\$242,242.00	11.54	365,619
Totals/Averages	\$32,373,032.00	\$30,373,032.00	\$2,457,733.00	12.37	5,991,805
PUBLIC SCHOOLS					
Santa Fe Public Schools	\$2,962,734.00	\$2,962,734.00	\$193,810.00	15.29	-
Totals/Averages	\$2,962,734.00	\$2,962,734.00	\$193,810.00	15.29	-



New Mexico Power Purchase Agreements

AGENCY/ENTITY	EFFECTIVE DATE	TOTAL INVESTMENT (\$)	ANNUAL ESTIMATED SAVINGS (\$)	CONTRACT DURATION (Years)	ARRAY SIZE (kW DC)	GUARANTEED ELECTRICITY GENERATED (kWh / Year)
LOCAL GOVERNMENT						
City of Alamogordo	7/23/2013	\$4,805,814.00	\$156,432.70	25	937.86	1,564,327
Bernalillo County	2/14/2012	\$6,742,480.00	\$240,431.20	20	1,084.00	2,404,312
Silver City	5/3/2013	\$5,943,985.00	\$169,778.80	20	1,148.60	1,697,788
Truth or Consequences	9/11/2014	\$5,616,613.00	\$325,627.80	25	1,877.58	3,256,278
Deming	1/18/2013	\$4,592,797.00	\$157,009.70	25	1,004.00	1,570,097
Totals/Averages	N/A	\$27,701,689.00	\$1,049,280.20	23.00	6,052.04	10,492,802.00

ESPC Dollars Per Capita - New Mexico, Arizona, and Colorado

State of New Mexico

Population (as of 2010):	2,059,179
Performance Contracting Completed:	\$84,942,018.17
Dollars Per Capita:	\$41.25
Number of Job Years Created:	923
Estimated Annual Source Energy Saved (million btus):	704,849
Estimated Annual Tons of Carbon Avoided:	12,107

State of Arizona

Population (as of 2010):	6,392,017
Performance Contracting Completed:	\$323,732,433.00
Dollars Per Capita:	\$50.65
Number of Job Years Created:	3,519
Estimated Annual Source Energy Saved (million btus):	2,686,331
Estimated Annual Tons of Carbon Avoided:	46,143

State of Colorado

Population (as of 2010):	5,029,196
Performance Contracting Completed:	\$486,900,000.00
Dollars Per Capita:	\$96.81
Number of Job Years Created:	5,292
Estimated Annual Source Energy Saved (million btus):	4,040,296
Estimated Annual Tons of Carbon Avoided:	69,400



