

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

Action  
 Information

MEAD Number:  
99848

Resolution:  
 Yes  No

**PURPOSE**

To request Board of Directors approval to award a contract for consulting services to develop a comprehensive plan to reduce energy consumption in Metro facilities.

**DESCRIPTION**

With the rising cost of energy, Metro seeks to reduce energy consumption costs by engaging an energy service company (ESCO). The selected ESCO will apply realistic, innovative, and thorough engineering to conduct an investment-grade audit of current energy consumption in Metro facilities.

Based on those audit results, the ESCO will work closely with Metro stakeholders to develop an Energy Savings Performance Plan to improve energy consumption in Metro facilities. That plan will:

- address each energy source and potential initiatives for reduced consumption and savings;
- develop recommendations and estimate costs to achieve savings; and
- identify programs (Federal or other) that reward implementing such recommendations.

Metro and the ESCO will negotiate agreements for implementing optimal strategies. Staff will bring those agreements back to the Board of Directors for approval.

The performance of this contract will be directed and managed by Operations Services.

Anticipated benefits are:

- Reduced energy consumption
- No net cost to Metro
- Improved employee working conditions
- Energy education and awareness
- Asset life-cycle extension and maintenance efficiencies gained due to modernization of facilities, and uniform upgrades to systems
- Pro-active management of soaring energy costs
- Demonstration of energy responsibility

**FUNDING IMPACT**

- Presently, Metro’s average annual electricity expense is approximately \$27 million, excluding rail power. As a result of an Energy Savings Performance Plan, Metro could potentially benefit from a 15 - 20 percent savings (\$4 - \$5 million annually) based on industry assessment. These funds will be used to pay for required capital improvements. In addition, potential savings could be realized because maintenance requirements will decrease.
- The Energy Savings Performance Plan is a cost-savings program slated to begin mid-FY08. The ESCO shall be compensated on a negotiated percentage of the energy savings. All costs will be funded through these energy and operating cost savings guaranteed by the ESCO. The period of performance shall not exceed 10 years.
- However, if after completion of the investment-grade Audit, Metro decides not to implement the Energy Saving Performance Plan, the ESCO shall receive an Audit fee of \$93,000.

Budget: FY08 Operating Budget

Project: Other Services – Professional and Technical Services

<u>Budget Information:</u>	<u>FY08</u>
Budget Amount:	\$93,000
This Action:	\$93,000
<u>Prior Obligations:</u>	<u>0</u>
Subtotal:	\$93,000
Remaining Budget:	0

However, if Metro proceeds with implementing the Energy Savings Performance Plan, the ESCO fee will be financed from guaranteed cost savings (discussed above), and there will be no budget impact.

**RECOMMENDATION**

Recommend Board approval to award a contract to the selected contractor for performance energy engineering services.