

TOWNSHIP OF LOWER MERION

Board of Commissioners

Issue Briefing

Topic: Energy Savings Program

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Date: September 6, 2019

I. Action To Be Considered By The Board:

Authorize execution of a Guaranteed Energy Savings Program Agreement, subject to Solicitor review, with Energy Savings Group (ESG) to proceed with the proposed energy savings program scope that includes all Priority 1 projects (\$3,739,000) plus the Priority 2 project for Belmont Hills Library HVAC Control Upgrades (\$21,000) for a total project of \$3,760,000 as detailed in the consultant's report dated July 31, 2019, to be funded through unallocated reserve funds including the \$2,000,000 received from the One Ardmore Place Project as recommended by the Public Works Committee on August 5, 2019.

II. Why This Issue Requires Board Consideration:

The Board of Commissioners must authorize execution of a guaranteed energy savings agreement to proceed with the proposed energy savings program.

III. Current Policy Or Practice (If Applicable): N/A

IV. Other Relevant Background Information:

On August 5, 2019 the Public Works Committee voted to recommend that the Board of Commissioners Authorize execution of a Guaranteed Energy Savings Program Agreement with Energy Savings Group (ESG) to proceed with the proposed energy savings program scope that includes all Priority 1 projects (\$3,739,000) plus the Priority 2 project for Belmont Hills Library HVAC Control Upgrades (\$21,000) as detailed in the consultant's report dated July 31, 2019. That would provide a total project size of \$3,760,000. The Committee recommended the program be funded through unallocated reserve funds including the \$2,000,000 received from the One Ardmore Place Project. This would allow the project to begin as soon as contract documents are in place and the Board of Commissioners could as part of the CIP adoption process later revise the sources of funding if desired.

On that same date August 5, 2019 at the Board of Commissioners meeting the item was tabled to September 11, 2019. Accordingly, this item is being considered at a special Board of Commissioners meeting on September 11, 2019. Attached is a new summary Fact Sheet prepared by the consultants detailing costs and savings plus another copy of the consultants' report from July 31, 2019.

If the Board of Commissioners decides to proceed with an energy savings program, after approval from the Solicitor, an agreement would be executed with ESG. ESG would then begin immediately to retain the suppliers and the contractors which they have identified through a competitive process to complete the project. Sample installations would be provided so that quality of life impacts such as color temperature of streetlight lamps can be decided. The investment in some of these assets produce a return on investment for the Township as the energy savings produce payback of the program expenditures. The program also reduces the Township's direct carbon footprint by sharply lowering energy usage plus accomplishes a list of needed infrastructure improvements.

VI. Staff Recommendation:

The staff recommendation was provided earlier and the item under consideration now is a Public Works Committee recommendation.