



ARAPAHOE COUNTY

Energy Performance Contract #3

Facilities and Fleet Management Department

Cedar Blazek, Energy Program Manager

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

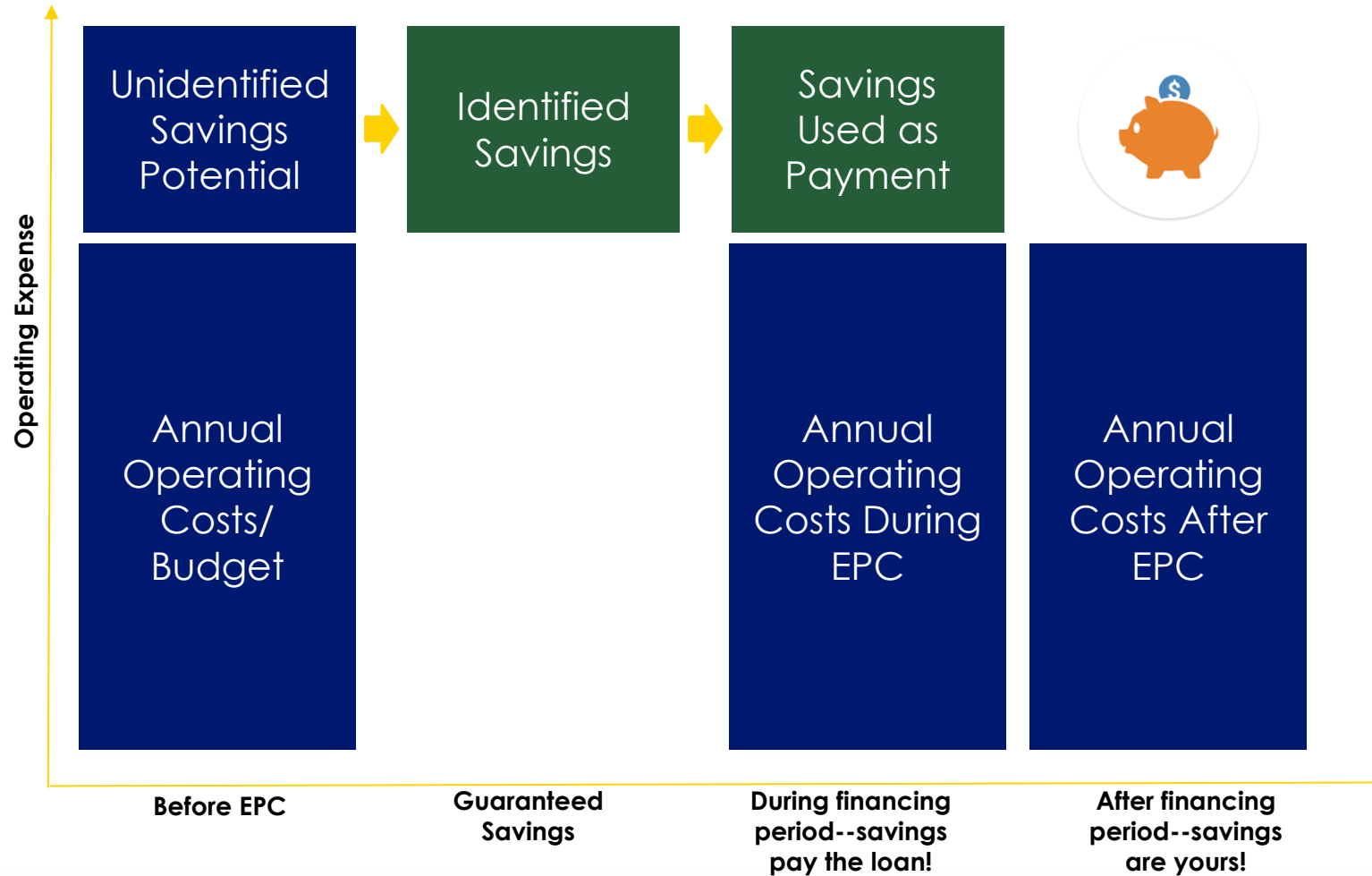
Colorado Statute establishes EPC guidelines including:

- ✓ 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



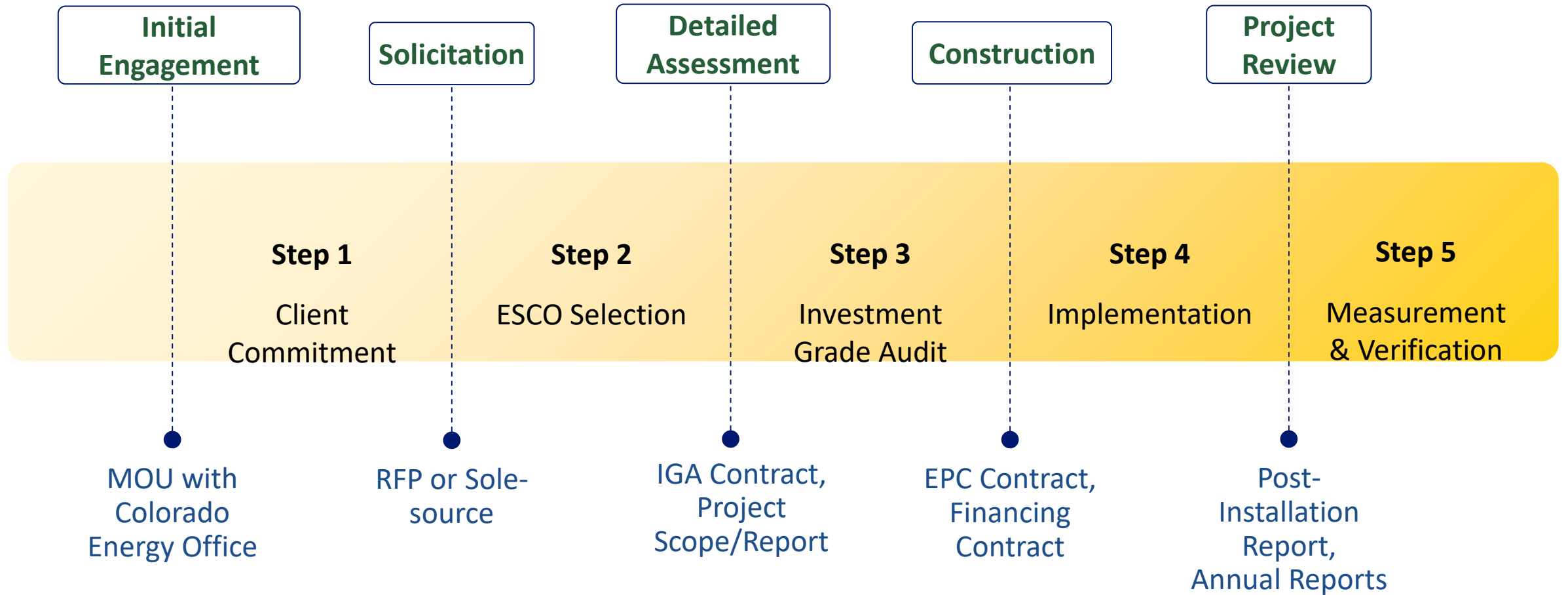
Arapahoe County EPC History

	EPC #1	EPC #2
Year Initiated	2006	2014
Company	Chevron	Opterra
Total Funded Amount	\$10,093,933	\$7,750,139
Projected Savings	\$660,000	\$560,000
Payback	15 years	14 years
Payment	Financed through CitiMortgage	Paid Outright
Example Projects Completed	• Lighting Upgrades (florescent) • Controls Upgrades • HVAC replacements • Waterless urinals	• Lighting Upgrades (LED) • Controls Upgrades • HVAC replacements • Insulation

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

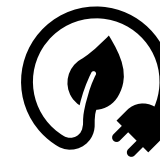
EPC #3 could include* up to **\$30 Million in CIP and BMF Projects** over the next 5 years including:

- **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

- ✓ **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

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

Seeking Approval On...

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