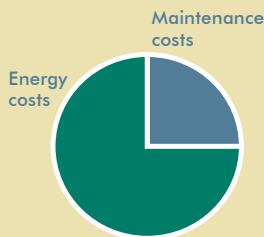


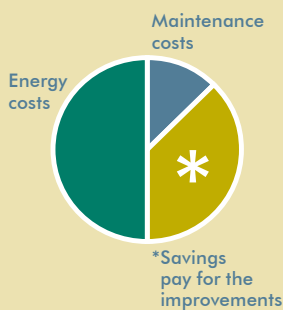


The FCIP is nationally recognized as a best practice.

Before FCIP improvements



After FCIP improvements



For a Complete List of FCIP ESCOs visit

<http://kcc.ks.gov/energy/fcip/partners.htm>

Facility Conservation Improvement Program

FCIP: A tool for improving Kansas public buildings

Many publicly owned facilities in Kansas are aging and inefficient, incurring high costs for energy and maintenance. Wise public officials know that cost-effective energy efficiency upgrades would save them money in the long run. However, tight budgets often compel them to postpone these large capital improvements, even as they continue to pour money into repairing inefficient equipment.

Helping public entities overcome this problem is the reason the State developed the Facility Conservation Improvement Program (FCIP). The FCIP enables local governments, school districts, universities, and others to implement energy-efficiency projects.

Since 2007, 60 FCIP projects are in progress or have been completed in schools, city offices, county courthouses, universities, and hospitals throughout Kansas. All together, the completed projects are saving Kansas taxpayers approximately \$12 million a year in avoided energy and operating costs.

Performance contracting means your project pays for itself

Administered by the Energy Division of the Kansas Corporation Commission, the FCIP uses Energy Savings Performance Contracting (ESPC), a budget-neutral way to finance improvements, in which the energy and operational and maintenance (O&M) savings repay project costs.

To make it easy for public officials to access the benefits of performance contracting, the KCC has identified several private-sector Energy Service Companies (ESCOs) that

are willing to provide services using the state contract. These pre-qualified ESCOs provide turn-key project management—from the design and implementation of custom-tailored improvements through the monitoring of energy savings after the project is completed.

No RFPs

The state contract process means there's no need to issue separate Requests for Proposals (RFPs). FCIP also saves time by freeing busy public officials from having to develop specifications, write contracts, or hire outside consultants and engineers.

We know you're busy. With the FCIP, you can focus on your core mission and say goodbye to complex procurement procedures.

FCIP assists you through each step of your project

The experienced FCIP team assists customers every step of the way during the project. This engagement and oversight ensures that customers fully understand all aspects of their project and the ESCO's guarantee of savings.

FCIP helps busy public officials tackle energy efficiency projects with confidence. Identified nationally as a best practice, the FCIP lets you focus on your core mission instead of spending hours on cumbersome procurement procedures and project management.

A Partial List of
FCIP Participants

- Bluestem USD 205
- Cherokee USD 247
- City of Colby
- City of Manhattan
- City of Salina
- Coffey County Hospital
- Ellis County
- Emporia USD 253
- Fairfield USD 310
- Haven USD 312
- Iola USD 257
- Kansas Department of Wildlife,
Parks and Tourism
- Kansas State University
- Marysville USD 364
- Municipal Services of Olathe
- Nemaha County USD 442
- Osage County
- Piper USD 203
- Pittsburg State University
- Plainville USD 270
- Rawlins County USD 105
- Rock Creek USD 323
- Sabetha USD 441
- Sedgwick County
- Shawnee County
- Smith County
- Southeast of Saline USD 306
- Sumner Regional Medical Center
- Tonganoxie USD 464
- University of Kansas
- Wichita County
- Wichita State University

Performance contracting in the FCIP

Step 1: The Preliminary Audit

You'll select two or three of the FCIP pre-qualified ESCOs to perform the Preliminary Audit. This relatively quick inspection of your facilities allows the ESCOs to get a general idea of the improvements needed and the savings potential. *There is no charge for the preliminary audit.*

Following this initial audit, we'll help you evaluate the preliminary proposals. You'll then select just one ESCO to perform the Investment Grade Audit. FCIP staff does not take part in the ESCO selection. *No FCIP fees are charged if you decide to stop before the Investment Grade Audit.*

Step 2: Investment Grade Audit (IGA)

Before this comprehensive audit of your facilities, you'll work with the ESCO to determine the audit scope. We'll help you identify priorities and evaluate opportunities to ensure that the audit meets your needs. *When included with an Energy Performance Contract, the cost is typically lower than a stand-alone audit.*

Step 3: Energy Performance Contract

If you proceed with the suggested improvements, an Energy Performance Contract defines the project scope, the terms of the guarantee—including the terms of the Measurement and Verification (M&V) period—and the construction schedule. Before the contract is finalized, FCIP staff will work with you and the ESCO to ensure that the final project scope

is based on your priorities as well as the projected energy and O&M savings, and costs identified in the audit.

FCIP staff reviews the final Energy Performance Contract for potential issues and compliance with program requirements. We'll also focus on the guarantee of savings and the M&V terms to make sure you fully understand these critical components.

Measurement and Verification (M&V)

After the project is completed, the ESCO will perform the M&V to calculate energy and O&M savings and verify that the reduction in energy usage meets the terms of the guarantee. The ESCO performs the M&V and reports results to both the customer and the FCIP. Depending on the terms of the guarantee of savings, customers may receive a shortfall check if there are unrealized savings.

FCIP is funded through customer fees and uses no State funds. Fees are based on overall project cost and range from 4% on the smallest projects to just over 0.5% on the largest projects.

FCIP Participation Fees

4% of the first \$100,000 of the project amount
3% of the next \$400,000 of the project amount
2% of the next \$500,000 of the project amount
1% of the next \$4,000,000 of the project amount
½% of any project amount greater than \$5,000,000



FACILITY CONSERVATION IMPROVEMENT PROGRAM

Kansas Corporation Commission | Energy Division
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