

Energy-Efficiency

ECONOMICS

Getting funding is the key to owners' hearts

On March 27, I attended The Earth Technologies Forum's Executive Summit on Building Air-Conditioning Investment in Washington, D.C., an event focusing on the financial wisdom of investing in energy-efficiency upgrades of HVAC applications. Hosted by the U.S. EPA, the Alliance for Responsible Atmospheric Policy, and a number of corporate and institutional co-sponsors, it was a timely event with terrific speakers, experts on topics ranging from chiller-plant design to international energy-efficiency programs.

As many of you know, funding energy-efficiency projects can be a tough sell. That is why the summit tackled funding in a session chaired by *HPAC Engineering*. Because they are so relevant, I'd like to summarize the messages of the session's three speakers.

Floyd E. Barwig, AIA, director of the Iowa Energy Center and a member of *HPAC Engineering's* Editorial Advisory Board, said that by incorporating daylighting, efficient electric lighting, and high-quality controls, the size of an HVACR system can be reduced, making it less expensive. Unfortunately, efficiency projects have to compete for funds with other business interests, making it an imperative that building owners/managers have an incentive to pursue energy efficiency. Floyd said many such funding incentives are available through public and private institutions. Following are Websites provided by Floyd that could help you in your search for sources of funding for your projects:

- Utilities: www.naruc.org.
- State energy offices: www.naseo.org.
- State energy-research organizations: www.asertti.org.
- Economic-development agencies: www.nga.org.
- Energy-services companies: www.naesco.org.

Mark Jewell, chief executive officer of RealWin Inc., a company specializing in increasing real-estate value through energy efficiency, discussed bringing a level of financial skill to energy audits and studies that rivals the level of engineering skill. This increases the probability that projects

successfully compete for funds and management attention. One of Mark's many recommendations was for building owners to add rebate searching/filing to their best-practices list and systematically go after rebates for tenant fit-out, remodeling, and other construction projects, not just energy/water-retrofit projects. According to Mark, \$1.5 billion in rebates was available last year, with nearly 300 utilities and agencies offering them.



Malcolm Verdict, associate director of the Energy Systems Laboratory at Texas A&M University, described the Texas LoanStar program, which provides public funding and verification services for energy-efficiency investments in commercial buildings. Among his major points was the documentation of energy savings through metering and the importance of continuous commissioning. According to LoanStar's analyses, verification increases savings by up to 140 percent by increasing persistence among operators and owners. Metering, as an

investment, amounts to 3 to 5 percent of project costs; however, the payback generally is less than two years.

Altogether, the message of the session was that finding funding incentives for energy-efficiency projects and participating in relevant programs requires a commitment of time on the part of building owners or their staffs. Continuous commissioning, verification through metering and submetering, and using data from energy-management and controls systems are essential. And special loan funds, such as LoanStar, increase the likelihood that projects will get off the ground quickly and low-interest rates will decrease project paybacks significantly.

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