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Best Green Practices – Presentation Submission

Name of Presenter: Rick Earle, Director of Finance
Municipality: City of Burnaby, British Columbia

Overview of Topic:

Rick Earle, Director of Finance at the City of Burnaby had been looking for a unique solution to his rising energy costs, aging facilities' infrastructure and deferred maintenance issues. He recognized that Energy Performance Contracting was the perfect financial solution for his municipality.

Burnaby chose to partner with Honeywell for their project, and under the contract terms Honeywell has audited the City's total energy usage and recommended energy-saving measures. Honeywell has experience working with other local governments, school districts and hospitals. Under the contract terms, the City's expenditures on energy-saving projects will be paid for within 10 years by the realized energy savings plus grants from B.C. Hydro and Natural Resources Canada. The program is risk free for the City of Burnaby in that Honeywell has guaranteed the energy savings, and should they not materialize, then Honeywell will pay the difference. After the 10 year guarantee period, the energy savings will continue to benefit Burnaby allowing the city to reinvest money that would have been spent of utility costs to other key initiatives.

This Energy Performance Contract forms an integral part of the City of Burnaby's "EnergyFit" program for all 155 City facilities and buildings to reduce the amount of energy used, thereby saving costs. Burnaby was the first municipal government in B.C. to embark on a comprehensive energy reduction program of this magnitude.

The program had two key components:

1. An "Energy Performance Contract" which focuses on the changes to hard assets such as lighting, heating, cooling, ventilation, mechanical design, building envelope, energy management systems and water conservancy;
2. "Staff Initiatives" which address areas of focus for employees to achieve energy savings.

With performance contracting, municipalities can substantially improve their facilities' energy efficiency, lower their operational costs and renew their infrastructure - with no financial risk. The cost of the energy and operational savings are quantified and guaranteed on an annual basis over the term of the agreement.

Benefits of an Energy Performance Contract include:

- Program is self funded
- Sustainable energy and operations cost reductions
- Address facilities comfort and safety
- Improve indoor air quality
- Repair, modernize and maintain facilities without added cost to taxpayers
- Minimizes the financial and technical risks to take action
- Reduce environmental emissions (i.e. Green House Gases)
- Achieves guaranteed results
- Local job creation

During this presentation, Rick will highlight the benefits of this type of program and what the City of Burnaby learned throughout the process. Sharing the City of Burnaby's learnings will hopefully benefit other municipalities who are struggling to find ways to fund upgrades in their own facilities.