



Meeting Minutes

5 November 2015

Denver Public Schools

2800 W. 7th Avenue, Denver, CO

Attendees: Don Ciancio (Adams 50), Hal Corin (Jeffco), Jim Faes (DPS), Derel Leedy (DPS), Brad Leitner (Littleton), Laurel Mattrey (DPS), Dana Neidhardt (District 49), Stu Reeve (Ft. Collins), Matthew Robinson (Colorado Energy Office), Ben Teeple (Regis Jesuit High School), Trudy Trimbath (Poudre), Scot Weber (Adams 14), Craig Wright (Aurora), Romas Zableckas (Weld County)

via phone: Eric Anderson (Mesa County), Brett Dowgin (Thompson R2-J), Michael Turner (Colorado Energy Office),

10:15 – 10:45 Federal Deductions: Special Rule 179D

(See bottom of document for “179D At A Glance” Summary)

Presented by: **Rick Juday and Matt Juday (Efficiency Energy, LLC)**

Notes:

- As owner of building, we own tax credit, which is an asset we can authorize to allocate to an outside entity.
- Can allocate up to \$1.80/ft²:
 - \$0.60/ft² lighting
 - \$0.60/ft² HVAC
 - \$0.60/ft² Building envelope
- Ideal project size >\$40,000
- Acquiring entity must apply credit to federal taxes and, ideally, have the tax capacity to fully recognize.

- Acquiring entities may qualify for credit allocated by owner on projects implemented since 2012
- Open book, thoroughly documented, rigorous process
- Client list:
 - Chicago Schools
 - Washington DC Schools

10:45 – 11:45 Combined Solar Thermal & Illumination

For copy of presentation, go to: (large file)

<https://www.dropbox.com/s/ha0anmk6shdkn8n/2015%20SkyLouver%20technical.pdf?dl=0>

Presented by: **John Tandler (Sky Louver Systems)**

Notes:

- Product has application where heat captured by solar thermal can be conveniently routed to serve other loads.
- Construction:
 - Polycarbonate shell, not acrylic:
 - Semi-impervious to hail
 - Tested to 60lb/ft² ~ 160 mph wind
- Lighting efficiency ~ 100 lumens/watt?
- Assembly mounted controls respond such that light delivered remains constant vs. normal skylight that fluctuates with direct sun exposure and obscured by clouds
- Approx. installed cost: \$3,500/module

12:25 – 12:50 DPS Sustainability Debrief

Presented by: **Jim Faes – Sustainability Director (Denver Public Schools)**

Notes:

- \$17 Million utility budget, \$10 Million of which is electricity
- Food to table program, facilitated by 3 farms, 100 school gardens
- District-wide water efficiency upgrades made in partnership with Denver Water

- Brief overview of Xcel’s Energy Design Assist (EDA) program
 - Designed to provide rebates for construction enhancements that exceed current energy efficiency building code guidelines.
 - Customer guided through process by Xcel certified consultant to select scope “bundles.”
 - Discussed schools recently completing construction and other prospective (i.e. alternative high school for pregnant teens)
- Energy accomplishments:
 - Jim signed on to accomplish 3 primary goals:
 - Track energy use
 - Take full advantage of incentives
 - Pay bills on time
 - In partnership with Xcel Energy and Denver Water, DPS has earned \$3.5 Million in rebates since 2009
 - Laurel Mattrey has successfully applied for and acquired over \$500,000 in grants
 - Although electric rates have increased 24% from 2009 to 2015, DPS has incurred only an 8% increase in actual utility expenditures over that same time period. (On average Jim estimates Xcel electric rates to increase 4%/year)
 - Transport gas agreements in effect at 122 out of 165 schools
- Green Jobs Workforce Training Program
 - Program by which DPS hires special needs students to fulfil district sustainability needs:
 - Change out light bulbs, once trained to identify type
 - Cultivate school gardens
- Department structure:
 - Darel Leedy – Oversight of 109 DDC systems (11 different brands)
 - 3 DDC controls technicians
 - 1 technician specializing in pneumatics

12:50 – 1:20 Xcel Update

Presented by: **Melanie Gavin**

Notes:

- Reiterated value and clarified process involved in Energy Design Assist program
- Reminded all that the lighting bonus rebate expires at the end of the month. So please turn in applications soon.
- Mentioned the Xcel Energy Building Optimization pilot in which Aurora Public Schools enlisted, leveraging a technology partner: BuildingIQ. Perhaps a topic for discussion at an upcoming meeting.

1:20 – 2:00 Open Discussion on IoT (Internet of Things) and Upcoming Meeting Planning

Presented by: **Craig Wright**

Notes:

- Inquired of members being flooded by publications referencing IoT as a building controls market changing technology trend.
- Inquired if it would be suitable for CASDEM to collectively and proactively develop a threat/opportunity matrix on the topic, and perhaps even issue a position statement to offer district guidance.
- Comments suggested more was needed to develop awareness on the topic. Tabled for a potentially future discussion.
- Inquired of topics to present at next meeting.

179D at a Glance

What is 179D? The Section 179D deduction of the Internal Revenue Code encourages energy efficiency in building design and construction. Originally enacted as part of the 2005 Energy Policy Act, it was extended in 2008 by ARRA and expired 12/31/13. 179D provides *a retroactive opportunity for savings* from investments in energy efficiency.

What does 179D cover? All new & existing government buildings: schools, hospitals, airports, parking garages etc.

Is there a minimum sized project? At least 40,000 sqft of affected space is needed to support costs.

Who is eligible? Any governmental entity including schools, airports, cities, counties, states, universities, and federal agencies who have newly constructed or retrofitted existing lighting, HVAC & building envelope systems.

Source of Funds: The statute is blind as to the source of funds; therefore, Capital funds, ARRA monies, State or DOE grants and energy performance contracts are all candidates for the 179D benefit.

But governmental entities do not pay taxes, how can my governmental entity get a payment? The IRS guidance states that governments may allocate the 179D to ESCOs, architects, contractors or engineers who designed energy efficient systems of their buildings, and just like other governmental assets, the governments can receive in exchange for a negotiated savings from the ESCO, architect or engineer a portion of the tax benefit of the 179D deduction confirmed in a transfer agreement accounting for all of the processing costs including certification, legal, accounting, data gathering fees.

How many years can I apply 179D? IRS has a 3-year statute of limitations on claiming refunds, so projects completed 1/1/2010 – 12/31/2013 are potential candidates.

How much can I allocate? Up to \$1.80 per square foot from new & existing buildings (\$0.60/sqft to lighting, HVAC, and building envelope systems respectively).

What are typical government savings? \$25,000 to over \$250,000+

How long does the process take to get a payment? Typically 4-6 months.

What is the process? Efficiency Energy LLC manages & processes each of the key steps to success: 1. Feasibility study to determine eligible amounts & verify with participating designers; 2. Negotiate Allocation Agreement; 3. Certification by qualified third-party energy modeling with DOE-approved software; 4. Site visit; 5. Closing documentation with legal, accounting, governmental entity & Designer(s) and exchange of value.

What are savings req's? 25% Lighting, 15% HVAC, 10% Envelope vs. ASHRAE 90.1-2001 Reference System.

What is the cost? There is no-upfront-cost. Fees are paid upon successful receipt of savings.

Who may I call with Questions? Will Volker 720-201-6856 wvolker@wesavegreen.com