OVERVIEW

The State Energy Management Program (SEMP) exists within the Department of Buildings and General Services (BGS) to administer the interest of the State in all energy management measures in State buildings and facilities, the implementation of energy efficiency and conservation measures, and the use of renewable resources. The SEMP is implemented through two revolving funds that are used to finance energy management measures in State buildings and facilities. State agencies and departments may apply to fund energy management projects through these revolving funds. The first fund, the State Resource Management Revolving Fund (SRMRF) is available for resource conservation measures. The other fund, the State Energy Revolving Fund (SERF), is available for energy efficiency improvements and the use of renewable resources. This document will provide information regarding the SEMP and will serve as a guideline for State agencies and departments who may wish to apply for project funding through a SEMP revolving fund.

PARTICIPATION IN THE BILLION DOLLAR GREEN CHALLENGE

BGS has joined the Billion Dollar Green Challenge (The Challenge). The Challenge encourages colleges, universities, and nonprofit institutions to invest a combined total of one billion dollars in self-managed revolving funds that finance energy efficiency improvements. Participating institutions will achieve reductions in operating expenses and greenhouse gas emissions, while creating regenerating funds for future projects. The Challenge is coordinated by the Sustainable Endowments Institute in collaboration with 15 partner organizations, including the Clean Air – Cool Planet, Clinton Climate Initiative, and Vermont Energy Investment Corporation (VEIC). The State of Vermont is the first State to join The Challenge.
SRMRF APPLICATION

All State agencies responsible for development and operations and maintenance of State infrastructure are eligible to apply. Proposals must be for resource conservation measures (RCM) anticipated generating a life cycle cost benefit to the State.

Agencies requesting funding from the SRMRF are encouraged to fill out the application form. In addition to the information requested in the form, applicants must also submit:

- Calculations that support the resource savings and associated financial savings.
- Provide documentation of incentives or other alternative funding sources (such as the Efficiency Vermont Incentive program).
- Energy savings provided by Efficiency Vermont, Burlington Electric Department or Vermont Gas will be accepted as supporting calculations documentation.

SERF APPLICATION

All State agencies and departments are eligible to apply. Proposals must be for energy efficiency improvements and/or the use of renewable resources in State buildings and facilities that are anticipated to generate a cost savings to the State.

Agencies or departments requesting funding from the SERF must fill out the application form. In addition to the form, applicants must also submit:

- Calculations that support the energy savings and associated financial savings.
- Provide documentation of incentives or other alternative funding sources (such as the Efficiency Vermont Incentive program).
- Energy savings provided by Efficiency Vermont, Burlington Electric Department or Vermont Gas will be accepted as supporting calculations documentation.

APPLICATION SUBMITTAL AND REVIEW

Project applications can be submitted at any time to BGS. Project applications will be reviewed by the Energy Management Division (EMD) and submitted to the Commissioner of BGS for final approval.

The EMD will review projects and prioritize them based on criteria requested in the fund application. The committee will consider:
• Simple Payback Period calculations that incorporate financial incentives
• Total project funding need and availability of funds
• Life cycle cost benefit to the State (including Net Present Value and Lifetime Return on Investment)
• Annual greenhouse gas emissions reduction
• Annual reduction in energy usage
• Project Schedule and start date
• Project cost
• Resources conserved, including water usage and waste reduction.

For a project to be considered and/or awarded, funding must be available. All projects must show a positive return on investment. Projects with a lower Payback period will be considered first. Projects can be bundled together to help reduce the overall payback period. Bundled projects must be submitted under a single application. Additional criteria may also be considered, including, but not limited to: measures that coincide with larger construction projects where the opportunity will not be available at a future date, measures that help agencies and departments meet statutory requirements, or the promotion of innovative technologies. All projects are subject to review by the Commissioner of BGS, the Commissioner of Finance and Management and the Treasurer.

When approved, the Commissioner of BGS will send the applicant agency or department a project approval letter that includes a repayment schedule.

IMPLEMENTATION
The applicant is responsible for implementation of the project. BGS employees may act as the project manager on behalf of a department or agency when applicable. If BGS project management is needed, the project application should identify that need. The project must begin on the specified start date. The project manager must report to BGS on the progress of the project at regularly scheduled intervals. Agencies and departments must follow all normal procedures involved with state purchasing as set forth by department, Bulletin 3.5, and the BGS Office of Purchasing and
Contracting. If a project is expected to go over budget, the applicant may request additional funding with a detailed analysis of how the additional cost will affect the payback period and return on investment. This request will be reviewed by the EMD and approved by the Commissioner of BGS, the Commissioner of Finance and Management and the Treasurer.

**TRACKING, REPORTING AND REPAYMENT**

All projects will be entered into the Green Revolving Investment Tracking System (GRITS). GRITS is an online tracking tool made available to BGS through the Sustainable Endowment Fund and the Billion Dollar Green Challenge.

The GRITS tool makes it possible to:

- Access and learn from the field-tested work of other institutions,
- Facilitate investments in efficiency projects by enabling fund administrators to easily and clearly communicate with stakeholders,
- Simplify calculations of project-specific carbon and financial savings on both annualized and estimated life-of-project timeframes, and
- Create customized reports that tell the story of current and anticipated financial and environmental performance.

Recipient agencies and departments will be responsible for repayment of the loan according to the repayment schedule established by the Treasurer’s Office and the Department of Finance and Management. SERF repayments will consist of 100% of the estimated annual value of energy saved, waste reduced or power produced and a 2% interest rate payable to the Treasurer’s Office and a 2% administrative fee payable to BGS.  SRMRF repayments will consist of 100% of the estimated annual value of energy saved or waste reduced and an administrative fee of 0.5% of the outstanding balance payable to BGS.
State Resource Management Revolving Fund Process

Develop Project Application

Submit Application to BGS for review.

Applicants will receive an approval letter detailing the repayment terms and conditions.

All invoices associated with the project will be sent to Financial Services for payment from the SRMRF.

After project completion repayment will commence.

State Energy Revolving Fund Process

Develop Project Application

Submit application to BGS for review.

Approved projects will submitted to the Treasurer's Office for funding approval.

The Treasurer's Office and Finance agree on terms of loan and funds are released.

After project completion repayment will commence.