



DASNY

Energy Performance Contracting & Financing Program

January 15, 2019

Meeting Agenda

1. **Opening Remarks:** Paul Koopman, Managing Senior Director, DASNY
2. **Overview of Energy Performance Program:** Paul Koopman, Managing Senior Director, DASNY
3. **Overview of TELP:** Art Ware, Senior Financial Analyst, Public Finance & Portfolio Monitoring, DASNY
4. **Minority Goals and Diversity Expectations:** Michael Clay, Senior Director Resource Acquisition | Opportunity Programs Group, DASNY
5. **Procurement Process Overview:** Kara Mallard, Senior Contract Administrator, DASNY
6. **Questions and Answers**



DASNY

Overview of Energy Performance Program

Energy Performance Program and Policy Goals:

DASNY's new energy performance/TELP package will allow DASNY to:

- Offer a turn-key solution to both public and private clients to finance, design, and build capital projects that save energy, reduce clients' energy costs, and decrease clients' operations and maintenance costs.
- Offer additional services and capabilities for its clients and as a result increase and enhance the number of successful energy performance contracts that DASNY delivers for its clients state-wide; and
- Provide DASNY clients options through DASNY to procure Energy Conservation Measures (ECMs) and financing from qualified firms and financing parties in a timely and cost-effective way.

Energy Performance Program and Policy Goals:

Projects undertaken as part of this ESCO Program are expected to meet one or more of the following objectives:

- A net decrease in energy consumption;
- A net reduction in energy costs over the life of a project; or
- Any other criteria determined by DASNY to be consistent with the intent of the ESCO Program and State Law.

Energy Performance Program and Policy Goals:

This initiative complements Governor Cuomo's Reforming the Energy Vision (REV) strategy to build a clean, resilient, and affordable energy system for all New Yorkers. REV is ensuring New York State reduces statewide greenhouse gas emissions 40 percent by 2030 and is looking to help achieve the internationally recognized target of reducing emissions 80 percent by 2050.

REV is Governor Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient, and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency.

This program is in support of the recently adopted Clean Energy Standard, which requires that 50 percent of the state's electricity needs be generated from renewable energy sources by 2030.

Energy Performance Program Highlights

- DASNY will pre-qualify a number of Energy Service Companies (ESCOs) to provide turn-key solutions.
- Projects must pay for themselves through energy savings.
- These providers will supplement DASNY's existing energy performance program providers, but will not replace them.
- Project financing, including self-financing or third-party private financing, will be included as an optional service for projects delivered under the ESCO Program.
- A financing RFQ to complement this ESCO procurement is expected to be out shortly.

Energy Performance Program Client Base:

- Expectation is that this program will service both DASNY's public sector clients and private financing clients within DASNY's current statutory authorizations.
- Major public clients may potentially include CUNY, SUNY, and the Office of Mental Health.
- Private client base may include not-for-profit higher education and health care institutions.

Tax-Exempt Equipment Leasing Program (TELP)

TELP Program Structure

Tri-Party Master Lease Agreement:

- DASNY leases equipment from the leasing company/bank (lessor) at a tax-exempt rate.
- DASNY (Lessee) subleases equipment to the institution at the same tax-exempt rate.
- Institution (Sub-Lessee) makes tax-exempt lease payments directly to the leasing company/bank.

TELP Program Structure

Objectives

- Reduce the cost of procuring and financing technology and equipment.
- Provide efficient access to the tax-exempt capital leasing market.

How TELP Works

- DASNY enters into a lease with the equipment leasing company/bank.
 - Minimum lease amount is \$500,000
- DASNY subleases the equipment to the borrowing institution.
- Borrowing institution repays the equipment leasing company directly at DASNY's tax-exempt leasing rate.
- Leasing company's security runs solely to leased equipment.

TELP Program Structure

- **Issuer:** DASNY
- **Interest Rates:** Usually fixed rate. Interest rate secured by two methods:
 1. DASNY may bid the project to financing parties.
 2. Institution may identify its own financing party.
- **Lease Type:** Usually capital leases with \$1.00 buyout structure.
Example: TELP financing of a 60-month term = 1/60 of ownership each month until repaid.
- **Term:** Limited by Federal Law to 120% of expected useful life of equipment.
- **Security:** Perfected first security interest in the equipment.
- **Custodian/Escrow:** Set up for a period of up to 3 years as is needed to draw monies to fund the project.

MWBE & SDVOB Goals ESCO Procurement

- MBE Goal 18%
- WBE Goal 12%
- SDVOB Goal 6%

Diversity & Inclusion Team Participation

Participation in Professional Services



DASNY

Request for Proposal (RFP) Professional Services Selection

Request for Proposal

Event	Date
Issuance of RFP	12/24/18
Pre-Proposal Meeting	01/15/19
Deadline for RFP Questions	01/21/19
Post Responses to Questions	01/25/19
SOQP Due Date	02/08/19
Interviews/Presentations (not earlier than)	02/13/19
Preliminary Pre-qualification Notification & Issuance of Draft Program Documents (not earlier than)	02/20/19
Finalization of the Program Documents & Execution of Base Contracts	03/29/19

Request for Proposal

Procurement Structure:

- Pre-qualify ESCOs
- Pre-qualified ESCOs will receive the following form documents:
 - Project Specific RFP Template
 - Investment Grade Audit
 - Energy Performance Contract

Request for Proposal

Statement of Qualifications Requirements:

- Provide response in same order as requested
- Provide sufficient information
- Follow page limits
 - Page limits referenced in Section 3, Tab 2 are not inclusive of SF330 forms.

Request for Proposal

Statement of Qualifications Submission:

- 1 hard copy
- 1 electronic copy



Questions?