

The program also provides tools to help participants quantify the financial benefits that can be gained from their proposed projects. Many projects, such as lighting upgrades, can produce returns greater than 50 percent and pay for themselves within three years.

Overcoming Financial Barriers

Even when the long-term financial benefits of efficiency is understood, the initial cost to purchase and install equipment is often a major barrier to moving projects forward. In addition to offering incentives, CitySaver also provides guidance on the numerous financing options available to program partners, such as municipal leasing, grants, and loan programs like the Basic Energy Conservation Office's LeadSTAR program and the Trust Maintenance and Improvement Fund. Many of these mechanisms allow a city to pay for equipment by using the savings from energy bills over time, enabling a city to implement upgrades as an incremental investment with little or no up-front investment on the city's part.

"Now more than ever, managing operating costs is a key component to successful budgetary planning," said Ed King, a senior advisor with Government Capital, a firm specializing in energy efficiency financing. "The right financing structure can enable an agency to move forward with its energy efficiency program in less than 24 days without diverting fund balances or funding for other capital projects, thereby making energy savings easier."

Another popular way to finance energy efficiency upgrades is through a performance contract. In a performance contract, the company that performs the upgrades effectively guarantees that the improvements made will result in significant energy savings. While such is structured differently according to the types of projects included, performance contracts are designed to allow the participating organization to pay for the work over time using the savings that the improvement projects generate.

The City of Abilene recently awarded a wide range of improvements using a performance contract. In 2006, the city upgraded traffic lights and pedestrian signals to incorporate LED technology and replaced lighting systems in the public library and Law Enforcement Center with more efficient equipment. The projects will result in nearly 800,000 kilowatt-hours of reduced energy use, equivalent to the carbon dioxide emissions of more than 72,000 gallons of gasoline, according to EPA calculations. In addition, the city received \$15,500 in CitySaver incentives from AEP-Texas North.

"For us, the combination of AEP incentives and no upfront costs made the decision to undertake these projects very easy," said Odis Dolan, assistant director of finance for the City of Abilene. "We're already making significant

savings on our energy bills, and we're just getting started." The city will complete the first phase of its performance contract in 2009 and is now considering additional projects.

CitySaver provides engineering support to help guide program participants through the process of selecting the most efficient equipment for their facilities. Common improvements include lighting upgrades and heating, ventilation, and air conditioning (HVAC) upgrades, but the program has also seen a growing trend of sustainable energy projects such as solar installations and geothermal systems.

Program incentives are available for new conservation projects as well. "We often assumed that high efficiency buildings carry a higher initial cost," said Dale Skason-Hayle, CLEGG's vice president of engineering. "While high efficiency equipment can cost more compared to standard equipment of equal size, incorporating high efficiency design into all aspects of a project allows smaller individual units to provide the same results at larger, less efficient ones. For example, high efficiency windows and lighting help reduce the size of the air conditioning system necessary to keep the building comfortable."

CitySaver isn't the only utility program available to cities. As part of its "Take a Load Off, Texas" energy efficiency program, Oncor also offers the City Matching Grant Program, which is ideal for cities that have already identified viable projects. It provides matching grants of up to \$10,000 for the implementation of energy efficiency projects.

Communicating Success

Recognizing the importance of public support to fund efficiency projects, CitySaver also provides public relations and communications assistance. This ranges from press releases announcing significant achievements to the coordination and arrangement of television news coverage. CitySaver partners have been featured in a number of print publications, and News 8 Austin recently ran a story on the City of Temple's library upgrades.

It is a difficult time for cities across the state, and citizens are increasingly concerned about how their tax dollars are spent. Energy efficiency offers a proven, low-risk method of shrinking budget woes, while promoting and demonstrating environmental awareness. With the combination of reduced energy bills, innovative financing options, and utility incentives, many cities have discovered that the most expensive option is doing nothing at all. ■

CLEGG is an energy efficiency consulting firm based in Austin. The company develops and implements utility energy efficiency and sustainable energy programs nationwide. For more information, please visit www.clegh.com.