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INVESTING IN GEORGIA'S  
ENERGY, LAND & WATER RESOURCES



# Georgia Energy Performance Contracting

NASEO

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## Energy Resources

- *Georgia Energy Challenge*
- Weatherization
- State Energy Program
- State Utilities Program
- Energy Assurance
- Performance Contracting
- State Energy Strategy



## Land Conservation Program

- Land purchase financing
- Conservation easements
- Tax credits

## Fuel Tank Program

- Remediation
- Monitoring
- Training



## Water Resources

- Water and sewer financing
- Solid waste financing
- Water conservation
- Water supply financing

- Water and sewer financing
- Solid waste financing
- Water conservation
- Water supply planning and financing





# GEFA Programs

## GEFA Water and Sewer Infrastructure Financing Programs

### State Funding

**Georgia Fund**  
State bond funds  
and loan  
repayments

**GA Reservoir  
and Water  
Supply Fund**  
State bond funds

### Federal Funding

**Clean Water SRF**  
Federal  
appropriations,  
state bond funds  
(match funds) and  
loan repayments

**Drinking Water  
SRF**  
Federal  
appropriations,  
state bond funds  
(match funds) and  
loan repayments

# Water Resources Division Loan Activity

## Water, Wastewater and Land Conservation Loans

GEFA low-interest rate loans approved by the GEFA board, FY84 through End of May 2014

| <u>Program</u>                    | <u>Number</u> | <u>Amount (\$)</u>      |
|-----------------------------------|---------------|-------------------------|
| <b>Water and Wastewater</b>       |               |                         |
| Georgia Fund                      | 1,323         | 1,718,495,153           |
| Clean Water SRF                   | 278           | 1,673,688,672           |
| Drinking Water SRF                | 291           | 377,852,065             |
| Water Supply                      | 21            | 159,544,366             |
| Water / Wastewater Subtotal       | 1,913         | 3,929,580,256           |
| <b>Land Conservation</b>          |               |                         |
| Georgia Land Conservation Program | <u>44</u>     | <u>69,387,575</u>       |
| Total Board Approvals             | <b>1,957</b>  | <b>\$ 3,998,967,831</b> |



# Water Resources Division

| Program   | 5-Year Loan                   | 10-Year Loan                  | 15-Year Loan                | 20-Year Loan                | Annual Borrowing Maximum |
|---|-------------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------|
| Benchmark Rate  | 0.76%                         | 1.52%                         | 2.27%                       | 3.03%                       | ---                      |
| Georgia Fund  | 0.76%                         | 1.52%                         | 2.27%                       | 3.03%                       | \$3,000,000              |
| Georgia Fund – Interim Finance                            | 0.76%                         | 1.52%                         | 2.27%                       | 3.03%                       | \$3,000,000              |
| Georgia Fund – Water or Energy Conservation or WaterFirst | 0.51%<br>(25 bp reduction)    | 1.02%<br>(50 bp reduction)    | 1.52%<br>(75 bp reduction)  | 2.03%<br>(100 bp reduction) | \$3,000,000              |
| Georgia Fund – Environmental Emergency                    | 0.50%**<br>(50 bp reduction)  | 0.52%<br>(100 bp reduction)   | N/A                         | N/A                         | \$500,000                |
| Georgia Fund - PlanFirst                                  | 0.51%<br>(25 bp reduction)    | 1.27%<br>(25 bp reduction)    | 1.77%<br>(50 bp reduction)  | 2.53%<br>(50 bp reduction)  | \$3,000,000              |
| Clean Water State Revolving Fund (CWSRF)                  | 0.50%**<br>(100 bp reduction) | .052%<br>(100 bp reduction)   | 1.27%<br>(100 bp reduction) | 2.03%<br>(100 bp reduction) | \$25,000,000             |
| CWSRF – Water or Energy Conservation or WaterFirst        | 0.50%**<br>(125 bp reduction) | 0.50%**<br>(150 bp reduction) | 0.52%<br>(175 bp reduction) | 1.03%<br>(200 bp reduction) | \$25,000,000             |
| CWSRF - PlanFirst   | 0.50%**<br>(125 bp reduction) | 0.50%**<br>(125 bp reduction) | 0.77%<br>(150 bp reduction) | 1.53%<br>(150 bp reduction) | \$25,000,000             |
| CWSRF – Land Conservation                                 | 0.50%**<br>(125 bp reduction) | 0.50%**<br>(150 bp reduction) | 0.52%<br>(175 bp reduction) | 1.03%<br>(200 bp reduction) | \$25,000,000             |
| Drinking Water State Revolving Fund (DWSRF)               | 0.50%**<br>(100 bp reduction) | 0.52%<br>(100 bp reduction)   | 1.27%<br>(100 bp reduction) | 2.03%<br>(100 bp reduction) | \$25,000,000             |
| DWSRF – Water or Energy Conservation or WaterFirst        | 0.50%**<br>(125 bp reduction) | 0.50%**<br>(150 bp reduction) | 0.52%<br>(175 bp reduction) | 1.03%<br>(200 bp reduction) | \$25,000,000             |
| DWSRF – PlanFirst   | 0.50%**<br>(125 bp reduction) | 0.50%**<br>(125 bp reduction) | 0.77%<br>(150 bp reduction) | 1.53%<br>(150 bp reduction) | \$25,000,000             |
| Water Supply Planning Loan                                | 0.76%                         | 1.52%                         | N/A                         | N/A                         | \$3,000,000              |

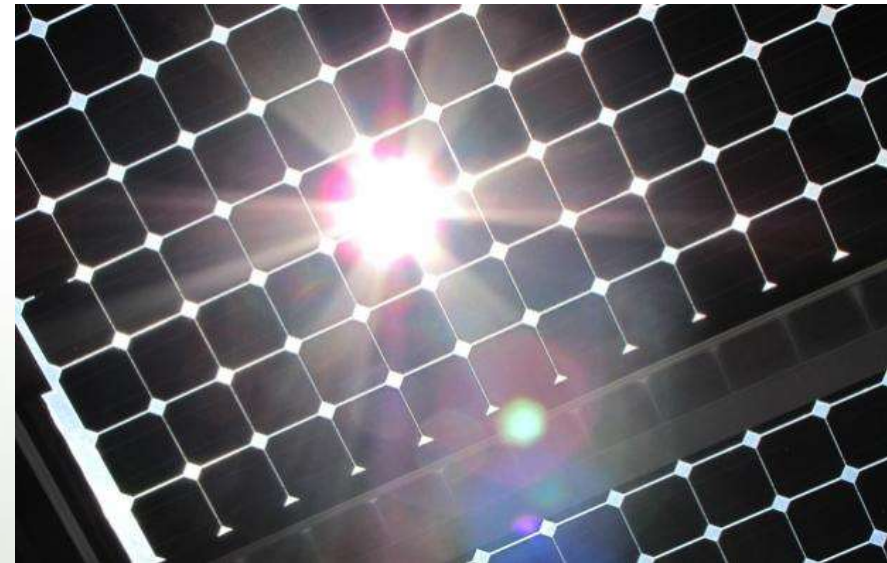
\*\*0.5% Interest Rate Floor

Effective June 2014

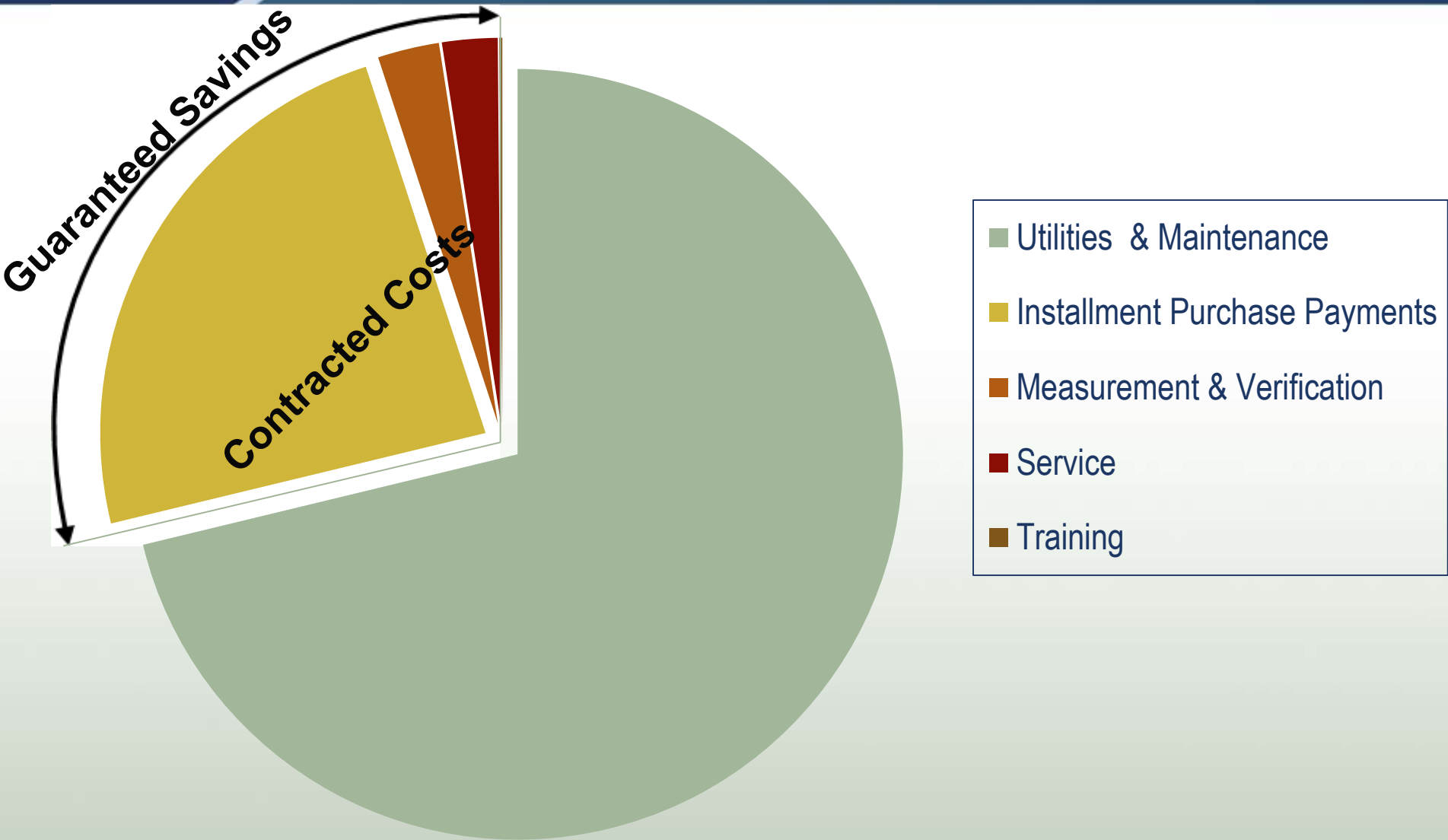


# Energy Resources Division

- Georgia Energy Challenge
- Weatherization
- State Energy Program
- State Utilities Program
- Energy Assurance
- State Energy Strategy
- Performance Contracting



# Utility Expenses







# Agency Expenses and Funding Sources

## TYPES OF EXPENSES PAID BY PURCHASER

### PROCUREMENT & BEFORE CONSTRUCTION

- Consultant (Optional)

### DURING CONSTRUCTION

#### FROM ESCROW

- Audit Fee
- Closing Costs
- Escrow Costs
- Commissioning
- Contingency
- Monthly Construction Progress Payments to ESP

### AFTER CONSTRUCTION

- Installment Purchase Payment
- Measurement & Verification
- Service Agreement
- Training



# Contract Costs - Construction

|              | Costs  | Comments       | Amount             |
|--------------|--|----------------|--------------------|
| ESP COSTS    | <b>Hard Costs</b>                              |                |                    |
|              | Furnish & Install ECM                          |                | \$2,704,209        |
|              | ESP Contingency                                | 4% contingency | \$108,168          |
|              | <b>(A) Total Hard Costs</b>                    |                | <b>\$2,812,377</b> |
|              | <b>Financed Service Fees</b>                   |                |                    |
|              | Engineering, designs & specs                   |                | \$77,000           |
|              | Project Management                             |                | \$458,399          |
|              | Commissioning                                  |                | \$46,071           |
|              | Cost of Guarantee Security Instrument          |                | \$9,000            |
|              | Other  |                | \$210,655          |
|              | <b>(B) Total Financed Service Fees</b>         |                | <b>\$801,125</b>   |
|              | <b>(C) Total Direct Costs (A + B)</b>          |                | <b>\$3,613,502</b> |
|              | <b>(D) Total Markup, Overhead &amp; Profit</b> |                | <b>\$859,961</b>   |
|              | <b>(E) Total Project Costs (C + D)</b>         |                | <b>\$4,473,463</b> |
| AGENCY COSTS | <b>Agency Costs</b>                            |                |                    |
|              | Agency Contingency                             |                | \$0                |
|              | Investment Grade Audit Fee                     |                | \$52,650           |
|              | <b>Agency Total Financed Costs</b>             |                | <b>\$52,650</b>    |
| PROJECT COST | <b>Incentive(s)/Rebates</b>                    |                | <b>(\$28,431)</b>  |
|              | <b>Total Financed Project Costs</b>            |                | <b>\$4,497,682</b> |



# Sample Annual Cash Flow

| Year  | Utility Savings | Operational Saving | Total Projected Savings | Total Guaranteed Savings | ECM Continuing M&V | ECM Continuing Services | ECM Continuing Services (Training) | Installment Purchase Payments | Total Cost  | Net Cash Flow |
|-------|-----------------|--------------------|-------------------------|--------------------------|--------------------|-------------------------|------------------------------------|-------------------------------|-------------|---------------|
| 1     | \$516,072       | \$18,275           | \$534,347               | \$448,549                | \$39,206           | \$36,196                | \$2,366                            | \$367,810                     | \$448,548   | \$1           |
| 2     | \$523,819       | \$18,548           | \$542,367               | \$452,262                | \$41,526           | \$37,281                | \$2,437                            | \$367,810                     | \$449,054   | \$3,208       |
| 3     | \$531,676       | \$18,827           | \$550,503               | \$459,046                | \$42,772           | \$38,400                | \$2,510                            | \$367,810                     | \$451,492   | \$7,554       |
|       |                 |                    |                         |                          |                    |                         |                                    |                               |             |               |
|       |                 |                    |                         |                          |                    |                         |                                    |                               |             |               |
| 12    | \$607,913       | \$15,434           | \$623,347               | \$518,776                | \$55,808           | \$50,103                | \$3,276                            | \$367,810                     | \$476,997   | \$41,779      |
| 13    | \$617,031       | \$15,665           | \$632,696               | \$526,558                | \$57,482           | \$51,606                | \$3,374                            | \$367,810                     | \$480,272   | \$46,286      |
| 14    | \$626,287       | \$15,900           | \$642,187               | \$534,456                | \$59,206           | \$53,154                | \$3,475                            | \$367,810                     | \$483,645   | \$50,811      |
| 15    | \$635,681       | \$16,139           | \$651,820               | \$542,473                | \$60,983           | \$54,749                | \$3,579                            | \$367,810                     | \$487,121   | \$55,352      |
| Total | \$8,609,273     | \$239,773          | \$8,849,046             | \$7,368,120              | \$748,735          | \$673,198               | \$44,012                           | \$5,517,148                   | \$6,983,093 | \$385,027     |

ESP PROJECTIONS

CONTRACTED EXPENSES

ESP GUARANTEE



# Energy Performance Contracting

**\$87.4 Million Total Contract Value Authority for FY2015  
Four Agencies and Two Authorities; Seven Projects**

| <b>Governmental Unit</b>                       |                   | <b>Contract Value</b> |
|--|-------------------|-----------------------|
| <b>North Georgia Mountains Authority</b>       |                   | <b>\$5.1 Million</b>  |
| <b>Georgia World Congress Center Authority</b> |                   | <b>\$28.1 Million</b> |
| <b>Department of Corrections</b>               |                   | <b>\$28.6 Million</b> |
| <b>Board of Regents:</b>                       |                   | <b>\$10.2 Million</b> |
|  | <b>UGA Athens</b> |                       |
|  | <b>GIT</b>        |                       |
| <b>Department of Transportation</b>            |                   | <b>\$12.3 Million</b> |
| <b>Department of Juvenile Justice</b>          |                   | <b>\$3.1 Million</b>  |



# Financing Documents (At Simultaneous Closing)

## CONTRACT

**PARTIES:**  
Agency & ESP

**CONTENT:**  
Sell and install Property  
with performance  
guaranteed and set  
conditions

## INSTALLMENT PURCHASE AGREEMENT

**PARTIES:**  
Agency & ESP

**CONTENT:**  
Multi-year  
Repayment  
terms and  
property rights

## ABSOLUTE ASSIGNMENT AGREEMENT

**PARTIES:**  
ESP &  
Financing Firm

**CONTENT:**  
Transfers  
repayment  
rights and funds  
escrow

## ESCROW AGREEMENT

**PARTIES:**  
Agency, ESP, Escrow Agent

**CONTENT:**  
Set up Escrow Agent,  
Account and payment rules