

May 17, 2004

TO: Members, Committee on Finance and Facilities
FROM: Charles D. FitzSimons, Director of Finance, Facilities, and MIS
SUBJECT: USC-Columbia, Energy Performance Contract

USC-Columbia

Energy Performance Contract Implement. \$ 50,030,448 -establish

Source of Funds: \$ 50,030,448 -State Treasurer's Office
(installment loan program)

Description

At the Commission meeting on May 6, representatives from USC-Columbia requested we review an energy performance contract for approximately \$50 million to be considered by the Committee and submitted to the Executive Committee for approval later this month.

This project will allow USC-Columbia to modify building systems, equipment, and energy generation and distribution processes through a variety of projects. These projects will make the facilities more energy efficient, resulting in a lower expenditure on utility costs (electricity, natural gas, and water). The contractor will provide fixed pricing on the projects, implement and monitor the projects, and guarantee an amount of savings to be realized from the projects. The savings generated from the \$50 million capital investment will be sufficient to cover USC's debt service on the loan during the amortization period of 10 to 14 years. A number of the projects have a useful life of 20 to 25 years, giving USC additional savings after the loan payout.

A complete description of the work to be implemented and the energy savings generated by each component has been provided to each member of the Committee on Finance and Facilities.

Recommendation

Staff recommends approval of this project as proposed.

cc: Members, Executive Committee

May 17, 2004

NOTICE OF CONFERENCE CALL

Confirmed Date and Time

Committee on Finance and Facilities

The Committee on Finance and will meet via conference call on Thursday, May 20, 2004, at 1:00 p.m. Participants please dial (803) 896-0267 at 1:00 p.m.

Executive Committee

The Executive Committee will meet via conference call on Thursday, May 20, 2004, at 1:15 p.m. Participants please dial (803) 896-0267 at 1:15 p.m.