



ESIP REGULATIONS STRAW PROPOSAL

STAKEHOLDER MEETING

Monday, June 12, 2023

ESIP Straw Proposal Timeline



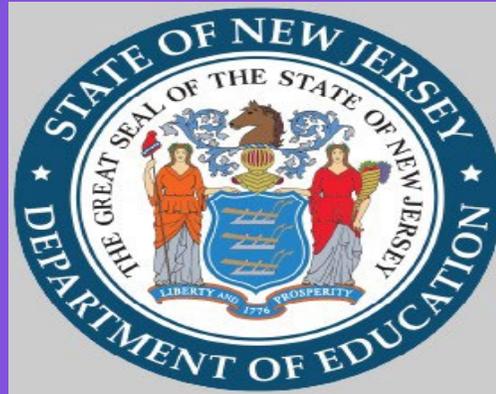
- Public stakeholder meeting June 12, 2023
- Comments due July 5, 2023. Submit directly through Board's docket system.
- Staff will review comments.
- Formal Pre-proposal expected in Fall 2023

Agencies with ESIP Jurisdiction



Board of Public Utilities
Main Program
Administrator

Department of Education
Approves all school
construction projects



Approves RFPs over \$2.5
million/\$12.5 million
Reviews large projects

Issues Local Finance
Notes
Oversees Municipal
public financing laws



A hand holding a telescope against a city skyline at sunset. The sun is low on the horizon, casting a warm glow over the buildings. The hand is in the foreground, holding the telescope horizontally. The background shows a city skyline with several tall buildings.

ESIP Regulation Straw Proposal

Regulations Straw Proposal All models

- Clear Program Definitions
- ESIP Specifications for all Models
 - Preliminary Audit and In-take form
 - Investment Grade Audit
 - Energy Savings Plan
 - Clear plan with positive cash flow, detailed measures, incentives accounted for
 - Transparent methodology and calculated results that can be shown
 - Energy related capital improvements (15% set aside)
- Financing
 - Lease purchase
 - Refunding Bond
 - Positive cash flow, budget neutral

ESIP Regulations Straw

All Models

- Vendors
 - DPMC qualification/certification
 - Pay Prevailing Wage
 - Provide project contact to BPU annually
 - Public Works Contractor Registration
- Post Construction
 - Summary of Project
 - M&V
 - Project reporting and future reporting schedule
- Post Commissioning
 - As built comparison

ESCO or Hybrid Models

- The hiring of an ESCO for any portion of the ESIP project will categorize an ESIP as an ESCO or Hybrid model since an ESCO has been granted special rights under the law.
- Requires public bid
- RFP requirements
- Will be subject to Comptroller review if greater than \$2.5 million
- Requires preliminary audit prior to award
- Requirements for responses/bids
- Denials and Rejections
- Award of RFP
- Change of Project Control

DIY Model

- The DIY Model was intended in the law to be used only for HUD type projects.
- An ESCO cannot be used for any part of DIY unless a HUD housing project
- Follow mandatory categories applicable to all project types



Additional Phases of ESIP



- First phase must be complete
- Less than 5 years elapsed since 1st phase complete
- Entity has an approved ESP
- Equipment, facility or ECMs were considered but not implemented
- ESIP Coordinator sign off required with new cash flow
- No new equipment, facility, building or ECMs outside of original ESP scope

Subchapter 3 Enforcement

- BPU is the designated agency
- Failure to comply may result in
 - modification or cancelation of ESIP
 - Financial penalties including withholding of incentives
 - Disclosure to DPMC for consideration in certification and revocation proceedings
- BPU criteria to determine sanction

Comments due by July 5, 2023

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