# Funding Energy Projects for Budget Constrained Entities Workshop

# Resource Guide

**August 2025**

PRESENTED BY

AACOG
Alamo Area Council of Governments

SECO
State Energy Conservation Office

# Table of Contents



# External Links

**Presenters Slide Deck**

**Roundtable Recording**

- **AACOG Youtube**

**Let us Know What Future Workshops You'd Like to See**

- **Take Our Survey**

# Presenters' Contact Information


**Paul Beem**

Vice President, Partner Success

ONSITE Utility Services

paul@ouscapital.com

(262)-248-0926 ext. 3300

**Brandon Tunnell**

Senior Account Manager, Texas

Johnson Controls

brandon.tunnell@jci.com

(903) 216-9107



**Lyle Hufstetler**

Natural Resources Project Administrator

Alamo Area Council of Governments

lhufstetler@aacog.gov

(210)-376-9901



**Mariah Sanchez**

Natural Resources Outreach Specialist

Alamo Area Council of Governments

msanchez@aacog.gov

(210)-461-8770

# Workshop Takeaways

## Upgrading Energy Infrastructure Provides Outcome Based Solutions

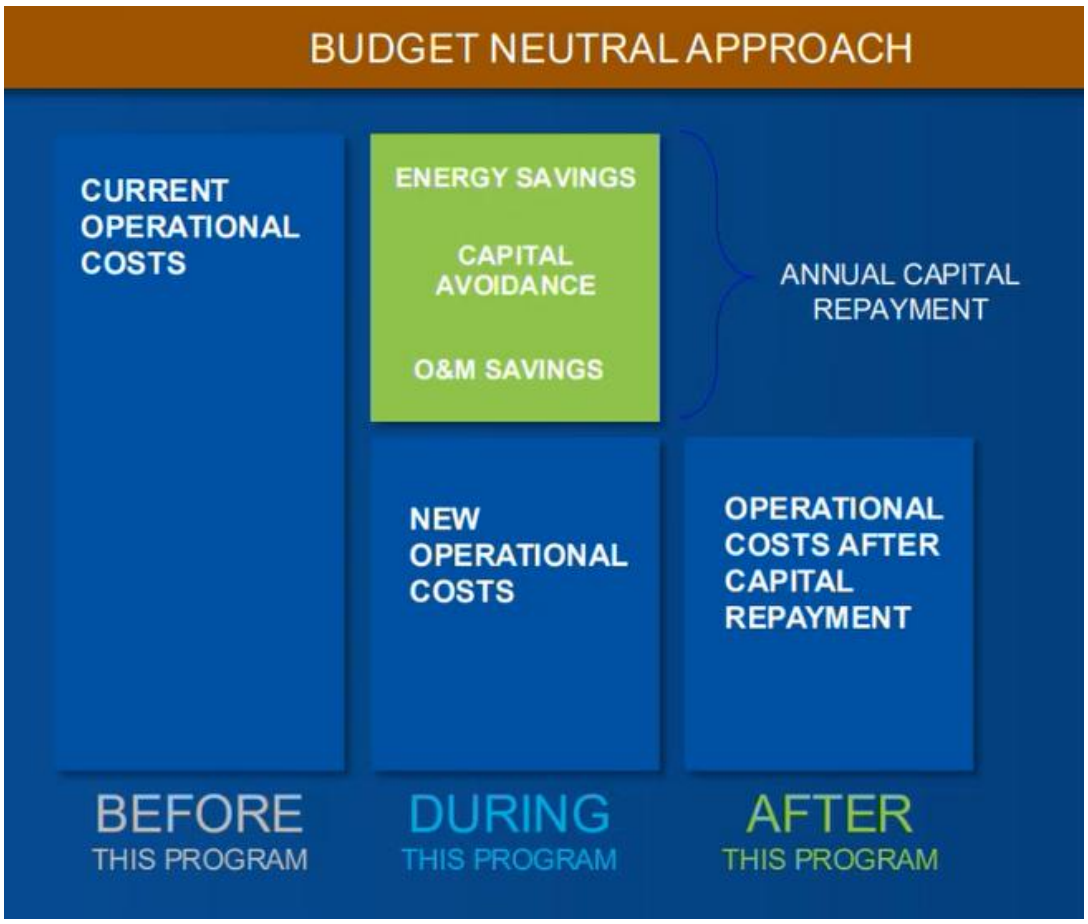
1. Healthier, Safer, Smarter, Resilient Facilities
2. Energy Resiliency, Disaster/Pandemic Preparedness
3. Reduce Operational Costs, and Carbon Footprint

- **Energy Audits are the Foundation**
    - An energy audit is a systematic evaluation of a facility's energy and water usage to identify opportunities for efficiency improvements, cost savings, and sustainability upgrades
    - **Preliminary Energy Audit (PEA)**
        - Focuses on utility bill analysis and site walkthroughs
        - Identifies Utility Cost Reduction Measures
        - Benchmarks energy use against similar facilities
        - Used to validate feasibility before a full Investment Grade Audit
    - **Investment Grade Audit (IGA)**
        - A detailed, data-driven analysis of energy systems
        - Includes cost estimates, savings projections, and implementation plans
        - Forms the basis for Energy Performance Contracts (EPCs)
        - Often includes a Measurement & Verification (M&V) plan
    - **What's Included**
        - **Visual Assessments**: Onsite inspections of HVAC, lighting, plumbing, and envelope systems
        - **Utility Analysis**: Review of electric, gas, and water bills to establish a baseline
        - **Interviews**: Discussions with facility staff to understand operations and maintenance practices
        - **Energy Conservation Measure (ECM) Identification**: Recommendations for upgrades like LED lighting, HVAC retrofits, water conservation, and controls optimization

        - **Cost/Savings Estimates**: Financial modeling of capital costs, payback periods, and emissions reductions
- **Typical Energy Improvements Include**
    - Lighting Upgrades, HVAC, Controls, Emergency Generators, Water & Sewer Conservation, Solar, Energy Management Systems, Combine Heat and Power, Building Envelope

## Types of Financing and Procurement Alternatives

- **Energy as a Service**
    - Rather than purchasing infrastructure themselves, facilities pay a monthly fee to an outside company who finances installation, monitoring, and maintenance of equipment/upgrades
    - The company will own and pay for the project on behalf of the customer, calculate the total monthly savings generated from the project, and bill the customer a percentage of savings
    - Allows for the installation of energy infrastructure without debt, without upfront capital, and with built in savings
- **Energy Performance Contracting**
    - An Energy Performance Contract is a budget-neutral financing mechanism that allows public entities such as schools, cities, and housing commissions to implement energy-saving upgrades without upfront capital
    - The project is paid over time using the guaranteed savings and avoided capital expenditures from reduced utility and maintenance costs
- **Key Features of Energy Performance Contracting**
    - **No upfront capital required**: Projects are funded through future savings
    - **Guaranteed Results**: The Energy Services Company (ESCO) guarantees energy savings. If savings fall short, the ESCO covers the difference annually. Excess savings are retained by facility owner.
    - **Turnkey delivery**: Combine design, installation, financing, and performance monitoring in one contract
    - **Risk Transfer**: The ESCO assumes performance and financial risk
    - **Legislative support**: The Texas Local Government Code Section 302 authorizes counties to use EPCs for infrastructure needs




- **Property Assessed Clean Energy (PACE)**
  - Only available in cities or counties that have adopted PACE – reach out to Lyle Hufstetler for details
  - Offers low-cost, long-term (up to 20+ years) financing for commercial energy and water-saving improvements
  - Energy and water cost savings pay for the financing
  - Requires imposing an assessment lien on the property at the owner's request
- **Grants & Rebates**
  - **Inflation Reduction Act (IRA) Funding**
    - Benefit: Billions in federal funding for clean energy and
    - efficiency upgrades
    - Use: Solar installations, HVAC upgrades, electric school buses,
    - building retrofits, and workforce development

        - Access: Through programs administered by the U.S. Department of Energy (DOE), Environmental Protection Agency (EPA), and Texas SECO
    - **New Technology Implementation Grant (NTIG)**
        - Benefit: Funds for deploying innovative emissions-reducing
        - technologies
        - Use: Ideal for pilot projects or cutting-edge energy systems
        - Opening: May 2026
    - **Emissions Reduction Incentive Grants (ERIG)**
        - Benefit: Competitive grants for replacing older equipment
        - Use: School HVAC systems, municipal fleet upgrades, backup
        - generators
        - Opening: March 2026
    - **Utility Rebates**
        - Benefit: Cash back for installing energy-efficient
        - equipment
        - Use: LED lighting, HVAC, insulation, controls
        - Bonus: Often stackable with state or federal incentives
    - **Home Energy Rebates (HOMES & HEAR via SECO)**
        - Benefit: Rebates for whole-building retrofits and
        - appliance upgrades
        - Use: School buildings, admin offices, city facilities
        - Backed by: Inflation Reduction Act funds