

Mission Statement

Energy Innovation Fund (EIF)

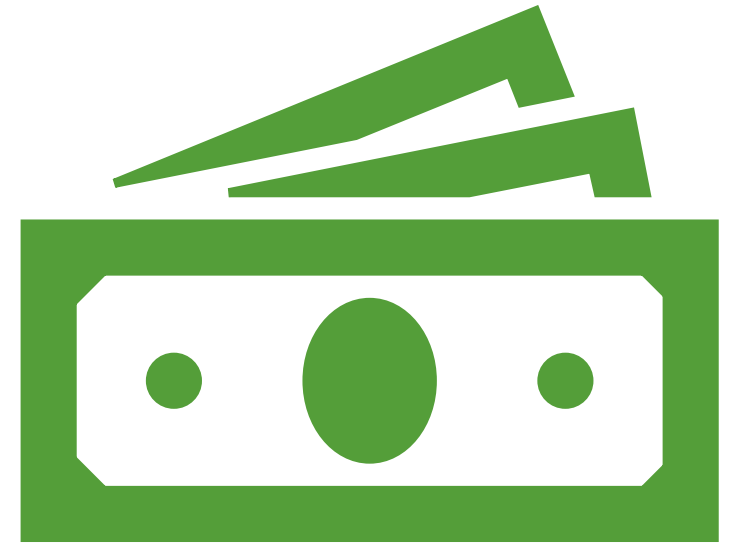
A critical step in meeting LMG's 100% clean energy resolution

The Energy Innovation Fund is designed to establish more cost-effective and sustainable operations in Louisville Metro Government by leveraging utility cost savings to finance energy and facility efficiency projects and to help meet Louisville's goal of 100% clean electricity for government operations by 2030



Seed Capital

- Allocate utility cost savings realized from calendar year 2021 to serve as seed funding in FY23
- No arbitrary upfront investment required, but additional capital funding may be added if financing opportunities arise
- Cost savings from energy management and efficiency projects are used to replenish the fund, building momentum towards 2030 goal without out-of-pocket expense.



Financing priorities

70% of the fund will be used to provide financing for energy projects with reasonable ROI of 6 years or less

- Examples: LED lighting retrofits, building automation controls, mechanical and HVAC system upgrades, etc

15% of the fund may be used for other energy projects that contribute to Metro's renewable energy resolution

- Examples: Rooftop solar energy systems, electrification projects, other alternative generation or energy projects

15% of the fund may be used to finance studies and analysis that identify or inform future energy projects

- Examples: Commissioning, energy audits, etc

Measurement and Verification



Utility data is benchmarked through our EnergyCAP platform, which uses industry standard methods to normalize for weather and utility rate changes and calculate utility cost avoidance



Baseline performance will be established using 2019 historical billing data as a default. EnergyCAP will quantify cost avoidance by comparing real-time utility bills to the baseline year's performance.

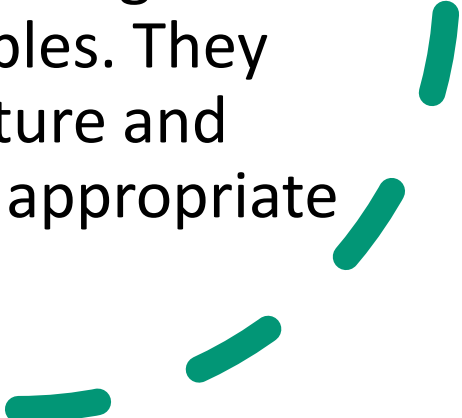


Projected cost savings may be used in cases that cannot be reliably evaluated with automated calculations



80% of demonstrated utility cost savings will be allocated to the EIF, replenishing the capital fund as projects generate returns

Oversight committee

- These core fund structures are outlined in a “Guiding Principles” document
 - The energy manager will serve as the primary executor of the fund.
 - An oversight committee will be created with representatives from OMB, APS, and Facilities Management to oversee execution of the fund and data verification processes.
 - The committee will ensure a reasonable and practical application of the fund according to the intent outlined by the Guiding Principles. They may adapt details of the fund’s structure and operation if deemed reasonable and appropriate to meet its mission.
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Next Steps

- 2021 cost savings are approximately \$700,000
- EIF funding is anticipated to be \$550,000 for FY23
- Will be working with NREL to help prioritize projects

