Mayor Rita C. Albrecht

BEMIDJI GUARANTEED ENERGY SAVINGS PROGRAM (GESP)
GESP GUARANTEED ENERGY SAVING PROGRAM
What is GESP?

• Guaranteed Energy Saving Project leverages energy and operational savings to finance building retrofits and renewal projects
• Written guarantee from contractor for savings to pay annual financing
• If savings not met, contractor will reimburse the shortfall
Received a cold call from Honeywell

How did we get started?
9 Buildings were evaluated
The Sanford Center
Public Library–1980s vintage
Public Works Building
Waste Water Treatment—2 buildings
Ice Arena–Oldest structure
City Hall built in 1970s
How did we get started?

• Also included fire hall and law enforcement center
• Honeywell determined potential projects and estimated energy savings
• Presented the information to city council
How did we get started?

• Staff contacted other government entities who had gone through the process
• Staff contacted the Dept. of Commerce for information about GESP
• Council decided to use the GESP process
• City advertised a request for proposals
• Chose Honeywell as contractor for the project
Project Scope

- $2.5 million in approved projects
- 9 different City owned buildings
Project examples

• Interior building lighting improvements - $231K
• Building envelope sealing – windows/doors caulking
Project examples

- Energy system control improvements
- Mechanical (HVAC) system upgrades/replacements - $550K
Project examples

- Exterior street lighting upgrades to LED - $1.2 million
Estimated Savings

• Annual Energy Savings generated $99,000
• Annual operations and Maintenance savings $21,000
• One time utility rebates $122,000
Streetlight retrofit

- 1,014 Streetlight LED change-out
- Engineer’s estimate $906,000
- Bids came in at $583,000
- Project will be completed April-September 2015
Streetlight retrofit

- Estimated utility savings of $70,000/year
- Significant annual cost savings on maintenance and repair (20 year bulb life)
- Payback of approximately 7-8 years
Challenges
Challenges of GESP

• Initial project with City our size and for Honeywell
• Time delays to get to construction phase to follow GESP process
• Some glitches in project financing – required financing over 20 years vs. 15 years
• Not all projects were selected due to long payback periods
Benefits

- Streamlined process for selection and implementation of program
- Competitive bidding among prequalified energy companies
- Minimized work load on City staff; no energy experts on staff
Benefits

- Accelerated timeline to implement projects
- Majority of projects paid for with energy savings over period of time
- All bidding and contracting is completed by Honeywell
Project recap

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• 9 different City owned buildings
• Annual energy savings generated $99,000
• Annual operations and maintenance savings $21,000
• One time utility rebates $122,000