

May 15-16, 2024

INFORMATION ITEM

Intention to execute energy performance contracts for multi-year, multi-phased projects to address deferred maintenance, reduce utility costs and improve energy efficiency; Montana State University

THAT

Consistent with MCA 90-4-1103 and BOR Policy 1003.7, MSU will request authorization at the July 2024 Board meeting to execute energy performance contracts (EPC) for multi-year, multi-phased projects to address deferred maintenance, reduce utility costs and improve energy efficiency.

EXPLANATION

1. MSU has utilized the EPC process over the last 15 years to address deferred maintenance, reduce utility costs such as water and electricity and improve system efficacy through energy efficient replacements. Most recently, MSU received authorization in January 2012 [ITEM 154-2005-R0112], November 2012 [ITEM 157-2009-R1112] and September 2016 [ITEM 172-2006-R0916] for window, lighting and HVAC system replacements in Auxiliaries facilities.
2. MSU received authorization from the Board in September 2023 [ITEM 208-2008-R0923] to prepare an investment grade audit as authorized by MCA 90-4-1113. MSU selected McKinstry, a qualified energy service provider, in coordination with the Montana Department of Environmental Quality as authorized by MCA 90-4-1112 to perform the audits for the entire campus including all academic, athletic, auxiliary, student-fee and research buildings.
3. MSU will request authorization at a future meeting for a comprehensive multi-year, multi-phased approach to implement EPC projects; however, due to timing for certain facility projects on Bozeman's campus, MSU is requesting authorization under a separate item to enter into energy performance contracts in an initial phase as authorized by MCA 90-4-1114. This includes a campus geothermal borefield and expansion of our South Campus Energy District (Phase 2).
4. In alignment with the previous energy performance audit and contracting process, MSU intends to make requests at future Board meetings for authorization to implement EPC projects, which will include total project costs and the amount of deferred maintenance to be retired. The first phase of projects are expected to include:
 - a. Replace and upgrade building lighting systems to increase efficiency and retire deferred maintenance in approximately twenty (20) academic, administrative and research facilities. Projects will reduce maintenance and utility costs.
 - b. Replace and upgrade building mechanical systems to improve safety, increase efficiency and retire deferred maintenance in approximately six (6) academic, administrative and research facilities. This includes upgrading laboratory airflow systems, cooling systems and air handling systems that are beyond their useful life.
 - c. Replace and upgrade systems in the central Heat Plant to improve continuity of operations, retire deferred maintenance and increase efficiency. This includes upgrading critical systems that are beyond useful life. The last major renovation of the Heat Plant was in 1996.
 - d. Upgrade building systems connected to potable water sources to reduce inefficient potable water utilities and connections.

ATTACHMENTS

None