

Top Energy Opportunities for K–12 and Higher Education

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Why energy management matters?



- Build the **best possible learning environment** for the future of our nation
- Schools are **publicly funded** and supported by taxpayer dollars
- We have a responsibility to **use public funds wisely and efficiently**
- K–12 schools spend **over \$8 billion annually on energy**
- **Up to 30% of that energy cost is wasted** due to inefficiencies

Infrastructure Improvement



Distributed Generation



Solar



HVAC



Lighting



Control Systems



Building Modifications



Storage and Microgrid



EV Charging



Enablers

- Stakeholders
- Procurement and Contracting Options
- Funding mechanisms and Financials

Enablers : Stakeholders

Stakeholder	Role in energy projects	Primary Interest
School Board 	<ul style="list-style-type: none"> ● Policy approval ● Budget oversight ● Long-term planning 	<ul style="list-style-type: none"> ● Fiscal responsibility ● Transparency ● Public trust
Superintendent 	<ul style="list-style-type: none"> ● Sets vision ● Aligns energy goals with educational priorities 	<ul style="list-style-type: none"> ● Student success ● Operational stability
CFO 	<ul style="list-style-type: none"> ● Oversees utility budgets ● Evaluates ROI ● Funding strategies 	<ul style="list-style-type: none"> ● Cost predictability ● Risk reduction

Enablers : Procurement and Contracting Options



RISK TRANSFER

Customer Assumes Risk

Contractor Assumes Risk

	Design-Bid-Build	Design Build	ESPC	EaaS / SESA
Counterparty with Customer	Engineering, GC, O&M	ESCO	ESCO	Financier
Counterparty with Financier	Customer or Not Applicable	Customer or Not Applicable	Customer or ESCO	Not Applicable
ESCO Role (Partner Role)	N/A	Prime Contractor	Prime Contractor	EPC Contractor and Guarantor
Payment Type	N/A	Fixed	Fixed	Performance Based
Asset Ownership Transfer	N/A	At Acceptance	At Acceptance	Fair Market Value at End of Term
Accounting Treatment	Capital Expenditure	Financing Dependent, if any	Lease/Debt	Service Agreement
Credit Impact	Negative to Neutral	Financing Dependent, if any	Negative to Neutral	Neutral



Enablers : Financial Resources

- SECO: [Link](#)
- PACE Authority: [Link](#)
- Bond
- Rebates

No CAPEX No problem!



❖ Purpose:

- Started in 1988 by US Department of Energy (DOE)
- Low-interest rate loans are provided to assist those institutions in financing their energy cost reduction efforts. The program's revolving loan mechanism allows borrowers to repay loans through the stream of cost savings realized from the projects.

❖ Benefits:

- Maximum loan size per application: \$6 million for State Energy Program (SEP) funds.
- For loans funded with repaid American Reinvestment and Recovery Act (ARRA) funds: maximum loan is \$8 million; the minimum loan is \$3 million.
- Maximum number of loans per entity for this solicitation: 2
- When applying for one loan, entities may apply for one SEP funded loan or one ARRA funded loan.
- When applying for two loans, entities may apply for one SEP funded loan and one ARRA funded loan, or entities may apply for two ARRA funded loans.
- Loan interest rate: 2.5 % annually (1.5 % for ARRA funds).
- 15-year maximum loan term.
- Available for Public sector only: state-owned facilities, public school (K-12) facilities, public institution of higher education facilities, local government facilities and publicly tax-supported hospital facilities
- Quarterly payments and ability to delay the first payment up to 2 month after the project completion

❖ Resources: [LoanSTAR Technical Guidelines](#)

Thank you for your participation

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