

Energy Performance Contract FAQs

Q: What is an Energy Performance Contract or EPC?

A: An EPC is an agreement with an Energy Service Company, or ESCO, to install, maintain, or manage energy systems to improve the energy efficiency of a facility. The energy savings or revenues are used to pay for the installation of the energy efficient products or systems. Although EPCs are not subject to voter approval or competitive bidding, Unatego did issue a Request for Proposals, or RFP, for an EPC.

The selected ESCO is the Trane Corporation, a multi-national company with considerable experience in energy efficiencies. Using a NYSERDA grant, Trane completed a required Energy Audit in 2022, which identified several energy efficiencies. To implement these recommended changes, the District will be entering into an Energy Performance Contract or EPC with Trane. An EPC guarantees savings; if the District does not realize the promised savings, Trane will compensate the District for the difference.

Q: When will the work take place?

A: It is anticipated that some work will be completed during the summer of 2023 and that all work in the EPC will be completed by the fall of 2024.

Q: If the Board of Education has already approved the EPC, why is voter approval needed to obtain funds from NYS?

A: NY State Law allows the Board of Education to approve EPCs on behalf of their district because the project is paid for out of the current operating budget (utility budget) already approved by the voters. EPC's received 10% less aid than a traditional capital improvement project unless it is voter authorized. Unatego is asking for voter approval so that the District can receive an additional 10% in State Building Aid to fund the project. This is not unique to Unatego—all NY State school districts seeking additional aid must have voter approval.

Q: What happens if voters do not approve this proposition?

A: The work outlined in the EPC will still be completed to address long-awaited energy improvements at our Jr-Sr High School, but the District would miss out on the opportunity to receive an additional 10% in Building Aid for the project. This would reduce the amount of savings and result in the payback period for the cost associated for the project to increase by several years.