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*Today's News*

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## Clinton Foundation Arranges \$5-Billion Deal to Help Colleges Finance Energy-Efficiency Projects

By [SCOTT CARLSON](#)

For colleges that have had an eye toward replacing an energy-sucking furnace or the drafty windows in an old building, yet have not had the money to pay for such projects, help may be on the way.

On Wednesday, Bill Clinton announced that the William J. Clinton Foundation has negotiated partnerships between financial institutions, energy-services companies, and manufacturers of energy-efficient appliances to provide \$5-billion in energy-efficiency projects with hopes of reducing colleges' carbon emissions.

For the announcement, which was Webcast from a green-building conference in Chicago, Mr. Clinton was flanked onstage by representatives from sustainability organizations and some of the institutions that have signed the American College & University Presidents Climate Commitment.

Under the deal, five large financial institutions will each provide \$1-billion in loans for energy-efficiency projects, which may be performed by eight leading energy-services companies, frequently known as "ESCO's." The precise details of how the financial institutions will lend money, how the energy-services companies will do their work, and how colleges will pay for the work is still under development, said Tom Kimmerer, the executive director of the Association for the Advancement of Sustainability in Higher Education. The association, known as Aashe, is one of the organizers of the Presidents Climate Commitment.

Energy-services companies are hired by colleges to find projects that will conserve energy, and then those companies are paid through the money saved on utilities bills. One criticism of energy-services companies is that they are apt to choose easy projects with a quick return on investment.

Anthony D. Cortese, the president of Second Nature, a nonprofit organization that supports sustainability in higher education, said that energy-services companies would take on more ambitious projects under this deal.

The energy-services companies that are part of this partnership are "committed to reducing their overhead costs as much as possible," he said, in part because loan money for projects is available from the financial institutions and because the market for the energy-services companies will be bigger under this partnership.

"So the chances are that a school that goes through this process will get a more favorable contract from the ESCO's," Mr. Cortese said.

He said the energy-services companies have also committed to attempting ambitious projects. "So instead of doing light-bulb replacement and window replacement, they are doing significant projects that will dramatically cut energy consumption—like going in and replacing heating systems, or building a combined heat-and-power facility, or doing geothermal heat systems."

More than 25 manufacturers of energy-efficient appliances will also offer colleges discounts of 20 to 70 percent under the partnership.

The deals are ostensibly open to any college. But in the application process, Aashe will assist only those colleges that have signed the Presidents Climate Commitment, said Mr. Kimmerer. He believes that the Clinton Foundation has not set up an application process for other colleges. Officials at the Clinton Foundation were not available for comment.

Eleven institutions that have signed the climate commitment may be part of pilot projects in this program. Allegheny College, Arizona State University, College of the Atlantic, Dakota County Technical College, Lee College, the Los Angeles Community College District, Middlebury College, St. Lawrence University, Syracuse University, the University of Colorado at Boulder, and the University of Illinois at Chicago are studying the partnership and considering projects they might try to tackle under the program. Many of the colleges found out about the deal a week before the announcement.

"This is all very new to us," said David W. McNally, vice president for finance and planning at Allegheny College. He said the college had a long list of energy upgrades and maintenance projects it wanted to do but had no money for.

"Our biggest obstacle is the up-front capital," he said. "We have some old, complex steam-heat systems that are very inefficient, and those are very big-ticket items to replace. We have one residence hall where it's more than \$1-million just to replace the heating system."

Nov. 8

## Green Initiative Finds a High-Profile Friend

Its list of signatories continues to grow, and the [American College and University Presidents Climate Commitment](#) received a major boost Wednesday with the [announcement](#) of a partnership with the William J. Clinton Foundation to address global warming through building retrofits.

The 427 college leaders who have [signed](#) the commitment are promising to take inventory of all greenhouse gas emissions on their campus and, within two years, develop a plan to become climate neutral. They also pledge to integrate sustainability education into their institution's curriculum.

To decrease energy consumption and work toward carbon neutrality, the commitment asks colleges to take several steps, which can include adopting [green building standards](#) and embracing energy-efficient appliances. That's where the Clinton partnership comes in. The foundation is connecting colleges with companies that are offering to help them fund and complete building retrofits intended to decrease energy consumption and reduce greenhouse gas emissions.

It's an important initiative, because existing buildings are responsible for roughly half of all greenhouse gas emissions, said Anthony Cortese, president of Second Nature, a nonprofit group that promotes sustainability in higher education and is one of the coordinators of the climate commitment.

As part of the partnership, five of the world's largest banks — ABN AMRO, Citi, Deutsche Bank, JPMorgan Chase, and UBS — are offering \$1 billion each in financing for energy efficiency retrofits so that colleges can avoid capital spending or increases in monthly operating expenses. Eight energy services companies are signed on to perform the projects. The Clinton Foundation's idea is that by ramping up the number of projects, these companies can cut down on marketing costs and charge colleges less for their services. The companies also have agreed to make systemic retrofits, and not advise colleges to make only quick fixes that have immediate paybacks.

Finally, the partnership allows colleges to enter into a purchasing consortium for energy efficient products. Manufacturers taking part in the initiative say they will offer discounts. Colleges can take part in the partnership if they have signed on to the commitment or have a separate agreement with the Clinton Foundation.

“This is going to give college presidents new tools and resources so they can undertake large-scale building projects, which are important to meet the commitment,” said Lee Bodner, executive director of the nonprofit organization ecoAmerica, one of the supporters of the commitment. “Working with the foundation will make the process easier.”

Clinton [announced](#) the partnership at the 2007 [Greenbuild conference](#) in Chicago. It is part of a larger effort taken on by the former president and the U.S. Green Building Council to help colleges, elementary and secondary schools, and cities make existing buildings more energy efficient. The [Clinton Climate Initiative](#) began its retrofitting project in the spring.

Clinton praised the climate commitment, saying in his [conference keynote address](#) that it has “enormous potential.” The initiative officially began this summer with more than 280 signatories.

“This is an important place to start changing minds,” Clinton said. “It’s not true that green schools aren’t affordable.” Operational savings over time will more than pay for construction premiums, sometimes in as little as one year, Clinton said.

Colleges have taken to that message. Eleven institutions announced Tuesday the initiation of pilot projects that will take advantage of the Clinton Climate Initiative resources. They include:

- Allegheny College
- Arizona State University
- College of the Atlantic
- Dakota County Technical College
- Lee College
- Los Angeles Community College District
- Middlebury College
- St. Lawrence University
- Syracuse University
- University of Colorado at Boulder
- University of Illinois at Chicago

Colleges can choose what projects they undertake. Larry Eisenberg, executive director of facilities planning and development for the Los Angeles Community College District, said the district’s proposal involves retrofitting all 455 buildings across the nine campuses. The plan is to replace lighting fixtures, motors and fans with more efficient products.

The district is releasing a request for proposal, and Eisenberg said he expects the energy service companies signed through the Clinton Climate Initiative to offer the best pricing.

“The interesting thing is that higher education could have done this on its own, and it has been doing this on its own to some extent,” he said. “We can command good prices, but it doesn’t touch what the Clinton initiative can do on a global basis to bring the prices down.”

Eisenberg said he expects other colleges to look at replacing fixtures and using new technologies offered by companies taking part in the initiative.

At Arizona State, the pilot project involves solar power. John Riley, executive director of purchasing and business services, said he is looking to use the latest technology to improve energy efficiency.

The plan is to retrofit seven buildings as part of the project. Riley expects that the amount paid for solar power would be equal to or less than the daytime rate the university is currently paying. And he is hoping that the exercise can serve as a model for other colleges.

“The goal is to go much deeper than we’ve been able to do with normal energy contracts,” he said. “We’re showing what a solar contract might look like, what the solicitation process might be like, so that people after us don’t have to reinvent the wheel.”

— [Elia Powers](#)