Summary of the Utilities Public Comments

There were 14 comments submitted regarding the Utilities project report. Many comments focused on issues related to energy usage across campus, support for the report's recommendations, and critiques of data found in the report. The following summarizes the main issues presented in those comments:

Energy usage across campus

- Buildings are often too cold in the summer and not warm enough in the winter, leading people to use space heaters
- Green roofs should be installed on campus buildings
- The campus should negotiate with campus landlords to install green technology
- Incentivize faculty and staff by offering raises for energy conservation practices
- Use three-year averages of similar buildings when benchmarking college energy usage
- The colleges, the departments and Facilities and Services should be incentivized for energy conservation

Support for the report's recommendations

- The report was good
- The report was interesting and thorough
- Establishing a campus utilities fiscal oversight committee is a good idea
- Administrative accountability for energy conservation is important
- Creating an incentive structure for energy usage would be beneficial to campus
- The energy conservation reinvestment pool is a good idea

Critiques of data found in the report

- Facilities and Services should bear some of the burden for energy conservation, not just the units
- There are contradictions between the report and the Climate Action Plan
- The structure of the recommended Variable Cost Incentive Pool is flawed because it is based on variable cost rates, a low rate structure, and a suspect differential rate structure. It will not generate sufficient revenues to retire utilities debt, provide funds for conservation efforts or support the development of new conservation strategies.
- The proposed uniform rate structure does not support campus sustainability goals
- The report's advocacy for higher coal use is dangerous
- The report should have focused on the conservation of resources such as water and gasoline
- The report does not address capital costs necessary to maintain the production and distribution assets of the campus
- The report does not document energy usage per unit and undervalues the true cost of electricity

LISTING OF PUBLIC COMMENTS

It's crazy how many people I see doing things like opening windows when the heat is on in the winter because their office is too hot or in the summer because it's too cold. I know numerous people in the Admissions and Records Building who run space heaters in the summer because the A/C is so cold (after months, I'm not exaggerating, of both the heat and air conditioning being on, finally the heat went off so space heaters went on). I'm sitting in an office on campus right now that's too cold on one of the hottest days of the year. How much are we spending (both monetary and very non-green energy expenditures) over-doing temperature maintenance? Let me tell you--no one EVER sits in my house with a space heater running while I have the A/C on! Why can't our campus buildings be run the by the same sensible ways we ALL run our homes?

How about planting some green roofs for energy efficiency.....we certainly have enough researchers. And is it poosible to negotiate with campus landlords, i.e., the JSM building at 507 Green, to incoporate "green technology"?

The project seems pretty good.

This is a small thing maybe, but in my opinion its small things that add up to make a huge impact. Some employees in particular do not care about energy and reducing energy costs. An example for you. In the VMBSB we have an auto door in the front of the building to be used by handicapped. There is a sign posted on it steering all people to the manual doors except those people that "need" to use this door; i.e. wheelchairs, etc. This door is an energy hog because it stays open a long time of course, and cool air, or heat escapes. I sit here and watch every morning the BSW crew all come out that door at 7 AM. Each and every one of them usually. They blatantly disregard the sign like they do not care. So what are we going to do about people that could care less? Some people just do not get it that if we reduce energy costs and save money that maybe we could have raises. Of course, since they have a union contract they will get a raise anyway. How about pledging the energy savings money to a fund to give raises to non-faculty??? Maybe that would give people an incentive to conserve. It would directly impact their pocketbook.

On page 8 in section 2, the project team proposes to hold a college harmless for three years during which time a new benchmark would be calculated. In order to incentivize colleges sooner, could averages for similar buildings be used as a benchmark during the first three years?

Also on page 8, it is proposed that savings resulting from centrally funded projects would be removed from the departmental incentive. Given that building occupants' behavior has a strong influence on the amount of energy saved, for certain centrally funded projects, a stronger incentive would be provided if there were an "incentive share" between the department and the central funding source. It would give the departments a greater incentive to encourage their employees and students who occupy the building to conserve more.

Integrating relevant portions of the energy information program proposed in section 6 into the conservation award effort described in section 3 could increase the effectiveness of each of those proposals.

Name (optional)
Marya Ryan

Very interesting and thorough report. I'm encouraged by the recommendations, which seem practical and inspiring at the same time. I look forward to seeing the recommendations implemented and seeing the campus become more energy efficient and use less utilities.

Name (optional)
Lesley Purnell

Utilities will never be under control as long as F&S makes these decisions without unit input, with no transparency, and no right of appeal. Many utilities costs can be reduced by more efficient and effective maintenance, i.e., not patching windows with duct tape, training building service workers not to prop open doors out of misplaced concerns they'll be too "difficult" to fix if they wear out. Our unit is having its premises torn up and student lab and wheelchair access disrupted to hook up an adjacent building to the chiller...a hookup that's actually at OUR building. Why not hook up both buildings simultaneously? There's no financial incentive for F&S. It appears it's more lucrative (for them only) to collect additional hookup fees and try to keep a failing temporary unit (presumably an extremely inefficient one) going...and charge back higher utility bills. And then charge again to tear up and reinstall all these things again when it's our 'turn' to be hooked up to the chiller. (Time and expense that could of course have been allocated toward caulking and glazing and reducing energy bills even further.) This report needs an incentive for F&S to reduce campus energy consumption, not just lay it off on the units.

Response to Utilities Team Project Report August 24th, 2010

As individuals involved in campus sustainability, we have carefully reviewed the Utilities Team Project Report, due to the close connection between utilities and the campuss environmental footprint. We appreciate the work done by the Project Team and are supportive of several recommendations, especially those related to increasing energy awareness, and creation of a utilities oversight and policy committee. However, we see several areas in which the recommendations would be detrimental toward achieving the important commitments made by the campus in the recent Climate Action Plan (iCAP). Due to constraints on the electronic submissions system, we are submitting our response in two parts.

1. We strongly recommend the recently ratified iCAP commitments be reviewed carefully.
a.There are many contradictions and inconsistencies between the Report and the iCAP.

2. We strongly recommend that the utility rate structure be reconsidered and set sufficient to: operate the campus utilities system, pay for debt service and capital investment needs, provide sufficient incentives for energy conservation, add renewables capacity and fund energy conservation activity. Our concerns with the Variable Cost Incentive Pool:
a.The proposed pool is based on variable cost rates that significantly discount the costs, capital, debt service, and any environmental impacts associated with producing the energy required.
b.The rate structure is too low and will not drive unit-level energy conservation since the penalty for exceeding allowances is significantly less than retail energy costs.
c.The low rates will significantly lengthen the payback for conservation investments, removing ROI incentives. Most units will avoid making investments in energy conservation, or seeking grant or alumni funds for the same - leaving the entire burden on the campus.
d.The proposed differential rate structure between campus auxiliaries has no basis in fact.
e.Units should be responsible for their total energy use (see the University of Michigan). The proposed baseline vs. actual basis for assessing unit energy performance hides total energy and total costs.
f.This incentive structure will NOT: generate sufficient revenues to retire the utilities debt, provide funds for additional energy conservation efforts, or provide funds for new renewable generation strategies employed by ALL other conventional utilities in the US using properly valued rate structures.

3. We recommend individual rates for all three utilities (electricity, steam and chilled water) and for differentiating between campus generated electricity and purchased electricity. These rates should acknowledge the differential costs and carbon impacts of each.
a.Each utility (and source) is associated with differing capital costs, fuel costs and environmental impacts. A uniform structure (as proposed) creates a false equivalency and does not support campus sustainability goals.
For example, the addition of Quad building central-air cooling, Petascale, and the effects of climate change might necessitate higher chilled water rates in order to minimize use, and/or build capital for additional capacity. The campus struggled to meet demand for chilled water on July 28th 2010.
The iCAP commitments suggest that consideration be given to raising steam prices in support of steam conservation, in order to be able to shut down the coal boilers.

Name (optional)
Suhail Barot, Prof. Brian Deal, Amy Allen, Parker Laubach

Response to Utilities Team Project Report (Part 2) August 24th, 2010

4. It is important to ensure that averaging utility cost data over 3 years will not hurt units that made conservation investments during this period.

5. We recommend an expedited retirement of the utilities debt.
a. The Report suggests extending the timeframe for retiring the $92 million utilities debt. However, the debt has become an obstacle to funding badly needed capital projects (bio-gasification, renewable energy, steam distribution improvements, etc). Higher rates as recommended above will provide the necessary funding, pay down the debt, and also incentivize energy conservation.

6. We strongly recommend that we minimize coal use to the maximum technical extent starting in FY11.
a. In FY10, the campus cut coal use from 94,000 tons to ~ 63,000 tons â" another 35% is feasible today by additional fuel-switching. The Report advocates a return to higher coal use for budgetary reasons (based on arbitrarily low utility rates). We believe this to be antithetical to the Universityâ™s climate mitigation goals and will be a highly unpopular policy.

7. We recommend that the utility rate structure be designed to generate at least $15m in annual capital for energy.
a. The team did not take into account the significant capital investment needs at Abbott ($200 Million) which is currently valued at NEGATIVE $77 Million with a reported lifespan to 2010 (now). We advocate that many of these costs be avoided in terms of coal, and instead be made in renewable and clean energy systems, energy conservation, and energy efficiency measures. These can be obtained at lower costs with higher value to the campus using revenues generated with properly calculated rate structures.

Name (optional)
Suhail Barot, Prof. Brian Deal, Amy Allen, Parker Laubach

On behalf of the Illinois Student Senate (ISS), we would like to express our support of this very timely effort to reduce cost without undermining the quality education provided by the University of Illinois and further the Universitys ambition to become more sustainable.

During the 6th session of ISS, concern over the rising energy cost was frequently debated and two resolutions, specifically related to energy cost, were passed; the New Building Standards Resolution and the UI Wind Turbine Resolution. As a symbol of our commitment to reducing energy cost, and in sharing the Universitys path to lower energy consumption, ISS members are handing out 500 energy savings light bulbs later in the semester.
The two resolutions passed at ISS address two very important components of what the ISS would consider an optimal policy to reduce utilities cost.

1.The New Building Standards Resolution calls for all major new or renovation projects to achieve LEED Gold certification and calls for a great upgrade of campus buildings with respect to energy and heat savings. Additionally we support educational campaigns that will result in net savings for the university.

2.The second pillar of an effective energy savings strategy calls more renewable energy produced on campus. These are investments with fairly high cost up front, but where the long term energy cost is locked to the investment price and with high returns on investment. This concern was addressed in the UI Wind Turbine resolution.

In addition to the efforts to save energy and increase the share of renewable energy on campus, we would also like to see a wider focus on conservation of other resources such as water and gasoline. These may require investments in the short term but are the right thing to do fiscally in the long term.
Sincerely,
Adam Bank Lentz
Chair, ISS Committee on Environmental Sustainability David S. Olsen President, ISS

Name (optional)
David S. Olsen

Report does not address capital costs necessary to maintain the production and distribution assets of the campus. The SAIC study indicated an annual investment of $10-15 million would be required. This significant cost must be contemplated within the overall plan.

The Senate Budget Committee (SBC) reviewed the Report from the Utilities Project Team, and has the following comments. As noted by the project team, utilities expenditures have increased several hundred percent over the last few years, which served to exacerbate the financial crisis our University currently faces. As a campus, we first must control the growth in energy costs, and subsequently learn to effectively reduce them in order to improve our long-term financial outlook. This report does an admirable job of making seven recommendations to meet these two goals. Of the seven recommendations, we feel that the first two, establish a campus utilities fiscal oversight committee and calculate a variable cost incentive pool, and the last one, sustain administrative accountability for energy conservation are the most important. By increasing the number of stockholders in controlling and reducing our utility expenditures, we will be in a much stronger financial position in the future.

Name (optional)
Robert J. Brunner (for the SBC)

The College of Engineering supports the recommendations presented in this report. In particular, establishing an incentive structure (recommendation #2) and forming a utilities fiscal oversight committee (recommendation #1) are expected to be very beneficial to the campus.

Name (optional)
submitted by Bruce Vojak on behalf of Dean I. Adesida and the College of Engineering

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I think that the energy conservation reinvestment pool is a great idea and I would stress that using a reasonable cost for energy is very important. If the value of energy used is below market rates, then energy saving measures will never be cost effective compared to the market cost to implement these measures. It would actually benefit the energy conservation goal if the energy cost were set at above market rates and the excess income generated would be allocated to pay down the energy debt. There doesn't seem to be a clear statement of the cost of energy per unit in this document and I fear that the University may undervalue the true cost of electricity in many ways.

Name (optional)
Andy Robinson
