

Green Community Program

Pittsylvania County requested funds from the VirginiaSAVES Green Community Program (VGCP) to implement eco-friendly measures in the County's schools. The changes will be implemented under an energy performance contract with Trane. Energy savings from the project is equivalent to removing 309 cars from the Commonwealth's roads!

The VGCP grew out of Executive Order 36 issued by Governor McAuliffe in December 2014. This unique public private partnership, administered by Virginia's Department of Mines, Minerals and Energy (DMME), provides federally subsidized financing for energy efficiency, renewable energy and alternative fuel loans for both private and local government properties and entities within the Commonwealth. VRA works as a partner with DMME to issue Qualified Energy Conservation Bonds (QECB) under the VGCP for local government borrowers in Virginia. A number of different types of energy efficiency and renewable energy projects qualify under the Program, including lighting, HVAC, and alternative fueling vehicles. The VGCP has a variety of significant benefits. Not only will this Program help lower energy consumption and reduce emissions, but it will also help spur job creation and promote economic development. Additionally, the use of the QECB financing qualifies the project for a significant interest rate subsidy, reducing the net interest paid on the loan.

The first part of the Pittsylvania County project, for which loan closing was January 20, 2016, will, among other things, include upgraded interior and exterior and parking lot lighting at most schools to eco-friendly LED. As this project demonstrates, proceeds from the VirginiaSAVES Program can be used to fund both new construction as well as retrofits of existing properties and projects. Trane has guaranteed that the upgrades will result in annual energy savings of more than \$220,000 and over \$4.4 million in guaranteed energy savings over the 15-year period.

The total amount of the loan is \$3.3 million which will be repaid over 15 years at an estimated net interest rate of approximately 0.70% after the anticipated QECB subsidy and related program administrative fees. The project will create savings for Pittsylvania County Schools, preserve jobs and create employment in the school system and, importantly, reduce the amount of greenhouse gases emitted by the schools. Through this cost savings, the County will be able to free up resources to use in other critical areas, from deferred maintenance needs to educational and instructional programs in STEM and other fields.

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