

Champlain College Green Revolving Fund



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Champlain College Green Revolving Fund Charter¹

Mission

The Champlain College Green Revolving Fund (GRF) is an investment fund that finances energy efficiency, renewable energy, and other sustainability projects on campus. The Fund provides capital for special projects conducted by Physical Plant that reduce environmental impact and can repay the fund with cost-savings within five years. A portion of these savings are used to support a subsidiary Green Community Fund that finances smaller community-led sustainability projects which may lack monetary savings but are in clear alignment with Champlain College's sustainability objectives.

The mission of the Champlain College Green Revolving Fund is to encourage environmentally sound technologies and practices on Champlain's campus. The GRF will finance innovative projects that reduce the College's environmental impact, improve the educational environment, and generate financial returns while engaging students, staff, faculty, and administrators in the decision-making and implementation process. The fund will further the broader academic mission of the College while helping it to reduce greenhouse gas emissions and embody the College's values. Sustainability is one of the seven values of the College, which drive the goals of *Champlain 2020: A Strategic Plan for Champlain College 2010-2020*.

Once the GRF is capitalized, it will function as an independent fiscal entity managed by a committee of Champlain community members. The Fund will grow over time by collecting cost-savings from the projects it funds and reinvesting them in new projects. This structure will provide substantial cost-savings over time, while offering opportunities for engagement and hands-on learning for the entire Champlain community.

Goals

- To foster environmentally sound technologies and practices on Champlain's campus.
- To empower students, staff, faculty, and administrators with opportunities to move the College toward sustainability and carbon neutrality.
- To ensure that beneficial and profitable green projects do not go unfunded due to capital constraints.
- To buffer Champlain's budget against rising energy prices.
- To transform Champlain into a national leader in sustainable practices and demonstrate that sustainability can be financially viable.

Management

The fund will be managed by a GRF committee including:

- Physical Plant Director
- Sustainability Director
- Budget Director, or representative of Finance Office
- One administrator
- Representative of Advancement Office
- Up to two (2) faculty members
- Two students, one of whom is appointed by the Student Government Association

¹ Document adapted from *Proposal for The Dartmouth Revolving Green Fund*
http://www.endowmentinstitute.org/files/Dartmouth_Proposal.pdf

The Sustainability Director will coordinate the Fund's activities, manage the influx of proposals, and serve as a liaison for the Fund with the College administration and broader campus community. The Budget Director will supervise the disbursement and repayment of funding. Topical expertise will be provided by the Physical Plant Director, as well as efficiency experts from Vermont Gas and Burlington Electric Department. The student body will be represented by two undergraduates, at least one of whom is appointed by the Student Government Association, and are expected to serve a one year term. Faculty will be represented by one to two members, appointed by the Faculty Senate, and are expected to serve a one year term. An appointee of the President (the VP for Finance & Administration) will represent the College administration at large and provide financial expertise. As we are hoping to solicit funds for this project, the Office of Advancement will also be represented.

One-year terms will begin on the first day of the fall semester². Committee members may be reappointed if agreed upon by the appointing party. In the case of resignation, the appointing party, in conjunction with the Committee, must choose a replacement as soon as possible.

Green Community Fund Provision

By the nature and purpose of the GRF, Physical Plant will be the primary recipient of funds from the GRF; they have readily identified project opportunities and have the staff and equipment resources to implement them. To minimize competition with Physical Plant, as well as to promote student, faculty, and Sustain Champlain projects, the GRF will include a subsidiary Green Community Fund focused on funding smaller projects that may have much longer payback timeframes or none at all. As a result, the main portion of the GRF will be used for Physical Plant projects and the GRF Committee, in collaboration with Physical Plant, will select the best projects based on potential monetary savings and environmental performance. By contrast, the Green Community Fund will consider projects proposed by Champlain community members that promote sustainability in education, campus culture, and behavior, in addition to projects that focus solely on infrastructure. Both will be managed by the GRF Committee. For the Community Fund, the Committee will consider project ideas from all areas of campus, including academic courses, independent student research, student organizations, and academic departments. In distributing funds, the GRF will issue loans which must be paid back by Physical Plant (through investment of realized cost-savings), whereas the Community Fund will award money that does not necessarily require repayment.

Overall, both arms of the fund are intended to promote sustainability in the way that Champlain uses resources. The revolving portion does this by selecting projects based on their potential for financial returns and direct environmental impact reduction. The Green Community Fund does this by fostering awareness and understanding of sustainability among members of the Champlain community and empowering them to develop their own solutions. In other words, the revolving portion serves as the "business" arm and the Community Fund serves as the "philanthropy" arm.

Green Revolving Fund (GRF) is an investment fund that finances energy efficiency, renewable energy, and other sustainability projects on campus. Average payback to Fund is 5 years.

Green Community Fund provides funds for projects proposed by Champlain community members that promote sustainability in education, campus culture, and behavior as well as infrastructure. Payback to the fund is only required if the project receives more than \$5000 from the Fund.

² In the case of the inaugural year (2013), the appointments will be one semester, starting on the first day of the spring semester.

Loan Disbursement and Repayment

Green Revolving Fund

Cost-savings from Physical Plant projects financed by the GRF will both replenish the fund and provide revenue for the Community Fund. Initially, 80% of the estimated annual savings from Physical Plant projects are paid back to the GRF until 120% of the loan value is repaid. During that time, approximately 10% of the annual savings will be contributed to the Green Community Fund and Physical Plant will retain the remaining balance of cost-savings to help offset its operating budget. Once the GRF loan is repaid at the specified level, the majority of the annual cost savings will contribute to the College’s ongoing operation, with the exception of the approximate 10% allocation to the Green Community Fund, which will continue. The actual amount and duration of the annual contribution to the Green Community Fund that is linked to an individual project is at the discretion of the Committee and will depend on the nature and timeline of the project. By administering the loan funding and payback in this way, the GRF will be able to finance larger projects as it grows, the College will benefit from the majority of the cost-savings over the long-term, and the Green Community Fund will receive a steady revenue stream in order to continually support projects of a more educational nature (see Table 1 for a summary).

Table 1: Typical project savings payments (annual)

<i>While loan is being paid back</i>	<i>After loan is paid back</i>
80% paid to GRF until 120% of loan repaid	80% contributes to College operations
10% paid to Green Community Fund	10% paid to Green Community Fund
10% retained by Physical Plant operations budget	10% retained by Physical Plant operations budget

In most cases, simple paybacks (the time it takes for a project’s savings to cover its initial capital cost) for Physical Plant projects financed by the GRF must not exceed 5 years. In order to receive GRF funding, Physical Plant will not need to fill out a formal application; they need only provide evidence that the project will pay for itself within 5 years and reduce environmental impact. If the payback is projected to take longer than 5 years, the Committee will review the project for its overall financial return and environmental impact and make a decision on whether to provide GRF funding.

Green Community Fund

Applicants for Green Community Fund financing must submit a detailed proposal and application form (see Loan Application Process below), which will be reviewed by the Committee according to the process laid out in the following section of this document. In most cases, projects that cost less than \$2,500 need not have paybacks to the Fund. However, if a project under \$2,500 will generate significant monetary savings, paybacks will be expected and arranged at the time the funding is approved. Projects that exceed \$2,500 must be paid back within 5 years (through realized cost-savings), although those projects that exceed \$10,000 will have up to 10 years for paybacks to take place. Projects will typically pay back 90% of their yearly savings to the Community Fund until 120% of the loan is repaid, though this may be modified at the Committee’s discretion.

The loan disbursement and repayment schedule will be established in advance. Loans and grants may be disbursed as a lump-sum, or in incremental payments, at the discretion of the Committee and depending on the nature of each project. For projects that will pay back to the Fund, the loan repayment schedule will be decided before the loan is disbursed. Yearly savings for each project will be calculated based on the pre-project costs for the relevant utilities/commodities and an estimate of the post-project utility/commodity usage and projected rates/prices. The project recipient will be responsible for repaying the designated portion of the cost savings to the GRF on a pre-determined date on an annual basis. This schedule—complete with specific disbursement and repayment amounts and their dates—will be formalized in a document that will be signed by a representative of the Committee and the project recipient.

Alternative financing structures may be employed, but only with the majority consent of the Committee present at that meeting, with final approval by the VP of Finance and Administration. Any financing structure that may cause the GRF to deviate from its stated mission will not be permitted.

Capitalizing the Fund

Startup funds for the Green Revolving Fund will come from donations via the Office of Advancement (including 2012 donations of \$30,000 from Green Mountain Power and \$10,000 from an individual donor), as well as any rebate funds received from Burlington Electric Department and Vermont Gas. Each October a request will be made to the Board of Trustees for a portion of the operating surplus for that year. It is the goal to raise \$100,000 in the initial year of the Fund, through donor solicitations, a portion of operating surplus, and rebate funds.

We expect to continue to receive rebate funds from Burlington Electric Department and Vermont Gas for future projects. In the past year, Champlain College paid \$34,590 worth of efficiency fees to BED³, yet we have only taken advantage of a small portion of what could be available to the College in terms of rebates. (See Appendix A for a description of BED's energy efficiency program.) While Champlain does not pay an efficiency charge to Vermont Gas, the company has several rebate programs in which the College can participate. Additionally, in the past Vermont Gas has obtained grant funds on behalf of Champlain and could do so again in the future.

Procedural Process

The Committee will manage and maintain both sections of the Fund, assess and vote on project proposals, disburse loans, manage the repayment process, and help with planning and implementation of projects when required. Specific roles are outlined in the "Management" section above.

The Committee will meet formally at least once per semester while classes are in session; meeting dates and times will be announced publicly at least two weeks in advance. Meetings will be used to hear project presentations, discuss and vote on proposals, and take care of any other business relevant to the fund. The Committee will communicate electronically and via phone to discuss day-to-day fund management and issues, as needed.

The Committee need not vote on Physical Plant proposals for GRF financing. Physical Plant staff members need only submit a short written description of the project, its cost, timeline, and savings. Only in the event that a

³ Email from Jake Yanulavich, C & I Energy Services Engineer, Burlington Electric Department on November 15, 2011

potential Physical Plant project seriously diverges from the mission and goals of the Fund, or two projects are competing for the same limited funding would the viability of a project require further discussion.

Applications for Community Fund financing will be accepted on a rolling basis but must be received at least two weeks prior to the formal meeting at which it will be considered. One or more members of the Committee will review each proposal prior to its formal consideration to ensure that it provides adequate explanation and justification. If additional information is needed or revisions are required, the Committee will advise the applicant, who will need to make adjustments to the proposal before the full Committee will consider it. Applicants are encouraged to submit a preliminary proposal well in advance of the two week deadline in order that the applicant can receive feedback and have sufficient time to make revisions that can result in a fundable proposal. Once proposals are finalized for consideration, applicants are asked to present them in-person to the Committee whenever possible. However, proposals may be voted on by the Committee without a formal presentation, if necessary.

Unanimous Committee approval of projects to be funded through the Green Community Fund is preferred in all cases. If one or more Committee members does not approve of a proposed project, the Committee will determine whether a project revision request will be made to the applicant. Decisions regarding additional presentations, discussions, or deliberations, either in –person or via remote communications will be at the discretion of the Committee. A proposal may be modified by the Committee before approval, or approval may be conditional upon other project environmental specifications or outcomes. Upon approval of a proposal, the Committee, applicant(s), and any non- Committee participants will be expected to proceed with project implementation as quickly as possible.

Members of the Committee (or an appointee) are responsible for producing termly reports on the status of the GRF, including progress on funded projects, decisions to fund new projects, and the financial performance of the fund at large. These must be published on the GRF/Sustain Champlain website and released upon request to Champlain community members.

The Committee may modify or amend any part of this Charter by unanimous consent, so long as the amendment does not conflict with the fund’s mission and goals.

Loan Application Process

To receive project funding, both Physical Plant and community members must submit a form with project information (see pages 10-12 of this report) to the Committee. Physical Plant need only submit a brief project description and request for GRF funding, which will streamline the process and minimize any additional administrative work for Physical Plant staff. Students and community members must submit a full proposal to the Community Fund Committee and the proposal must be reviewed by one or more Committee members before the Committee will vote on it.

Proposals from Physical Plant

The Physical Plant representative on the Committee should submit a brief description of the project which includes: evidence of alignment with the underlying goals of the GRF; basic construction costs; and estimated cost-savings figures. Efficiency experts from Vermont Gas and Burlington Electric Department may assist with these figures. The project description should follow the outline beginning on Page 10.

Physical Plant projects should meet the following criteria:

- Produce financial savings that will pay for the initial cost of the project within five years. Shorter payback periods are preferred.
- Quantifiably improve the environmental sustainability of Champlain College (e.g. improved energy efficiency, renewable energy generation, and waste reduction).
- Use loan funding cost-effectively as measured by the environmental impact reduction per dollar.

Proposals from students and community members

Applications to the Community Fund fall into two categories: projects that will provide cost savings and can pay back the Fund and those that will not. Projects that cost less than \$2,500 need not require paybacks to the Fund. However, if a low cost project (less than \$2,500) does generate significant monetary savings, it must pay back the Fund at a rate deemed fair by the Committee. Projects that exceed \$2,500 must pay back the Fund within 5 years, and those that exceed \$10,000 must pay back the Fund within 10 years.

Before the Committee can vote to approve financing through the Green Community Fund, a proposal must be submitted that includes a clearly stated: project description; implementation plan; budget; time line; and evidence of educational/cultural value. Local, state, and federal incentives should be considered if applicable. Exact cost-savings and environmental impact numbers should be used when possible, but educated estimates may be used when exact numbers are costly or not feasible to calculate. Information about a similar, successful project at Champlain or another school will be useful.

All Green Community Fund applicants must fill out the form beginning on page 11. Applicants are encouraged to establish financials, implementation details, and the project timeline as completely as possible on their own. However, they may consult with Physical Plant and the Committee for advice and assistance, if necessary. Only after project details have been clearly detailed and reviewed by the Committee will the proposal be voted on.

The Committee will evaluate proposed Community Fund projects on the following criteria:

- Promote awareness and understanding of sustainability in education, campus culture, and behavior.
- Directly or indirectly reduce Champlain's environmental impact.
- Encourage student participation, learning, and leadership.
- Engage members of the Champlain community.
- Use funding cost-effectively.
- Produce financial savings that can pay for the initial cost of the project (required only of projects that exceed \$2,500).

Champlain College Revolving Green Fund Covenant

This covenant is intended to establish a relationship between the Fund and Champlain College. To guide the Fund and prevent any use of funds contrary to its intended mission, the covenant outlines actions that are prohibited and those that are encouraged.

The Green Community Fund is intended to finance projects that improve the sustainability of Champlain College *beyond what it otherwise would have been*. Its monies should not finance projects that were going to be undertaken anyway, though they may be used to expand the scope or effectiveness of such projects. The main

portion of the Champlain Revolving Green Fund may be used to finance any Physical Plant project, so long as it meets the criteria listed in the Charter.

Appropriate Projects

Funding may be allocated for all aspects of the implementation process that have been proposed and approved by the Committee. These may include (but are not limited to) construction and material costs, education, advertising, metering, wages, and maintenance. The Committee will be responsible to ensure that funds support only projects that have a positive impact on sustainability at Champlain and will reduce costs when implemented (when required).

Examples of Appropriate Projects

The following is a list of viable sustainability improvements for the GRF and/or Community Fund to finance. The list is by no means exhaustive, but it should give a good idea of the type of projects that the Fund is meant to support.

- *Efficiency Improvements:* Installation of high efficiency pumps, lighting, boilers; weatherization and insulation; energy recovery ventilators.
- *Water Conservation:* Installation of low-flow appliances; systems which recover or reuse wastewater.
- *Renewable Energy:* Installation of on-campus and community renewable energy systems such as geothermal, solar thermal or photovoltaic, wind turbines, biomass.
- *Renewable Fuels:* Production of renewable fuels, such as biodiesel from agricultural waste or dining hall waste oils.
- *Green Building:* Investment in green building designs, such as green roofing, passive solar heating, and elimination of conflicting practices.
- *Sustainable Agriculture:* Investment in processes that recycle and reuse agricultural materials.
- *Recycling and Composting:* Promotion of on-campus recycling and composting; investment in innovative practices.
- *Out-of-Classroom Education:* Seminars, workshops, poster campaigns, and other activities that inform and empower community members with regards to sustainability.
- *In-Class Education:* Projects and research experiences related to sustainability that could not have taken place otherwise. For example, classes may be able to implement projects that they otherwise would have only analyzed or proposed.
- *Behavior Change:* Projects that provide education and incentives to encourage sustainable practices in individual, organizational, and institutional behavior.
- *Payments for Labor:* Payment for community members working on projects related to sustainability (so long as the work contributes to the mission and goals of the Fund and would not have been paid from other resources otherwise).

Examples of Inappropriate Projects

- *Fossil Fuels:* Projects that use fossil fuels should not be invested in, unless the project quickly and significantly leads to a net decrease in fossil fuel consumption and greenhouse gas emissions.
- *Credits or Offsets:* Funds should never be used to purchase carbon offsets, renewable energy certificates, green tags, or any other credits. Rather, the GRF should focus on projects that directly improve the sustainability, leadership, and image of Champlain College.
- *Budget shortfalls:* Funds should not be used to cover budget shortfalls for the College, except by investing in appropriate projects that reduce College costs.

- *Salaries:* The Fund is not intended to cover faculty or staff salaries, except as direct wages for projects when the Committee deems appropriate.

Investments

At times when there is a balance in the GRF that is not being used to finance projects, the GRF Board may invest those funds in bonds or other stable financial assets. All investments must be liquid and very low-risk to avoid compromising the ability to finance projects in the future.

Calculations of Financial and Environmental Performance

Performance of the Fund will be tracked using various tools, such as the Billion Dollar Challenge’s GRITS (Green Revolving Investment Tracking System)⁴ tool. Among other features, this tool can:

- Input real cost and savings data to track realized financial gains and resource-use reduction over time.
- Measure cumulative carbon emissions abated from a variety of energy-saving projects.
- Report on project and fund success through project-specific and aggregate fund data.
- Predict future fund balance to make more informed funding decisions.

Fund Performance Report

On an annual basis the Green Revolving Fund Committee will produce a report that summarizes financial and environmental performance of the fund.

Anticipated Calendar

January 2013	Launch of Fund: press release; website; sign on to Billion Dollar Challenge
February 2013	Committee Meeting
May 2013	Committee Meeting
August 2013	Committee member nominations
September 2013	Committee Meeting
December 2013	Committee Meeting
February 2014	Committee Meeting
May 2013	First Annual Report
Ongoing	Project implementation and data tracking, loan paybacks, website updates

⁴ <http://greenbillion.org/resources/#grits>

Champlain Green Revolving Fund Project Form

Physical Plant Proposal

If submitting on behalf of Physical Plant, please complete this form. Under "Description of Project," please include a brief description of their project that explains how the project contributes to the goals of the GRF and how long it will take to complete. Under "Budget" please specify both the total project cost and how much is being requested from the Fund (these figures can be the same). The projected payback period should be entered on this form (in the designated space); a more detailed loan disbursement and repayment schedule should be attached.

Project Title:

Project Location:

Project Director

Name:

Title:

Phone:

E-Mail:

Secondary Contact

Name:

Title:

Phone:

E-Mail:

Description of Project:

Budget:

Total Project Cost:

Total GRF Funding Request:

Projected Annual Savings and Source of Savings:

Projected Environmental Benefit:

Projected Payback Period:

* A schedule of loan disbursement and repayment dates should be attached when completed.

Signature of Committee Chair: _____ Date: _____

Signature of Project Director: _____ Date: _____

Green Community Fund Application Form

Student/Campus Community Member Proposal

To request Green Community Fund financing for projects that are not initiated by Physical Plant, please complete this form. Applicants are encouraged to establish financials, implementation details, and the project timeline as completely as possible on your own. However, you may consult with Physical Plant and the Committee for advice and assistance, if necessary. Only after project details have been clearly detailed and reviewed by the Committee will the proposal be voted on.

Project Title:

Project Location:

Project Director

Name:

Title:

Phone:

E-Mail:

Secondary Contact

Name:

Title:

Phone:

E-Mail:

Describe your project: How will the funding be used? How will it make Champlain more sustainable? How will it engage the community, provide environmental education, and/or promote a culture of sustainability at Champlain?

Tell us your plan: How and when will your project be implemented? Who will oversee the project and who else will be involved? What resources are needed to implement and complete this project?

How will you measure your success? Please provide an estimate of any cost savings, emissions reductions, or other qualitative or quantitative improvements. Will the benefits outweigh the costs of construction/implementation?

Are there examples of similar projects at Champlain or elsewhere that have been successful? Please provide details.

Project Timeline and Budget:

Estimated Project Start Date:

Estimated Project Completion Date:

Total Estimated Project Cost:

Matching Funds or In-Kind Support:

Total Funding Request From GRF:

Anticipated Payback Period (if applicable):

* Please attach a schedule of proposed loan disbursement and repayment dates (if applicable).

Signature of Committee Chair: _____ Date: _____

Signature of Project Director: _____ Date: _____

Signature of Associated Department/Organization Head: _____ Date: _____

Appendix A: Description of Burlington Electric Department's energy efficiency programs

BED's energy efficiency programs are designed to offer our customers objective information and guidance on cost-effective energy efficiency solutions. We provide technical assistance and financial incentives to encourage the adoption of cost effective, high efficiency alternatives to standard efficiency equipment and design approaches.

For existing buildings, our service targets naturally-occurring equipment changeovers at the end of equipment life for lighting, heating, ventilation, cooling, water heating, refrigeration, motors and drives, control systems and industrial process applications. We also provide on-site energy audits to help customers identify energy retrofit opportunities where early replacement of equipment can be very cost-effective.

For new construction or substantial renovation projects, we assist customers with incorporating the most energy efficient products and systems possible when building or renovating. **Incentives for equipment and engineering studies are available. The service is designed to help customers exceed the Commercial Building Energy Standards (CBES).** By working directly and early in the process with designers and owners, BED assists in the choice of energy efficient systems and construction techniques that meet business and energy needs.

While our services focus mainly on electric savings we are very mindful of all energy sources, water and maintenance savings along with increasing comfort and improving overall building performance.

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