

East Texas Baptist University



CUSTOMER BENEFITS

- Guaranteed energy savings
- Financing method for deferred maintenance needs
- Improved learning environment
- Increased energy efficiency
- Decreased operating costs

PROJECT AT A GLANCE

Project Type:
Energy Performance Contract

Location:
Marshall, Texas, USA

Number of Buildings:
14 campus buildings

Total Area:
335,100 sq. ft.

Guaranteed Annual Savings:
\$73,000

Energy Conservation Measures:

- Lighting retrofit
- Energy management system
- Mechanical repairs
- Chiller replacements
- Boiler replacements
- Air handler replacements



This private university was looking for a way to achieve its business objectives of keeping enrollment at targeted levels and retaining quality faculty. East Texas Baptist University chose a Schneider Electric performance contract to meet those objectives.

The Challenge

“For a private college the size of East Texas Baptist University (ETBU), there are three things the leadership must accomplish in order to achieve success,” said Sam Fogle, the vice president of administration and finance at East Texas Baptist University (retired).

“First, we must keep enrollment at targeted levels by attracting plenty of quality applicants. The right size enrollment helps us meet our second goal of fulfilling our annual revenue needs. Third, we must retain our high-quality faculty, since the faculty is one of the main reasons that students choose to attend ETBU.”

Environmental Facts:

East Texas Baptist University annually saves energy that is equivalent to ...

- Reducing 14,189 tons of CO₂ from the atmosphere
- Removing 2,837 automobiles off the roads
- Planting 3,859 acres of trees

ETBU's leadership saw that a performance contract with Schneider Electric would help it to realize all three of the school's primary business objectives. With the energy savings generated by the performance contract, ETBU was able to enhance its facilities, which are essential to achieving its business objectives. Financed through a third-party lease/purchase program, ETBU did not have to spend any money upfront on the project. Additionally, ETBU's risk was minimized by the knowledge that if Schneider Electric did not achieve its energy savings guarantee, the company would write a check to make up the difference.

Keeping Enrollment at Targeted Levels: For private colleges, enrollment represents an important ingredient in meeting annual budget needs, and facilities are key to attracting new students and maintaining enrollment levels. If enrollment drops, the administration is forced to look to other sources for meeting its operating needs. One of the earliest questions that a potential student asks is, "What does the campus look like?" If the facilities are not comfortable, attractive and safe, students and their parents may hesitate to select that college.

Administrators are keenly aware that they must provide top quality facilities as a centerpiece for attracting next year's freshmen. Through its performance contract, ETBU made substantial progress in achieving this goal. The eight-month project upgraded 335,100 square feet of facilities and included an energy management system, energy-efficient lighting retrofit in 13 buildings, and extensive mechanical retrofits in two campus buildings.

Finally, a performance contract is a tool for addressing the large deferred maintenance backlogs that exist at many schools. For ETBU, the performance contract provided the financing

vehicle for meeting deferred maintenance needs that would have otherwise been very challenging to address.

Keeping the Institution in the Black: Schneider Electric's approach to performance contracting is different than that of its competitors. The company designs performance contracts based on real, verifiable savings. Therefore, it is easy for customers such as ETBU to determine whether the performance contract has achieved its projected savings.

"Several other companies proposed operational savings and savings generated through equipment replacement avoidance," remarked Sam Fogle. "These factors are difficult to measure, and you can't be certain if you're actually saving the money. Schneider Electric was the only company that presented me with an energy savings only approach."

Keeping the Faculty Happy: One reason students choose to attend private colleges and universities is the program strength that the institution offers. Program strength is based on the quality of the faculty providing the education. Therefore, a major component to maintaining program strength is retaining top level faculty.

Providing an excellent teaching environment for the faculty is essential for retaining faculty. If teachers and students are uncomfortable, teaching and learning suffers.

Building comfort has been achieved on the ETBU campus. Prior to this project, for example, there was an area of H.D. Bruce Hall that never cooled below 85 degrees in the summer. Now, this part of the building is comfortable for students and faculty.

The Solution

The Board of Trustees at ETBU was initially wary of performance contracting savings promises, and deliberated undertaking the energy conservation project on its own. However, Schneider Electric's approach to identifying potential clients and developing projects focuses heavily on educating and informing the customer about how projects are performed and how their unique approach leads to success.

“I am completely happy with Schneider Electric’s work and service abilities. Their entire performance contracting approach is the best I’ve seen. They’ve succeeded with flying colors.”

Sam Fogle

Vice President of Administration and Finance, Retired
East Texas Baptist University

Once the project installation was complete, a Schneider Electric performance assurance consultant was assigned to ETBU to ensure that Schneider Electric delivered on its savings guarantee. This individual remotely monitored the ETBU site, prepared monthly facility reports, and maintained continuous contact with ETBU facility operators.

Ultimately, ETBU and the board were very pleased with the results. “I am completely happy with Schneider Electric’s work and service abilities,” said Sam Fogle. “Their entire performance contracting approach is the best I’ve seen. They’ve succeeded with flying colors.”

The Bottom Line

Schneider Electric’s annual energy savings at ETBU was \$73,000. This equates to a 1,305,530 kWh decrease and a decrease in gas consumption by 2,906 MCF. During the installation period alone, the site realized \$24,258 in energy savings.

Through a performance contract that has completed its 10-year project term, East Texas Baptist University made a significant impact on the environment. ETBU has annually saved energy equivalent to removing 2,837 cars off the roads annually or planting 3,859 acres of trees.

