

VERMONT LAW SCHOOL
GREEN REVOLVING FUND

Operating Procedures Adopted January 23, 2013

OVERVIEW

This document will serve as the operating guidelines for the process of selecting and implementing projects under the Vermont Law School Green Revolving Fund. Vermont Law School (VLS) has committed to establishing a green revolving fund (GRF) with an initial investment of \$250,000. The purpose of this fund is to finance energy efficiency, renewable energy and other campus sustainability measures that reduce the amount of energy used or resources consumed on campus. These measures will ultimately reduce energy consumption and operating expenses at Vermont Law School. Seventy-five percent of the operational savings realized as a result of implemented projects will be returned to the fund annually allowing for future investment in additional projects as the fund is replenished.

GRFs are an increasingly common tool used by educational institutions to strengthen their bottom line while reducing their energy footprint. GRFs are self-managed, sustainable investment vehicles that loan money to specific projects, which then repay the loans through an internal account transfer from savings achieved in the institution's utilities budget.

VLS is uniquely positioned to administer a successful GRF. Our faculty, staff and students are committed to sustainability, however limited capital resources present a budgetary challenge to undertaking even cost effective sustainability investments. With the GRF in place, VLS will have an ongoing source of funds to undertake campus sustainability projects. These projects will not only have an environmental benefit, but by investing in cost-effective measures, the money invested in the Fund, based on other institutions' experience, could potentially earn as much as a 30% return on investment through reducing energy costs and other operating expenses.

PARTICIPATION IN THE BILLION DOLLAR GREEN CHALLENGE

VLS has joined the Billion Dollar Green Challenge (The Challenge). The Challenge encourages colleges, universities, and other nonprofit institutions to invest a combined total of one billion dollars in self-managed green revolving funds that finance energy efficiency improvements. This initiative is transforming energy efficiency upgrades from perceived expenses to high-return investment opportunities. The Challenge is inspired by the exceptional performance of existing green revolving funds.

The Challenge is coordinated by the Sustainable Endowments Institute in collaboration with 15 partner organizations including the Clean Air – Cool Planet, Clinton Climate Initiative, and Vermont Energy Investment Corporation (VEIC).

CAMPUS SUSTAINABILITY COMMITTEE

The Campus Sustainability Committee (CSC) will oversee the development and implementation of the Campus Sustainability Plan and the GRF. The Committee will consist of a representative of Buildings and Grounds, a faculty member of the Institute for Energy and the Environment, a student member elected from the Campus Greening Committee (CGC), a member from the office for institutional advancement (OIA), and a student research associate from the IEE. The CSC will work with outside technical resources such as Efficiency Vermont and Second Nature. The CSC will meet at least once each semester. For all responsibilities of the CSC, the CSC will attempt to operate by consensus but when consensus is not reached, the CSC will make decisions by a majority vote. The CSC will review any amendments to the GRF procedures and make recommendations on future changes.

PROJECT APPLICATION AND ELIGIBILITY

Projects eligible for funding must either produce renewable energy, reduce net energy or other resources consumed on campus or support the planning and development of GRF related priorities. This includes energy efficiency, renewable energy, and other campus sustainability projects that result in a net reduction in greenhouse gas emissions or other resources consumed on campus. The CSC will maintain a detailed list of eligible projects that are either developed by the CSC or proposed by members of the VLS community. Students, faculty and staff of Vermont Law School may propose projects to the CSC by submitting a VLS GRF Project Proposal Form as developed by the CSC including any proposal deadlines. Initial projects were identified in the 2012 energy audits of four campus buildings. Included below is non-exclusive list of the types of appropriate projects:

- Efficiency improvements: weatherization and insulation, programmable thermostats, lighting, high efficiency pumps, boilers, energy recovery ventilators, energy audits.

- Green building: investment in green design, better roofing, passive solar.
- Water conservation: composting toilets, low flow appliances, systems which recover or reuse wastewater.
- Renewable energy: installation of campus-based and community-based renewable energy systems, such as geothermal, solar thermal, photovoltaics, wind turbines or biomass.
- Recycling and composting: promotion of on campus recycling, composting, and other methods of waste reduction
- Campus transportation efficiency improvements.

PROJECT RANKING AND PRIORITIZATION

The Campus Sustainability Committee, with technical support from Efficiency Vermont, contractors, and other resources will analyze the project parameters and develop the costs and benefits for each project. The parameters that will be collected and analyzed include:

- Annual reduction in energy usage;
- waste reduction;
- project cost;
- annual greenhouse gas reduction;
- financial incentives.

For each project, appropriate ratios will be calculated including the payback period of upfront costs and cost per ton of greenhouse gas reduction. These calculations will allow eligible projects to be ranked based on cost-effectiveness. Projects with the best cost per ton reduction in greenhouse gases and shortest payback period will be the two primary criteria for ranking projects. Additional qualitative criteria may also be considered such as importance, and visibility of the project to the VLS community, educational value of the project, building occupant comfort, and use of innovative technologies.

PROJECT SELECTION

At least once each semester, the Campus Sustainability Committee will review the list of ranked eligible projects. Based on the project rankings, including consideration of the qualitative criteria, the CSC will propose a set of priority projects to the Vice President for Finance and Administration for approval for current funding by the Green Revolving Fund.¹

PROJECT IMPLEMENTATION AND TRACKING

After GRF projects are approved by the administration, project implementation is the responsibility of the Buildings and Grounds department. Payments from the GRF should be considered as a loan to be paid back by estimated project savings consistent with the fund replenishment process as described in these procedures. Estimated annualized energy savings by project will be calculated in advance by the CSC and tracked on an annual basis. Project implementation dates and costs will be documented. Projects funded by GRF will be acknowledged by some means of visible signage designating them as GRF projects.

FUND REPLENISHMENT

On at least an annual basis, the Business Office will replenish the GRF with 75% of the estimated annual savings for each completed project until 125% of the principal for that project is paid back. The annual savings will be prorated to the date that the project is completed. Estimated dates for project payback will be calculated in advance.

ADDITIONAL FUNDING

The Green Revolving Fund also serves as a unique mechanism to engage alumni and friends of VLS and afford them an opportunity to be involved with sustainability efforts at VLS by making targeted contributions to the GRF. By contributing to the fund, alumni and friends of VLS can continue to strengthen VLS and leave a legacy by furthering sustainability initiatives across campus.

¹ Several projects have already been selected from the VLS GRF including a solar powered electrical vehicle charging station, a new propane boiler for Eaton House, and tasking the IEE with developing a Campus Sustainability Plan. These projects do not need to go through CSC review, however, the savings resulting from these projects should be tracked and reinvested back into the GRF.

ANNUAL REPORTING

The GRF fund balance, annual project savings and other relevant information will be publicly reported on an annual basis.