



**To:** All Superintendents

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**From:** Heidi Teshner  
Director of Finance & Support  
Services

**Subject:** Retro-commissioning Compliance

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## P O L I C Y M E M O R A N D U M

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### Background

#### Commissioning Requirements for Existing Buildings

In order to remain eligible to request state-aid for school capital projects under AS 14.11, Alaska school districts must have a preventive maintenance and facility management program in compliance with 4 AAC 31.013(a), including:

- (2) an energy management plan that includes . . .
  - (B) regular evaluation of the effectiveness of and need for commissioning existing buildings.**

This requirement was codified in regulation on November 29, 2019 and it is the intent of the Department of Education & Early Development to assess district compliance with the regulation during the period November 1, 2020 and June 1, 2021. The department, following review at the Bond Reimbursement & Grant Review Committee, and after a period of public comment running from August 5 to September 21, 2020, is establishing the criteria and options outlined in this memorandum for energy performance measurement. The department is also making tool(s) available for district use to assist them in meeting the established criteria under Option 2.

#### Definitions

**Retro-commissioning (RCx):** RCx is the inspection and adjustment of systems to return the facility to operate as it was designed to operate. Generally, it is assumed to apply to facilities that were never commissioned at start-up. The parallel term “re-commissioning” is sometimes applied to commissioning activity that follow an original (prior) commissioning event.

**Energy Use Intensity (EUI):** Sometimes also referred to as Energy Utilization Index, the EUI provides a snapshot of the quantity of energy actually used by a building on a square foot and time period basis (e.g. month, year). The calculation converts the total energy usage for a determined time period from all sources in the building, (e.g. heating fuel, electrical) into British Thermal Units (BTUs). The total usage is then divided by the number of square feet (sf) of the

building. EUI units are kBtUs/sf for any measured time period. As a stand-alone metric, EUIs are not adjusted for climate variations.

**British Thermal Unit (BTU):** A BTU is the amount of heat required to raise the temperature of one pound of liquid water by one degree Fahrenheit at a constant pressure of one atmosphere.

**Heating Degree Day (HDD):** HDDs are a measure of how much (in degrees), and for how long (in days), the outside air temperature falls below 65 degrees Fahrenheit. It is commonly used in calculations relating to the energy consumption required to heat buildings. Essentially, the colder the outside air temperature, the more energy it takes to heat a building. The idea is that the amount of energy needed to heat a building in any day/week/month/year is directly proportional to the number of heating degree days in that day/week/month/year.

**Site Energy:** The amount of primary (e.g. oil, natural gas) and secondary energy (e.g. heat and electricity) consumed by a building as reflected in utility bills and other on-site measurements. Site energy is calculated by converting each fuel source into BTUs, then adding them altogether. Site energy is useful in monitoring how the energy use for an individual building has changed over time; however, it is not a good metric to compare two different buildings.

## **Discussion**

The regulation language requires three actionable steps of school districts:

- 1) Districts must evaluate the **need** for retro-commissioning of existing buildings;
- 2) Districts must evaluate the **effectiveness** of retro-commissioning existing buildings; and
- 3) The evaluation must be regular.

## **Retro-commissioning Need**

The department requires that districts evaluate the need for retro-commissioning by measuring the EUI for each designated facility (see RCx Target Facilities). The calculated EUI is then used to establish a performance benchmark for each facility. A retro-commissioning need would be triggered when the EUI rises above the benchmark. The process of establishing the benchmark would depend on the compliance option selected (see Options). For example, under Option 2, the EUI would be adjusted for climate variations using Degree Days, and finally, compared against a statewide minimum EUI benchmark established by the department and updated as needed as part of the CIP application process.

## **Retro-commissioning Effectiveness**

The department requires that districts evaluate the effectiveness of implementing RCx on a school facility by calculating an anticipated Return on Investment (ROI) for the RCx effort. This ROI would be a simple payback calculation comparing the anticipated cost of the RCx and its recommendations, to the estimated cost savings resulting from implementing the RCx recommendations. Any ROI showing a simple payback within four years is considered effective. Information from industry sources indicate a cost range for a full RCx—planning, implementation, and verification—of \$0.13/sf to \$2.00/sf with the planning phase requiring \$0.05/sf to \$0.50 of those costs (Lawrence Berkeley National Laboratory). Many areas of Alaska would have to add approximately \$2,000 additional in base costs for travel and per-diem.

Industry indicators suggest energy savings from recommissioning to be between 5 and 20 percent. A published study of 224 buildings in 21 states found the average energy savings to be 15 percent. Absent a more sophisticated analysis, which any district may propose for review, the department establishes evaluation of the effectiveness of RCx on any building by using the following calculation:

$$\begin{aligned} \text{Planning cost (PC)} &= \$0.50/\text{sf} + \$2,000 \\ \text{Implementation cost (IC)} &= \$0.50/\text{sf} * \text{Cost Model geographic cost factor} \\ \text{Anticipated annual savings (AAS)} &= 7 \text{ percent of electricity and fuel costs.} \end{aligned}$$

$$\text{RCx Effectiveness Calculation: } PC + IC < AAS$$

### Regular Evaluation

The department has determined that a regular evaluation would be an annual evaluation. At a consistent date, established in the district’s energy plan, each qualifying school facility would be evaluated for RCx on a consumption-based EUI analysis, and RCx effectiveness based on a cost-based ROI analysis. Ideally this data would be gathered into a report and shared with the district school board.

### RCx Target Facilities

RCx is an operating budget cost aimed at creating an operational cost savings. The purpose of RCx is not to identify capital renewal needs related to operational costs—that work falls to the more expansive Energy Audit. A retro-commissioning event, therefore, should only be implemented when a reasonably quick ROI from operating funds can be anticipated.

Regular evaluation of the need for, and effectiveness of RCx, is not required for every building. In determining the target facility for RCx, several factors must be considered as follows: 1) the use type of the facility, 2) the total annual energy consumed (correlated as a building’s size), 3) the age of its primary energy-influenced building systems (ref. DEED Renewal & Replacement (R&R) Schedule categories listed below), and 4) the presence of an integrated building automation system. Using these four factors, the department has established a requirement that the following facilities be included as “existing buildings” under the requirements of 4 AAC 31.013(a)(2)(B).

**Each facility designated as a ‘main school’ in the DEED Facilities Database, along with any other school or support facility greater than 5,000 gsf, which meet each of the following building system criteria:**

a.	Exterior Walls System	Installation or renewal within 25 years
b.	Roof Systems	Installation or renewal within 25 years
c.	HVAC Distribution	Installation or renewal within 40 years
d.	HVAC Equipment	Installation or renewal within 30 years
e.	HVAC Controls	Installation or renewal within 20 years
f.	Electrical Lighting	Installation or renewal within 25 years

If a facility does not meet even one of these criteria, that facility is not a target facility for RCx. It is possible that under these criteria, a district may not have any facilities that must be tracked for RCx. Each district will make this determination subject to department review.

### **Responses and Tools**

Each district will need to update its energy management plan to include details about the effectiveness and the need analyses for RCx. Districts will need to implement the measurements and calculations using tools that they have developed, using commercially available tools, or using tools supplied by DEED. These tools are available for download from the department's website. Districts may also request a copy of the tools be emailed by department Facilities staff. An equally viable tool option would be to use the US Environmental Protection Agency's (EPA) Energy Star Portfolio Manager. This tool takes utility consumption data and calculates an EUI for the facility. One benefit of tracking and evaluating using the EPA tool is the access it provides to comparative data from other K-12 school facilities.

### **Options**

#### **Option 1 – District Tools/District Metrics:**

Under this option, a district would demonstrate compliance with the regulation requirements by asserting its own retro-commissioning needs evaluation (EUI-based), effectiveness assessment, and regularity with an annual minimum. (Note: this could include independent use of the EPA Portfolio Manager identified in Option 3 below.)

#### **Option 2 – Department Tools/Department Metrics:**

Under this option, a district would demonstrate compliance with the regulation by using the DEED-supplied RCx needs evaluation, and effectiveness assessment tools on an annual basis. (See attached template and sample tool.)

#### **Option 3 – Using EPA's Portfolio Manager**

Under this option, districts would adopt the EPA Energy Star platform as the process for demonstrating compliance with the regulation in the area of RCx needs evaluation. For districts using this option, the department approves the use of the EPA Target Finder as the basis of needs evaluation. For the effectiveness assessment, districts would use the department's default calculation or an approved alternative.