

May 15-16, 2024

**ITEM 212-2004-R0524**

**Request Authorization to Execute an Energy Performance Contract for a Campus Geothermal Borefield; Montana State University**

---

**THAT**

Consistent with MCA 90-4-1103 and BOR Policy 1003.7, the Board of Regents authorizes Montana State University to spend up to \$4,100,000 to execute an energy performance contract for a campus geothermal borefield.

---

**EXPLANATION**

1. MSU has utilized the EPC process during the last 15 years to address deferred maintenance, reduce utility costs such as water and electricity and improve system efficacy through energy efficient replacements. Most recently, MSU received authorization in January 2012 [ITEM 154-2005-R0112], November 2012 [ITEM 157-2009-R1112] and September 2016 [ITEM 172-2006-R0916] for window, lighting and HVAC system replacements in Auxiliaries facilities.
  2. MSU received authorization from the Board in September 2023 [ITEM 208-2008-R0923] to prepare an investment grade audit as authorized by MCA 90-4-1113. MSU selected McKinstry, a qualified energy service provider, in coordination with the Montana Department of Environmental Quality as authorized by MCA 90-4-1112 to perform the audits.
  3. MSU is requesting authorization to implement an energy performance contract as authorized by MCA 90-4-1114. This project will design and install a campus geothermal borefield under an existing parking lot, which is adjacent to 11<sup>th</sup> Avenue and north of the Brick Breeden Fieldhouse. The geothermal field will increase infrastructure reliability, improve continuity of operations, reduce building utility costs, and reduce energy use. The borefield will benefit several buildings along the Grant Street pedestrian corridor.
  4. The work will be paid for using physical plant funds and maintenance funds as authorized in BOR Policy 901.6.
  5. No additional operations and maintenance funding will be requested as a result of this project.
  6. In alignment with the previous energy performance audit and contracting process, MSU intends to make additional requests at future Board meetings for authorization to implement energy performance contracts as authorized by MCA 90-4-1114.
- 

**ATTACHMENTS**

Attachment 1 – Physical Plant 1003.7