

# Western Carolina University CEI Charter

## *Mission*

The mission of the Clean Energy Initiative (CEI) is to encourage global sustainability on our campus and in the community, by funding innovative projects that demonstrate environmental leadership and economic benefit. CEI will empower Western Carolina University and its students to build a more sustainable university community.

CEI will foster local projects that further the worldwide movement for a sustainable future, with a strong focus on carbon footprint reduction. As an independent fund at Western Carolina University and administered by members from all parts of the WCU community, The CEI will fund clean energy, energy efficiency, and other cost-saving projects that demonstrate sustainable design.

## *Goals of CEI*

- To foster sustainable design and environmentally sound technologies and practices on the Western Carolina University campus.
- To educate and inspire all members of the WCU community about the potential for—and benefits of—conservation and renewable energy innovation.
- To act as an exemplar of socially and environmentally responsible financial practices.
- To serve as a role model on sustainability initiatives for other institutions of higher education, community groups, non-profit organizations, businesses, and governmental bodies.
- To sustain itself financially and functionally into the foreseeable future without compromising—while where possible supporting—other student, community, and institutional initiatives for a socially and environmentally just, and sustainable world. After receiving initial start-up capital, CEI will be entirely self-funding and will grow over time. Through a revolving mechanism drawing cost-savings from projects, CEI will replenish the fund while providing cost-savings to WCU. CEI will make it easy and efficient for students and other Western Carolina community members to design projects. This will provide an unrivaled hands-on opportunity for individually structured environmental education while raising the awareness of the entire community. Furthermore, it will demonstrate that, self-funding sustainability projects are a crucial part of fiscal stability.

## *Structure of CEI*

CEI will be managed by “The CEI Board,” a body composed of one trustee, one college administrator, one faculty member, one alumnus/ae, and two students. The CEI board will act as a decision-making, financing, and implementing body for conservation, clean energy, and sustainability initiatives on Western Carolina University’s campus.

One member must be a Western Carolina University trustee approved through the board of trustees.

One member must be a Western Carolina University administrator approved by the Chancellor of the university.

One board member must be Western Carolina University faculty appointed by the faculty, if possible from Environmental studies or a field related to sustainability.

One board member must be a Western Carolina alumnus/ae. Alumni board members with relevant interests and experience will be selected by the CEI board.

Two members must be WCU students. One will be appointed by Eco C.A.T.S. while the other will be an elected member of the Western Carolina University Student Government Association (SGA). The SGA representative must be approved by the WCU SGA.

Terms will be for two years, excepting the SGA representative who is to be approved annually.

Terms can be modified based on scheduling. Any board member can be reappointed by the designated body for further terms. New, qualified board members, however, should be appointed when possible. Should a board member resign or become unable to fulfill their duties, a replacement should be chosen through the established method at the earliest available opportunity.

## *Procedural Process for CEI*

The CEI board members will communicate primarily via email on smaller proposals and ideas. The board will meet at least four times a year—during the Spring and Fall semesters—to discuss and approve larger projects, investments and management strategies. Co-chairs will be elected by the board for a one-year term. Any board member may propose a project, and other members of the WCU community may also present proposals to the Board. While unformulated ideas may be presented briefly for Board discussion, suggestions, and help with proposal development, only thorough proposals with a well established target, financial plan, implementation plan and time line will be voted on.

The WCU Eco C.A.T.S. will serve as a primary agency to help community members develop proposals, and any individual, organization, business, or group with an idea will be encouraged to work with this organization to develop a plan, although proposals from any source will be accepted for review. Cooperation, involvement, and discussion with Eco C.A.T.S., Facilities Management, and any other committees, departments, or other entities relating to the project and will be strongly encouraged.

At meetings, the board will discuss policy, management strategies, and large proposals, and may modify these proposals either by scale, implementation plan, or financial parameters before voting on the proposal.

Any board member may call for a vote. Consensus should be achieved where possible, but decisions will be made by majority rule subject to the consensus requirements cited below. Proposals for projects under \$1,000 may be proposed through e-mail (other members must be emailed with notification of the proposal) and the co-chairs may approve such proposals two weeks after email notification, unless another member objects.

Should a proposal pass, the board and non-board participants must proceed with implementation as rapidly as possible, including funding, installation, advertising and education. Students who are not board members should be involved in proposal implementation whenever possible, particularly in publicizing the project and community education.

The board may approve by consensus a finance mechanism for a particular project other than the ones outlined below, should the nature of the proposal or existing conditions merit such a change. The board may also modify existing payment plans by consensus at the request of the cost-savings recipient, as long as the alternative maintains the long-term financial viability of CEI.

Special flexibility should be given in cases where energy cost pressures, such as unexpectedly high fuel prices, result in the need for a modification, as in allowing the cost saver to receive a higher percentage of the cost-savings immediately by deferring more of the payment into the future. Requests for such plan modifications, with an alternative proposal, can be proposed to the board by the financial recipient of a project's cost-savings.

The board may send suggestions to various campus bodies as to how they can operate in a more sustainable and/or cost-saving fashion without necessitating additional funding. Such suggestions should be approved by consensus. The representatives on the board are responsible for presenting a report on the activities of CEI, on an annual basis, to the body they are representing.

This report may highlight items of particular interest to their constituency, but should all contain a summary of projects funded by the CEI board, the long-term financial outlook, and the level of community involvement in project activities. The board may amend this charter by consensus.

## *Funding Projects*

This funding will primarily be used for projects that save money for a specific recipient(s) on fuel, electricity, water, building maintenance, storm water fees, or some other (or multiple) cost source(s) while making a positive impact on sustainability. The designer(s) of the proposal should choose one of the two funding parameters below based on feasibility and financial pressures on the recipient in terms of project size and pay-back period. The board may modify these plans, or an alternative strategy may be developed in the proposal.

- I. From a project's calculated (or best estimate) annual savings, 50% of the cost savings will be paid to the fund by the cost-savings recipient. The other 50% of savings will accrue to the recipient of the project, providing some immediate financial relief. This process will be repeated over subsequent years until 125% of the initial project cost (adjusted for annual inflation) has accrued to the fund. After this point, all further savings will accrue to the project's recipients.
- II. From a project's calculated (or best estimate) annual savings, 90% of the cost savings will be paid to the fund by the cost-savings recipient and the other 10% of savings will accrue to the recipient of the project. This process will be repeated over subsequent years until 110% of the initial cost (adjusted for annual inflation) of the project has accrued to the fund. After this point, all further savings will accrue to the project's recipients.

Currently the State funding of our University does not allow us to keep the savings that are budgeted to the University for Power Expenses.

If at all possible, exact cost-savings measurements should be obtained, but in cases where this is unfeasible or costly, an educated estimate should be used. For example, the known energy savings ratio of a compact fluorescent light-bulb (CFL) should be used where the exact effect on electricity usage of a certain number of CFLs may be hard to measure quantitatively through electricity readings. The CEI board will decide whether exact or estimated savings are appropriate for each project.

Modified payment plans may be designed or approved either from the start or later in project lifespan by request of the cost-savings recipient and approved by the board by consensus should conditions merit. All modifications may adjust the overall inflation-adjusted return goal in accordance with the change in project payment lifespan—accelerated payback should decrease overall return—so modifications should be seen as an adjustment of the balance between the period and the size of payback.

In all cases, project proposals should take advantage of local, state, or federal incentives for clean energy or efficiency investments. In particular, state revolving loan funding can be used to maximize project investment, by buying back 50% of a project's debt to 0% interest. These incentives are liable to change due to new legislation and the CEI board should advise groups developing project proposals to research governmental incentives to include in their financing plan.

Occasionally, in exceptional circumstances, CEI may approve a project by consensus that does not produce a financial return should it:

- Provide striking sustainability advantages or
- Offset unusually high energy costs

And only if a project does not threaten the long-term viability and success of CEI because other projects are adequately funding CEI to make up for the loss.

Funds for projects may be used for:

- *Materials or products that constitute the project*— this will often be the primary cost.
- *Professional work, installation, or design*— these costs should be minimized when possible, but for some projects, this may be the primary cost. Volunteer workers should be utilized heavily where possible to avoid unnecessary work costs.
- *Research and testing or monitoring equipment*—costs should be minimized, barring exceptional circumstances, which must be approved by the board by consensus.
- *Community education, outreach, and publicity*—costs should be minimized, barring exceptional circumstances which must be approved by the board by consensus.
- *Proposal Development*—costs should be eliminated, if possible. Student, staff, and faculty volunteer work should be utilized to the greatest extent possible. The research of proposals, technologies, existing campus conditions, and implementation strategies should be conducted through independent studies with professors to the greatest extent possible. Any campus surveying or similar work should be conducted through student groups such as: Eco C.A.T.S., Campus Greens, The Green Band, Construction Management Club or any other service learning and applicable and willing group at

Western Carolina University. If possible, any funding required to develop the proposal should be found elsewhere, but the board may approve such funding by consensus.

- *Staff and work*—the board may approve a salary by consensus—if possible, for a student employment position—for a work position(s) for a designated project(s) should conditions merit and the added cost still yields cost-savings to repay CEI. In some cases, a work position could be a proposal on its own, as long as over-all cost savings would still be realized. CEI should accept a minor loss should such a position yield dramatic benefits to campus sustainability or show potential to lead to other projects with better financial potential so long as the CEI is not compromised by this action.

## *Investments and Revenue Generation*

CEI may also invest in conventional investment strategies that support its financial viability such as green investment funds, community investing, or money markets, as well as make innovative investments generating direct revenue, as long as such investments further one or more goals of CEI without significantly compromising any of the others.

Investments that are highly liquid, or have a high rate of return will be particularly favored since they are less likely to lock up funding from core cost-saving projects. However, long term fiscal responsibility and the goals of sustainability, innovation, education, and community engagement should also be kept in mind.

Since such investments are not savings-inducing, they will not be subject to revenue-splitting as funded projects are, and should instead be viewed as methods to manage CEI's funding flow in a socially and environmentally responsible manner.

Specifically, CEI should not invest in any projects, businesses, or companies which promote unsustainable practices, non-renewable resources—particularly fossil fuel, nuclear, or large scale hydroelectric—or a culture of disposal.

In certain cases, CEI may solicit loans from outside financiers interested in promoting innovation in environmental sustainability at Western Carolina. Such loans should be used for large projects yielding a return which can be used to repay the loan.

CEI should identify and apply for grants that support its core mission. In particular, it should seek to partner with grant providers to fund particular projects.

## *Management and Project Type Parameters*

The CEI Board should be open both to smaller, rapid pay-back projects and larger, longer-term ones. All projects should seek to maximize the overall benefits of sustainability in a financially responsible manner.

The Board should not exhaust the fund or over-use long-term projects in a single year to the extent that the amount of funding available for projects in the subsequent year is less than half that available in the current year. That is, at least 50% of the fund's value in a current year must either be held in a liquid investment or be regenerated through project or investment revenue or payback by the beginning of the following year.

This target should be seen as flexible, and should not preclude the funding of any important, large, and long-term financially viable projects.

Applicable sustainability initiatives vary widely in type, source of savings, scale, and pay-back period.

Simple projects such as refitting all incandescent light-bulbs on campus with compact fluorescent lamps or weatherizing old windows with more insulating glass and frames (lighting or weatherizing) tend to have one to two year payback times while others (photovoltaic cells for example) have pay-offs around 15+ years and are relatively expensive for installations of any size. Others, such as solar thermal or geothermal (alternative heating systems), are somewhere in the middle, but paybacks depend highly on fuel prices, which are highly variable but tend to rise over time. Specific campus conditions (for example, an efficient district heating system) also affect pay-off rates. All proposals should therefore be developed with a finance plan reflecting such conditions as accurately as possible and with the participation, advice, and/or help of many campus community members.