UM Launches $1M Revolving Reserve to Seed Green Initiatives

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By Maya Bell
UM News

CORAL GABLES, Fla. (May 20, 2016) —The University of Miami's initial spend-to-save-energy idea is straightforward: Spend $30,000 to replace all the metal halide lights in the Patti and Allan Herbert Wellness Center's basketball gym with more efficient LED lights, saving $9,000 a year in utility costs. Then, in 3½ years, when the new lights have paid for themselves, redirect the annual savings to other projects that will reduce the U's energy costs and carbon footprint.

Proposed by Jose Varona, associate director for energy management systems, the gym light swap is the inaugural project of the University's $1 million U Green Revolving Reserve, an innovative financing tool that a growing number of universities are

For the inaugural UGRR project, the metal halide lights in the Wellness Center's main gym will be replaced with LED lights.

using to implement energy-efficient, renewable energy and other sustainability initiatives that generate cost savings.

But what other projects the UGRR will support could depend on the ingenuity and imagination of faculty, staff, students, and the broader UM community. The UGRR is now seeking proposals for green projects on the Coral Gables and Rosenstiel School campuses that will not only pay back their respective initial investments, but eventually generate enough savings to replenish the fund and pay for other green projects. Managed by a committee representing a cross-section of the University, the UGRR also plans to fund green-oriented research that could serve as test beds for national deployment.
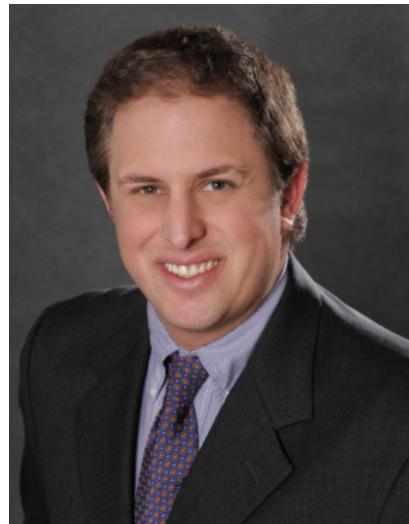
"The target projects are those that pay back within five years— something that can be done quickly, and effectively, without having to wait for the standard capital request process," said Brian Gitlin, assistant vice president for real estate who spearheaded the creation of the UGRR after learning about the green revolving fund (GRF) concept at a conference. "We are also open to projects that could take longer, especially if there is a strong sustainability element to it."

UM became one of more than 50 universities and colleges to establish its own GRF when it accepted the Sustainability Endowments Institute's Billion Dollar Green Challenge. The challenge encourages nonprofit institutions to invest a collective total of $1 billion in self-managed GRFs to finance energy efficiency improvements. To join the challenge, UM committed a reserve of up to $1 million, with the goal of cutting its operating expenses and reducing its environmental impact.

The reserve also has the benefit of freeing up funds for other campus needs, engaging the entire University community in

Brian Gitlin

sustainability efforts, and promoting interdisciplinary collaborations to identify new projects.

"We already see examples of such collaboration and engagement between the College of Engineering and the School of Architecture, which are working on an initiative to bring microgrid capabilities to the Coral Gables campus," Varona said. "Microgrids could be great UGRR projects because they enable facilities to operate off the main electric grid. Instead, they would be powered by battery, solar panels, or other renewable resources, which would cut costs and carbon emissions and increase our energy independence."

As Varona notes, the need for cutting operating expenses and reducing the U's carbon footprint is becoming increasingly critical. Over just a four-year period, the University's operating expenses on utilities and maintenance increased by 38 percent, from $54.3 million in fiscal year 2010-11 to $74.9 million in fiscal year 2013-14.

At the same time, the world, and South Florida in particular, is becoming increasingly vulnerable to the consequences of global warming, caused primarily by the continued emission of carbon dioxide and other human-produced greenhouse gases that are trapped in the atmosphere and acidifying the oceans.

As the University's Climate Change Special Report detailed, the rate of sea-level rise in South Florida is already outpacing world projections, nuisance flooding is increasing on Miami Beach, and other nearby cities, and the world's only tropical coral reef off our coastline is dissolving much faster than originally predicted.

"The bottom line is, as an institution, we need to cut our operating costs and reduce our environmental impact," Gitlin said. "So we want to hear from different people or groups across the University about ideas that can be evaluated and funded in a flexible and efficient manner to help us do that."

The UGRR Management Committee will review and select the proposals and ideas to implement based on criteria that includes, but is not limited to, the cost of implementation, the opportunity for cost savings, the estimated payback period, and the potential for reducing greenhouse gas emissions and enhancing educational, research, or social benefits.

In addition to Gitlin and Varona, members of the committee are:

o Andrea Heuson, professor of finance in the School of Business Administration

o Antonio Nanni, professor of civil, architectural, and environmental engineering in the College of Engineering

o Rich Jones, associate vice president for facilities design and construction

o Aintzane Celaya, assistant vice president for budget and planning

o James Sprinkle, executive director for facilities management

o Teddy Lhoutellier, sustainability manager

o Derick Sheldon, student and member of the ECO Agency-Student Government

UGRR proposals will be reviewed initially by a working group that will provide feedback and determine if the ideas are ready for consideration by the UGRR Management Committee.

To submit an idea, complete the project nomination form and submit it to greenu@miami.edu. For more information about the UGRR, view the UGRR homepage, the nomination form and the operational procedures.

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