

ENERGY SERVICES CONTRACTING

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Agenda

- What is an ESCO?
- Definition of a Guaranteed Energy Savings Project
- West Virginia Department of Corrections Project Scope
- West Virginia Department of Corrections Project Results To Date
- West Virginia Energy Services Coalition
- Questions

What is an ESCO?

- ESCO – Energy Service Company
- Private sector Energy Services companies that work with public sector and private sector customers to design, develop, implement, and measure & verify Guaranteed Energy Savings Projects.
- National Association of Energy Service Companies (NAESCO)
www.naesco.org

What is a Guaranteed Energy Savings Project?

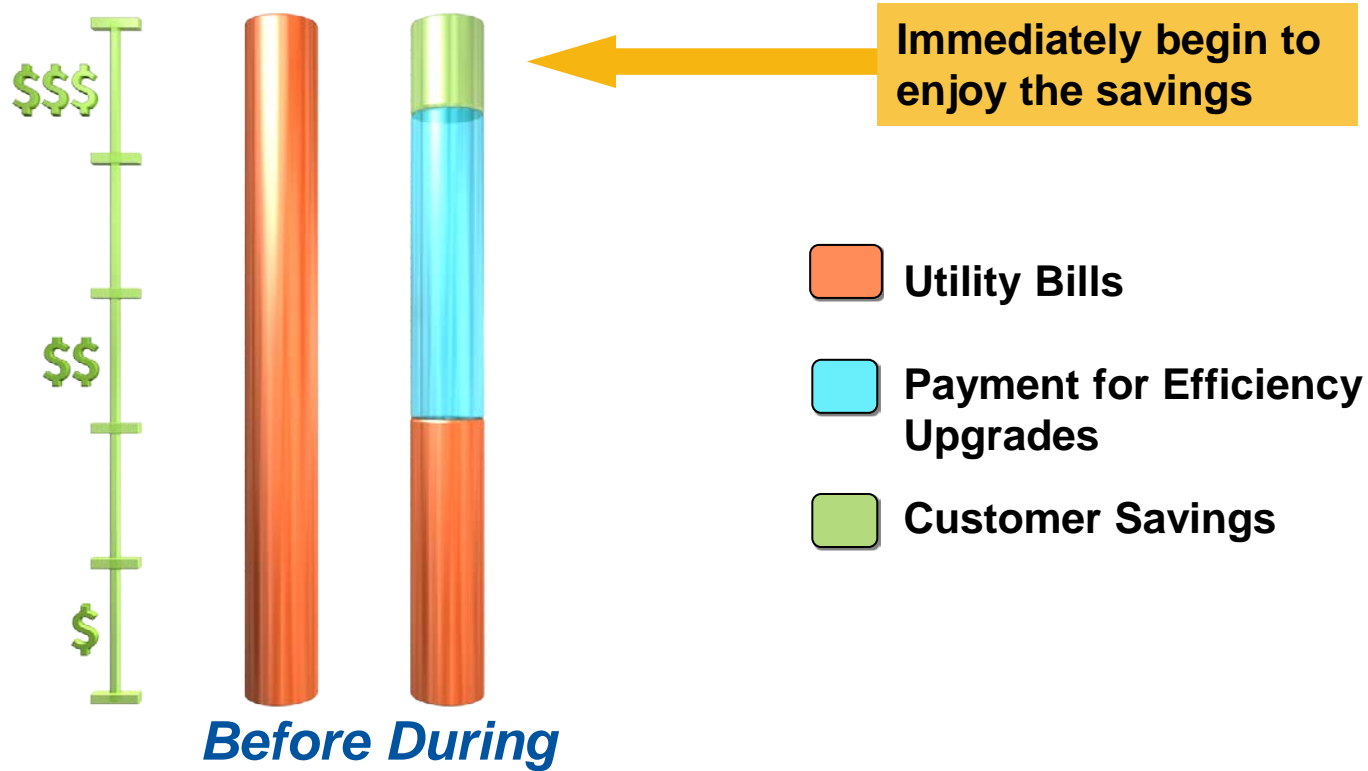
- A Guaranteed Energy Savings project is a method of funding needed infrastructure improvements
- Current utility payments are reduced by the energy and water savings generated by the infrastructure improvements. These savings are then used to pay for the infrastructure improvements.
- Savings that are identified and delineated by the ESCO company are **GUARANTEED** by the ESCO company
- West Virginia Code 18-5-9a and West Virginia Code 5A -3B-1 are the enabling legislation that defines the process

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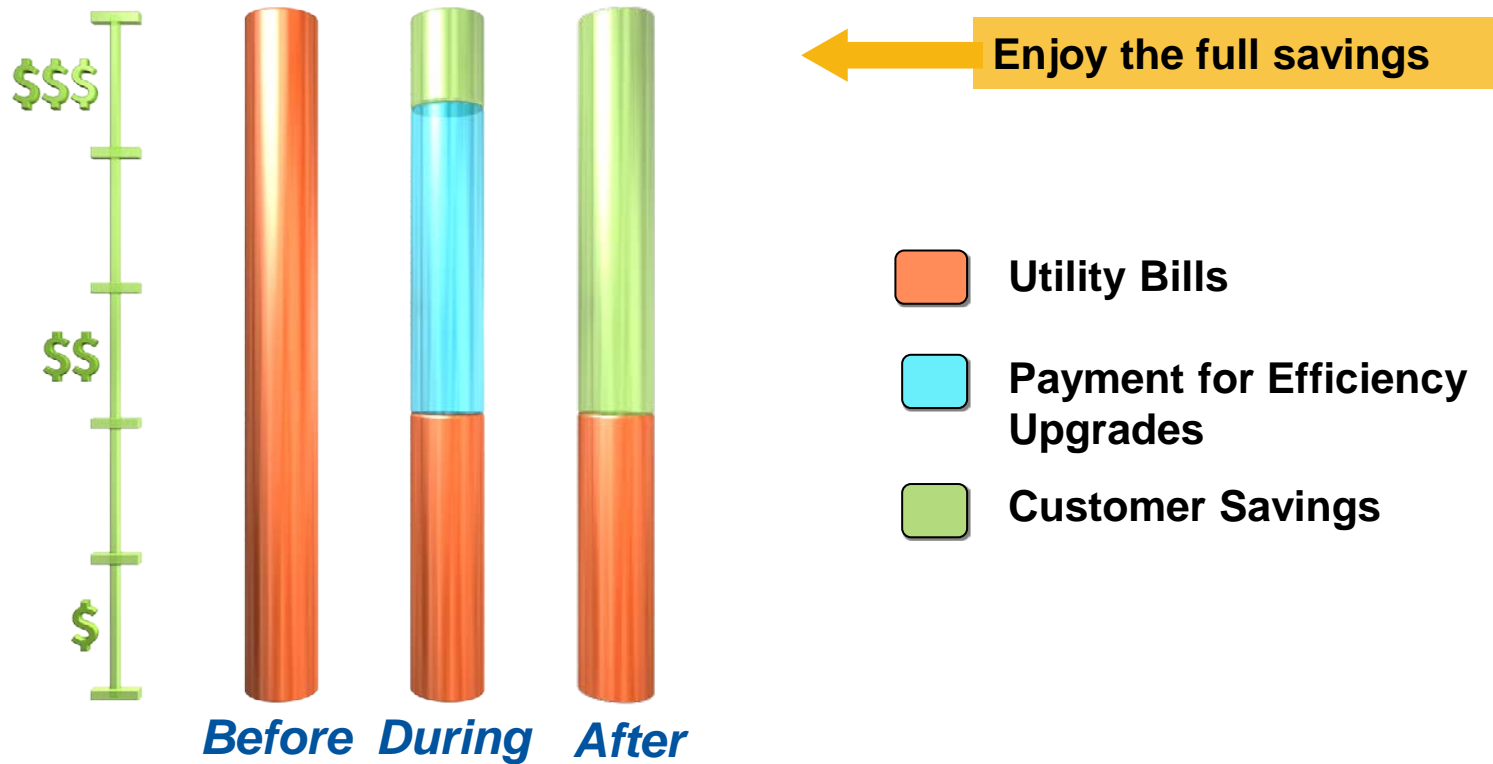


Utility Bills

What is a Guaranteed Energy Savings Project?



What is a Guaranteed Energy Savings Project?



➤ Project was divided into 2 phases

- Phase 1: \$4,165,054 (September 2011)
- Phase 2: \$14,437,837 (August 2012)

➤ Scope of Work

- Lighting retrofits/upgrades (Denmar)
- Building controls upgrades (Huttonsville and Pruntytown)
- Boiler replacement (Pruntytown)
- Steam to hot water conversion (Huttonsville and Pruntytown)
- Domestic hot water boiler upgrade (Denmar)
- New central laundry (Pruntytown)
- Kitchen Hood Controls (Huttonsville and Pruntytown)
- Domestic water conservation (Huttonsville, Mt. Olive, and Pruntytown)
- Building envelope upgrades (Denmar, Huttonsville, and Mt. Olive)
- New exterior doors (Denmar)

➤ Total Savings Guaranteed by Johnson Controls: \$22,460,308

➤ Results to Date

1. Currently under construction
2. Projected completion 1-31-2014
3. Baseline comparison
 - October 2010 – September 2011 compared to October 2012 – September 2013
 - 16% reduction in electric usage (KWh)
 - 14% reduction in electric demand charges (KW)
 - 5% reduction in natural gas (Mcf) and/or fuel oil usage (Gallons)

Note: The steam to hot water conversion portion of the project at Huttonsville was started October 2013

- 9% reduction in water usage (KGals)

➤ A public-private partnership

➤ Goals

1. Provide an unbiased informational resource to allow county school districts to get the most from a Guaranteed Energy Savings Project
2. Assist county school districts to increase energy efficiency and return the savings to enhance education
3. Identify opportunities to find alternative funding for HVAC and mechanical projects through the use of Guaranteed Energy Savings Projects
4. Partner with the School Building Authority to promote Guaranteed Energy Savings Projects

➤ Members

1. Representatives from WV Department of Education Office of Facilities
2. Representatives from WV Department of Energy
3. Representatives from County School Districts
4. Representatives from several ESCO companies
5. Representatives from several WV based contractors

QUESTIONS ?