

# Energy Performance Contracts

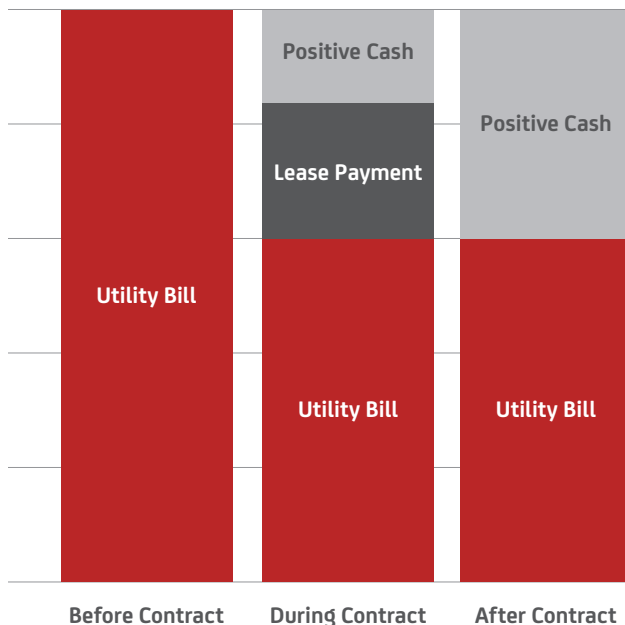
Budget neutral energy systems optimization projects with guaranteed energy savings.



## What is an Energy Performance Contract?

An energy performance contract is a tool that allows public entities to partner with an energy systems optimization company to complete design-build projects that achieve modernization of infrastructures and are guaranteed to be budget neutral. Project costs are paid for over time by the guaranteed annual savings realized from the energy systems optimization, and any savings shortfalls are reimbursed to the customer. Many states have enabling legislation to encourage public organizations to take advantage of performance contracts with a qualified energy systems optimization company.

## Sample Project Financials



Project Total Investment:	\$1,857,025
Utility Incentive:	\$181,185
Net Project Investment (After Incentive):	\$1,675,840
Year 1 Utility Savings:	\$119,717
Year 1 Maintenance Cost Savings:	\$88,282
Interest Rate:	3%
Term:	11 Years
Return on Investment:	12%

## The Benefits

### Replacement of Aging or Failing Building Systems

Organizations with aging infrastructure often struggle with deferred maintenance and equipment nearing end-of-life. Public entities don't have the funding or staff time required to proactively address these issues. By using future energy savings to fund the replacement of outdated equipment, the entity is able to have full control of their building systems without incurring debt or capital outlay.

### Improved Occupant Comfort

Building occupants bundle up in the winter and sweat in the summer while carrying out their tasks in a drafty building with inefficient HVAC equipment, slowing productivity. With energy system optimization projects that include enhanced lighting or mechanical systems, occupants are healthier, happier, and more comfortable and productive.

### Achievement of a Safer and Cleaner Community

Implementing sustainability initiatives sets a good example for being environmental stewards of the community. Performance contracting provides the mechanism to reduce environmental impact and provide enhanced aesthetics and safety for users, without the need to burden taxpayers with additional cost.

### Reduced Capital Expenditures

In most cases, utility expenditures can be reduced by up to 30 percent after implementing efficiency improvements. After the initial performance period, public organizations can then use that savings to pay for additional capital improvement projects — or reallocate those funds in another way to better the lives of their building occupants or community.

## Potential Facility Improvement Measures

Public entities can implement a number of energy systems optimization measures that positively impact building occupants. Solutions can be easy — like installing film on windows and caulking around doors — to more complex such as installing solar panels or integrating all the equipment together with a building automation system.

- Building Automation System
- Lighting and Advanced Lighting Control Systems
- LED Street Lighting, Controls & GIS Mapping
- HVAC Systems
- Windows, Doors & Roof
- Water Conservation
- Solar PV System
- Kitchen Equipment
- Pipe & Valve Insulation

## The Process



## Why Choose Centrica Business Solutions?

Our team of energy systems optimization experts are product agnostic — not tied to any manufacturer — meaning that we work with customers to identify the optimal equipment for their unique needs. We use open controls, giving customers the capability to tie all systems together in one web-based interface, the freedom to choose a preferred vendor to service the systems, and the ability to easily expand and integrate future controls in the same platform. Our team of experts is committed to delivering budget neutral design-build projects that modernize infrastructures, achieve sustainability goals, and improve occupant comfort and safety.