

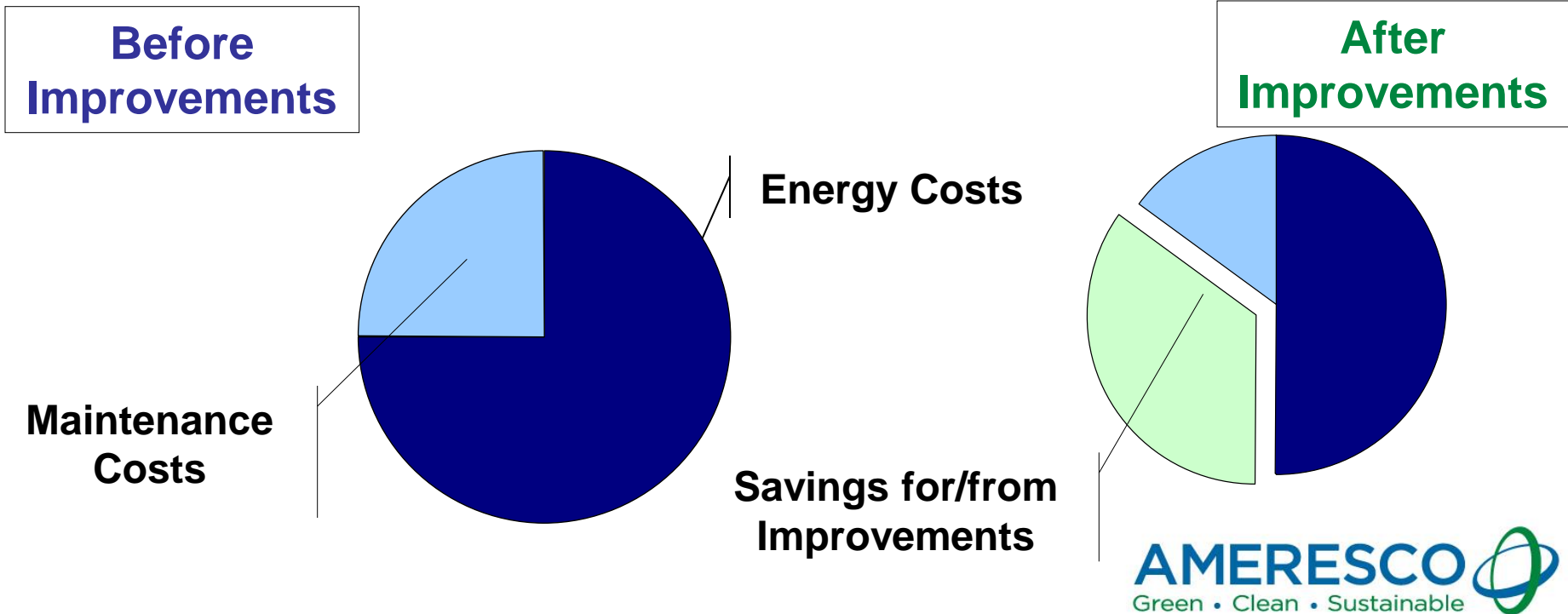
Overview of Energy Savings Performance Contracting

an independent energy solutions company



What is Performance Contracting?

- **Energy Savings Performance Contracting (ESPC)** is a technique that uses utility cost savings to reinvest into the facility or property covering the cost of improvements within a specified period of time (<18 years per NYSED laws)
- All institutional, commercial and industrial building owners/managers can use an ESPC to address their portfolios



What Can ESPC Accomplish?

- ❑ Significant reduction in utility expenses of up to 30%
- ❑ Infrastructure modernization
 - Installation of new energy related equipment/systems
 - Incorporation of capital improvements
- ❑ Equipment inventory consistency
- ❑ Better management and tracking of energy use
- ❑ Environmental Stewardship – mitigation of greenhouse gases
- ❑ Shift risk of delivery and performance from district taxpayers to ESCO
- ❑ Implemented with **no up-front capital costs and guaranteed savings for the project term**

Wappingers CSD ESPC Phase I

- ❑ Cost: \$8.8 Million
- ❑ NYS Aid: \$3.9 Million
- ❑ 14 ECM's implemented
- ❑ All buildings received upgrades
- ❑ Lighting System Improvements
- ❑ Lighting Controls
- ❑ Exterior Lighting
- ❑ Building Management System
- ❑ Boiler Replacements
- ❑ Steam Trap Replacements
- ❑ Infiltration Reduction
- ❑ Variable Frequency Drives
- ❑ Premium Efficiency Motors
- ❑ Walk-in Freezer and Cooler Controllers
- ❑ Computer Load Management
- ❑ Gym De-Stratification Fans
- ❑ Pipe Insulation
- ❑ Vending Machine Controls

Wappingers CSD ESPC Phase II

Benefits

- ❑ Several Schools still contain some pneumatics controlling the buildings
- ❑ Roy C Ketchum HS is in need of several energy upgrades (EMS etc)
- ❑ Aging buildings and equipment in need of modernization
- ❑ ESPC's are best done in concert with capital projects

Constraints

- ❑ Some of the remaining ECM's have long paybacks
- ❑ Roy C Ketchum HS uses very little energy
- ❑ Phase I project is performing very well; only a finite amount of savings can be derived

Solar PV System Progress in NYS

- ❑ NYS has taken vast strides in making solar more practical
- ❑ NY-Sun incentive has made it possible for districts to see immediate benefits
- ❑ Cost of solar PV installations has dropped dramatically in recent years

The NY-Sun Initiative
Solar Powering New York

Solar PV System Options

ESPC

Wappingers CSD will **own** their PV system

- ❑ Any excess solar generated will be banked by the district
- ❑ ESCO is responsible for maintenance & upkeep
- ❑ The district will receive state-aid on the total cost
- ❑ ESCO takes full risk & responsibility

PPA

Wappingers CSD will buy their power from the installer

- ❑ Any excess solar generated will be sold to the grid at a much lower cost
- ❑ District may be responsible for maintenance & upkeep
- ❑ No part of the PV system will receive state-aid; despite being approved by SED

LED Lighting

- ❑ Cost has dropped significantly in the last 3 years
- ❑ Compatible with new fixtures and ballasts for easy installation
- ❑ Long lasting fixtures (Over 50,000 hours)
 - Operations & Maintenance savings accepted by SED



ESPC vs Capital Project

- The districts takes on significant & unnecessary risks
- Over 25 years of successful experience has made us very good at what we do
- ESPC's can bring vast improvements to your buildings while alleviating requirements for your next Capital Project
- NO VOTE NECESSARY
 - An additional 10% in State Aid available for a successful vote



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