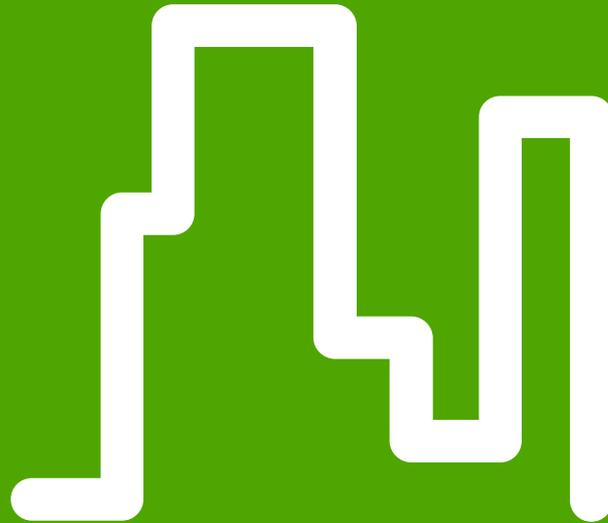


Funding Capital Improvements using Energy Performance Contracting



Challenges



Increasing Energy Costs



Flat Budgets



Deferred Building Maintenance

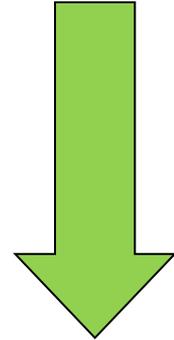


Increasing Security Needs

Across the United States buildings account for over 30 % of the total energy usage, yet the average building wastes anywhere from 20 – 30% of the energy it uses

Energy Performance Contracting

- Reduce energy usage
- Reduce water usage
- Reduce operating and maintenance costs
- Reduce emissions
- Reduce waste

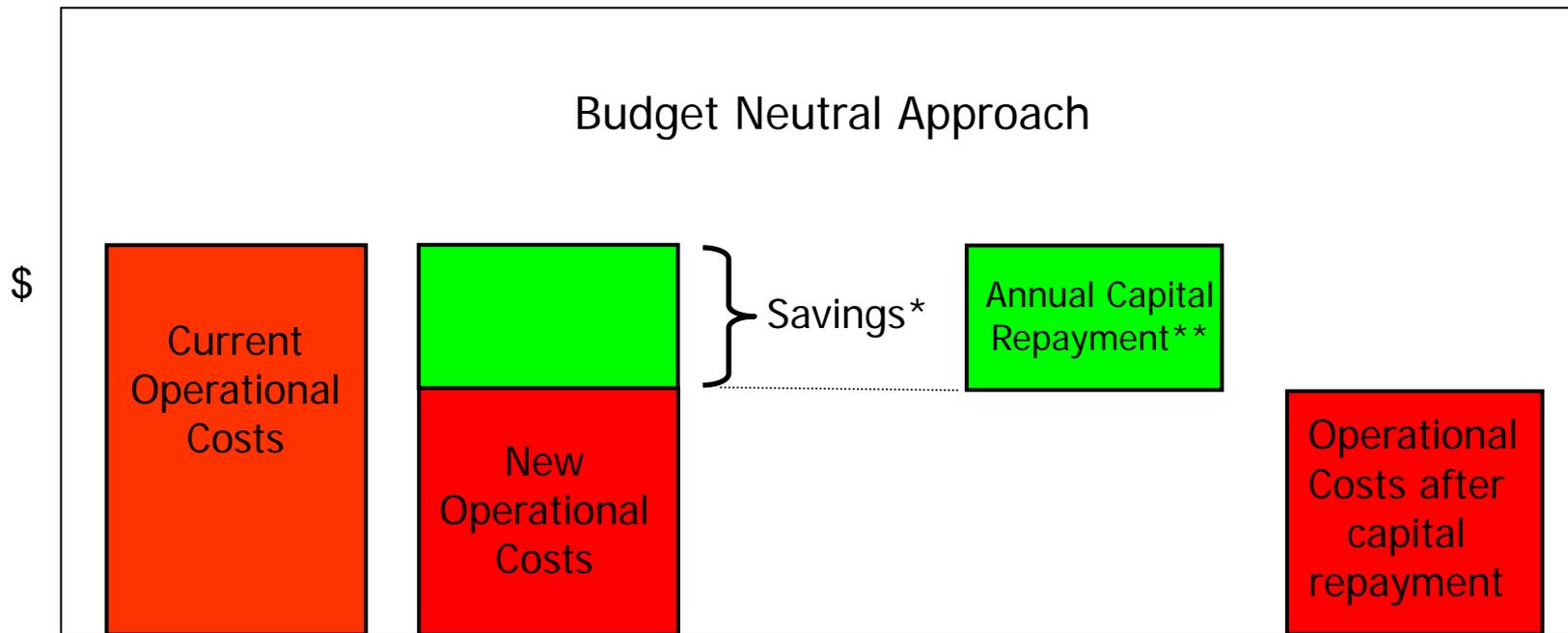


In short, **Performance Contracting** is a procurement tool that allows you to leverage the savings you get from making building improvements in order to pay for the improvements.

How does it work?

How Does It Work?

Performance Contracting uses operational savings to fund repayment of capital for building/infrastructure improvements.



*Excess savings are retained by the owner. Shortfall in energy savings made up by Schneider Electric

** Performance Guarantee ensures that savings will at least be sufficient to repay capital for term.

Energy Performance Contracting

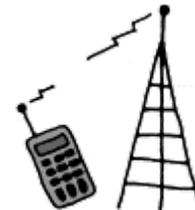
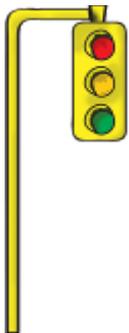
Things to Know

- Energy and water savings are guaranteed by us: our engineers can determine the impact the building improvements will have on your utility bills so we guarantee those elements of our work
- Improvements are made with no impact to the taxpayers
- Projects have a single source responsibility and utilize a life-cycle versus a first cost approach
- Your operating costs can be reduced without capital expenditures
- Your environment is healthier and more productive

Schneider Electric has over \$86 million in performance contracting guarantees in the U.S.

Infrastructure Improvements

- Street, garage and park lighting
- Water and wastewater efficiencies
- Facilities improvements
- HVAC and central plants updates
- Automated meter reading (water, gas, electric)
- Traffic signals
- Video surveillance for variety of uses such as high crime areas, traffic
- Municipality-wide or facility wireless infrastructure



Sample Cash Flow

Measure Description	Payback	Investment	Annual Savings
Elementary School			
Lighting Improvements	3 Years	\$9,767	\$2,916
Lighting Controls	3 Years	\$33,526	\$12,345
Insulation Measures	4 Years	\$12,366	\$3,322
Replace Motors	6 Years	\$12,451	\$2,205
Domestic Water Conservation	6 Years	\$4,039	\$707
VFD on Hot Water Pump	8 Years	\$6,558	\$780
Install New DDC EMS	9 Years	\$34,860	\$3,852
New High Efficiency Boilers	13 Years	\$114,442	\$8,761
Photovoltaic Generation - 5kW PV	37 Years*	\$50,000	\$734
Subtotal	7.8 Years	\$278,009	\$35,622
Municipal Building			
Replace Steam Traps	3 Years	\$15,389	\$5,794
Lighting Improvements	3 Years	\$20,884	\$6,970
Domestic Water Conservation	4 Years	\$3,110	\$860
Install New DDC EMS	7 Years	\$22,604	\$3,023
New High Efficiency Boilers	17 Years	\$59,577	\$3,483
Replace Air Cooled Chillers	33 Years	\$103,126	\$3,114
Subtotal	9.7 Years	\$224,690	\$23,244
High School			
Retro-Commissioning	3 Years	\$55,234	\$18,012
Lighting Controls	3 Years	\$12,661	\$3,894
Lighting Improvements	4 Years	\$247,266	\$55,544
Heat Pumps Controls	7 Years	\$7,869	\$1,050
Kitchen Fume Hood Controls	7 Years	\$40,464	\$6,010
Replace Windows	25 Years	\$28,720	\$1,133
Replace Roof Top Units	37 Years	\$495,192	\$13,228
Pool Heating - Solar Thermal System	16 Years	\$195,000	\$12,134
Photovoltaic Generation - 10kW PV	37 Years*	\$100,000	\$1,468
Subtotal	10.5 Years	\$1,182,406	\$112,473
Totals	10 Years	\$1,685,105	\$171,338
* Payback calculation includes utility rebate of \$4.50/Watt			

Key:	
Green	Low Hanging Fruit
Yellow	Good Payback
Blue	Infrastructure Improvement

Sample Cash Flow

Cash Flows Calculations	
Guaranteed Savings:	\$171,338
Total Project Cost:	\$1,685,105
# of Years:	12
Lease Payments:	\$2,005,480
Over 12 Years:	\$50,581
Assumption(s):	
Utility Rebates (deducted from Project Cost)	\$107,500
Interest Rate (Tax Exempt)	3.9%
Municipal Lease	
No Escalation in Energy	
Prices Expected in Next 10 Years	

Year	Lease Payments	Guaranteed Savings	Net Cashflow
1	\$167,123	\$171,338	\$4,215
2	\$167,123	\$171,338	\$4,215
3	\$167,123	\$171,338	\$4,215
4	\$167,123	\$171,338	\$4,215
5	\$167,123	\$171,338	\$4,215
6	\$167,123	\$171,338	\$4,215
7	\$167,123	\$171,338	\$4,215
8	\$167,123	\$171,338	\$4,215
9	\$167,123	\$171,338	\$4,215
10	\$167,123	\$171,338	\$4,215
11	\$167,123	\$171,338	\$4,215
12	\$167,123	\$171,338	\$4,215
	\$2,005,480	\$2,056,061	\$50,581