

About Chevron Energy Solutions



Background

Chevron Energy Solutions (CES) provides public institutions and businesses with environmentally sound projects that increase energy efficiency, reduce energy costs and greenhouse gas emissions while ensuring reliable, high-quality power for critical operations. CES employs proven technologies to meet customers' specific needs, including mechanical upgrades, lighting retrofits, energy management controls, water conservation, renewable power generation including solar and wind sources, fuel cells and other energy saving technologies. We are performing work across the country that supports our commitment to protect the environment and benefit the communities where we live and work.

Experience

CES is experiencing strong growth as a company in response to market demand for our services. Chevron has a strong presence in Hawaii and we plan to leverage resources to serve the Hawaii market. Our project teams have implemented numerous projects in the U.S. for many customer types and around the globe for our parent company, Chevron. We are credited with implementing the first performance-based project in 1981 for a college in the upper Midwest and our core business remains performance-based guaranteed energy savings programs. We are a founding member of NAESCO, the energy services trade organization, and CES continues to take an active role in that body and a number of other organizations whose mission is to bring energy efficiency to the market place.

Below is a partial list of State Programs with similar goals to those of the State of Hawaii Energy Savings Performance Contracting Program:

- State of Kansas
- State of Montana
- State of Colorado
- State of Arkansas
- State of Nevada

Program Features/Benefits

- Projects are funded by energy savings, which will pay for facility improvements at no cost to taxpayers
- Reduction in electricity, natural gas and water usage
- Removal and proper disposal of PCB ballasts and harmful refrigerants such as R-22 and R-11 from chillers
- Innovative reuse of materials and waste byproducts
- Implementation of innovative technologies such as ozone laundry facilities and renewable power generation such as wind and solar

Project Profile: Colorado Capitol Complex



Project Value

\$13,564,460 (100% paid from savings)

Contract Terms

19 years, third-party financing

Project Size

20 buildings, 1,784,261 ft²

Project Scope

- Heating improvements
- Cooling system upgrades
- Upgrade/expand Energy Management System
- Energy Training Program
- Water conservation
- Cooling tower replacements
- Upgrade chilled water system
- Lighting retrofits

Customer Contact

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"... conservation and energy efficiency are the easiest, cheapest, cleanest and most reliable 'new' energy sources available."

Dave O'Reilly
Chairman and CEO
Chevron Corporation

Chevron Energy Solutions is helping customers to find innovative ways to lower energy consumption, reduce environmental impacts and make facility improvements through programs that leverage the energy savings of tomorrow for improvements today.

Chevron Energy Solutions is performing work that supports Chevron's commitment to protect the environment and benefit the communities where we work.

CES benefits the environment.

Our products and services expand the use of energy efficiency, conservation, and green power technologies. This lowers the demand for power from local utilities, which reduces emissions and extends hydrocarbon supplies.

CES saves taxpayer dollars and improves public facilities.

We help schools, federal facilities and other public institutions lower their energy and operating costs and upgrade deteriorating facilities without up-front capital, saving taxpayers money.

CES designs and installs high-efficiency equipment upgrades that provide enough energy and operational savings to fund the cost of each project. These savings – typically 15 to 30 percent – enable

customers to finance improvements with little or no cost up front. Customers benefit from more efficient facilities and reduced energy costs while retaining scarce capital resources that can be used for other critical needs.

Some of our recent project work includes:

- State of Colorado's first LEED®-certified state buildings.
- An innovative biofuel project at a waste water treatment plant that produces on-site electricity from restaurant kitchen grease, reduces power purchases, creates energy savings, and generates revenues for the City of Millbrae, CA.
- California's first 1-megawatt-class fuel cell power plant at the Alameda County Santa Rita Jail in Dublin, CA.
- A hybrid solar/fuel cell power plant at a major mail processing facility in San Francisco, CA.
- \$6.8 million in comprehensive energy efficiency upgrades at Eglin Air Force Base in northwest Florida.
- Construction of a new central plant and energy efficiency improvements for a theological seminary in Wilmore, KY.
- Over \$96 million in energy efficiency, energy management, and related improvements at U.S. military facilities in California, Texas and Georgia.
- Solar power, cogeneration, and energy efficiency improvements at Pierce College in Woodland Hills, CA.
- Energy efficiency and heating system improvements at the City of Richmond, CA's civic center complex and a solar power system at the city's library.
- The first commercially operating stationary fuel cell power plant in the Bay Area at Chevron in San Ramon, CA.
- Audit, Energy efficiency, building infrastructure, and/or power system improvements at:
 - Colorado State Capitol Complex
 - Nevada State Capitol Complex
 - Mapleton School District, CO
 - Mesa State College, CO
 - Arapahoe County, CO
 - University of Kansas Medical Center
 - City of Topeka, KS
 - Kansas State Corrections
 - Contra Costa Community College, CA
 - Fresno State University, CA
 - University of Utah (\$61MM)
 - Meridian School District, ID
 - Chambersburg Area Schools, PA
 - Molalla River School District, OR
 - Laramie County Schools, WY
 - Los Angeles Community College District, CA
 - San Mateo Community College District, CA

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About Performance Contracting

An ESPC program is designed to reduce the consumption of energy, save utility costs, upgrade facility infrastructure and improve indoor environments. The program significantly improves the physical environments and improves the effectiveness of the maintenance and operations department.

With rising energy costs and shrinking budgets, facility managers are being asked to do more with less each year. The everyday demands of aging equipment, increased maintenance costs, and deferred maintenance must be addressed.

The Help You Need – Guaranteed

Even if funds are scarce and budgets tight, it's possible to afford facility infrastructure improvements that require no up-front capital or budget increases. The benefits: new equipment, self funding, faster implementation, fixed price, energy efficiency, utility cost savings, lower maintenance costs, increased facility value, completion of once stalled capital projects and improved reliability and safety – all achievable through an energy savings performance contract.

What is a Performance Contract?

An Energy Savings Performance Contract (ESPC) project is a partnership between the customer and an energy services company (ESCO). The ESCO conducts a comprehensive energy audit and identifies improvements that will save energy, water and operational expenses at a facility. In consultation with the customer, the ESCO designs, engineers and constructs a project that meets the customer's needs. The ESCO guarantees that the improvements will generate utility savings and measures the performance of the improvements to ensure they are occurring. If the savings do not occur then the ESCO must reimburse the customer for the amount of the shortfall. In short, the process redirects money that is currently paid to utility companies and puts it back into a customer's facilities in the form of new equipment, making the facilities more efficient, more comfortable and safer.

Project Approach

The Chevron ES team identifies the customer's specific goals and needs and offers a customized program to meet them. Contract implementation is carried out in several steps. First, Chevron ES energy professionals will thoroughly evaluate the total facility. Our team will identify energy efficiency improvement opportunities by carefully studying, metering and testing mechanical, water, electrical and other energy consuming processes and equipment. Energy analysts will also examine utility bills to check for billing errors and optimize payment schedules and rate charges.

Chevron ES then proposes facility improvements and energy conservation measures—all supported by project costs, savings numbers, and cash flow analyses, as well as operational and supply-side strategies. Under the firm fixed-price contract, we assume full responsibility for total project management, including design engineering, installation, training, monitoring, measurement and verification, and other ongoing support services.

Performance Contracting Advantages

- Works within existing budget
- Self funding
- Guaranteed cost and savings
- Grant and rebate incentives
- Project financing can be provided
- Turnkey project and construction management
- Upgraded energy systems and staff training
- Ability to redirect savings dollars into mission critical budgets

