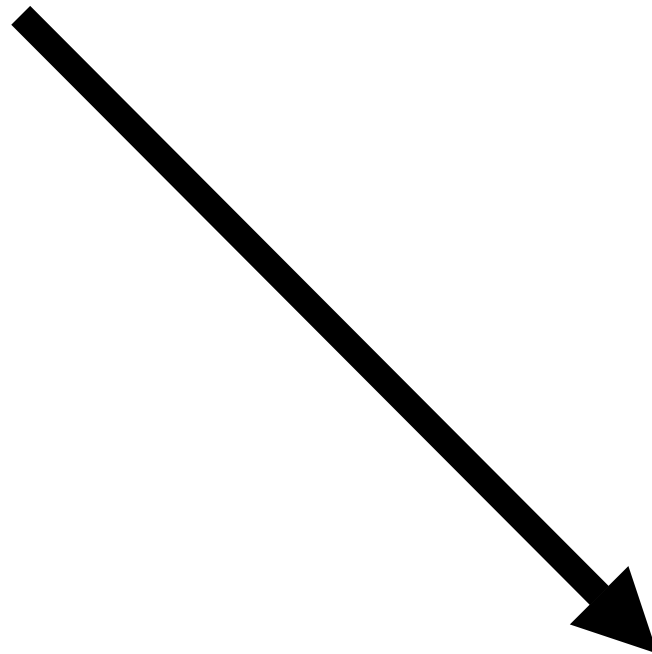


# **New Jersey Clean Energy Conference**

**Clean Energy Contracting for  
Municipalities**

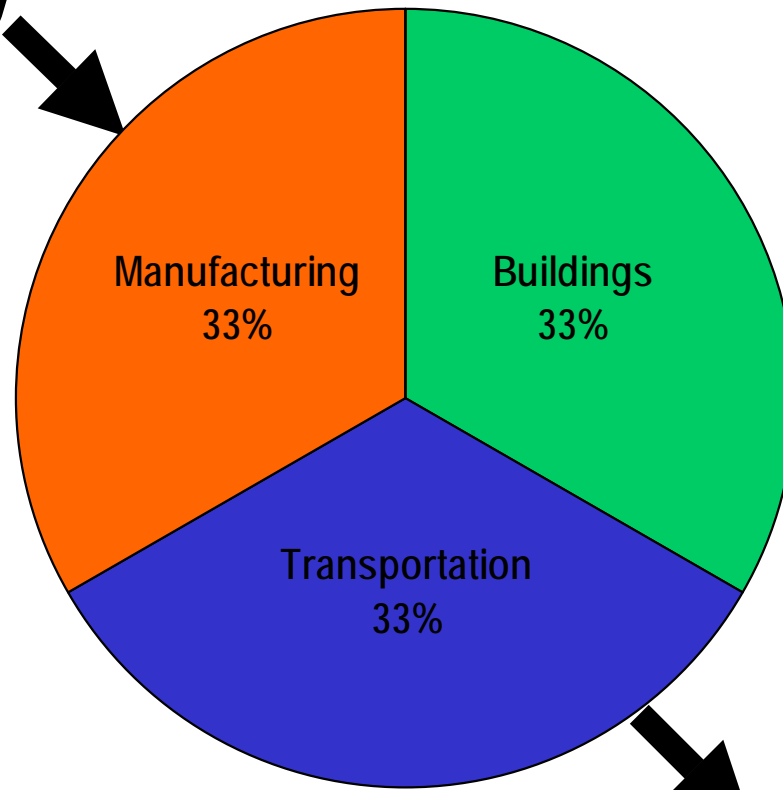
**Honeywell**

# Energy



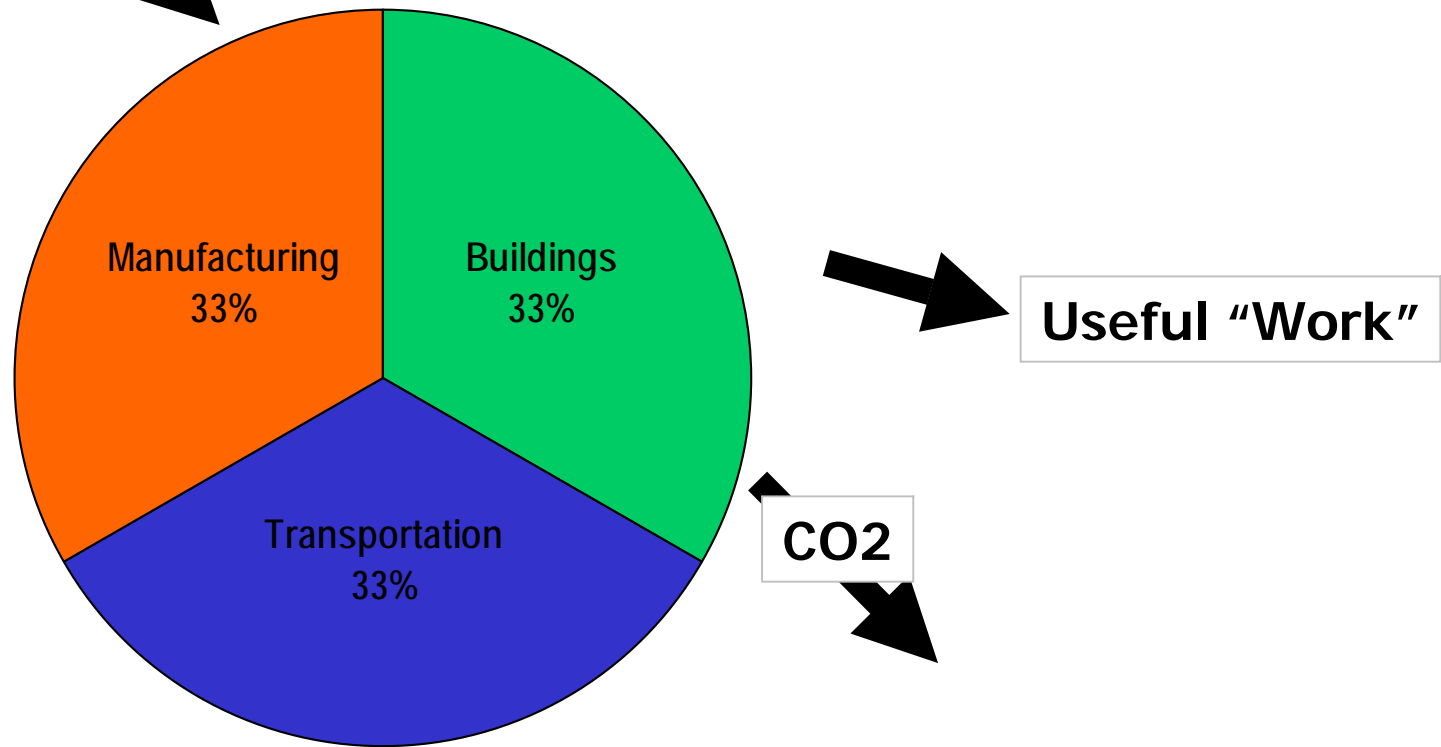
# Climate Change

Energy



Climate Change

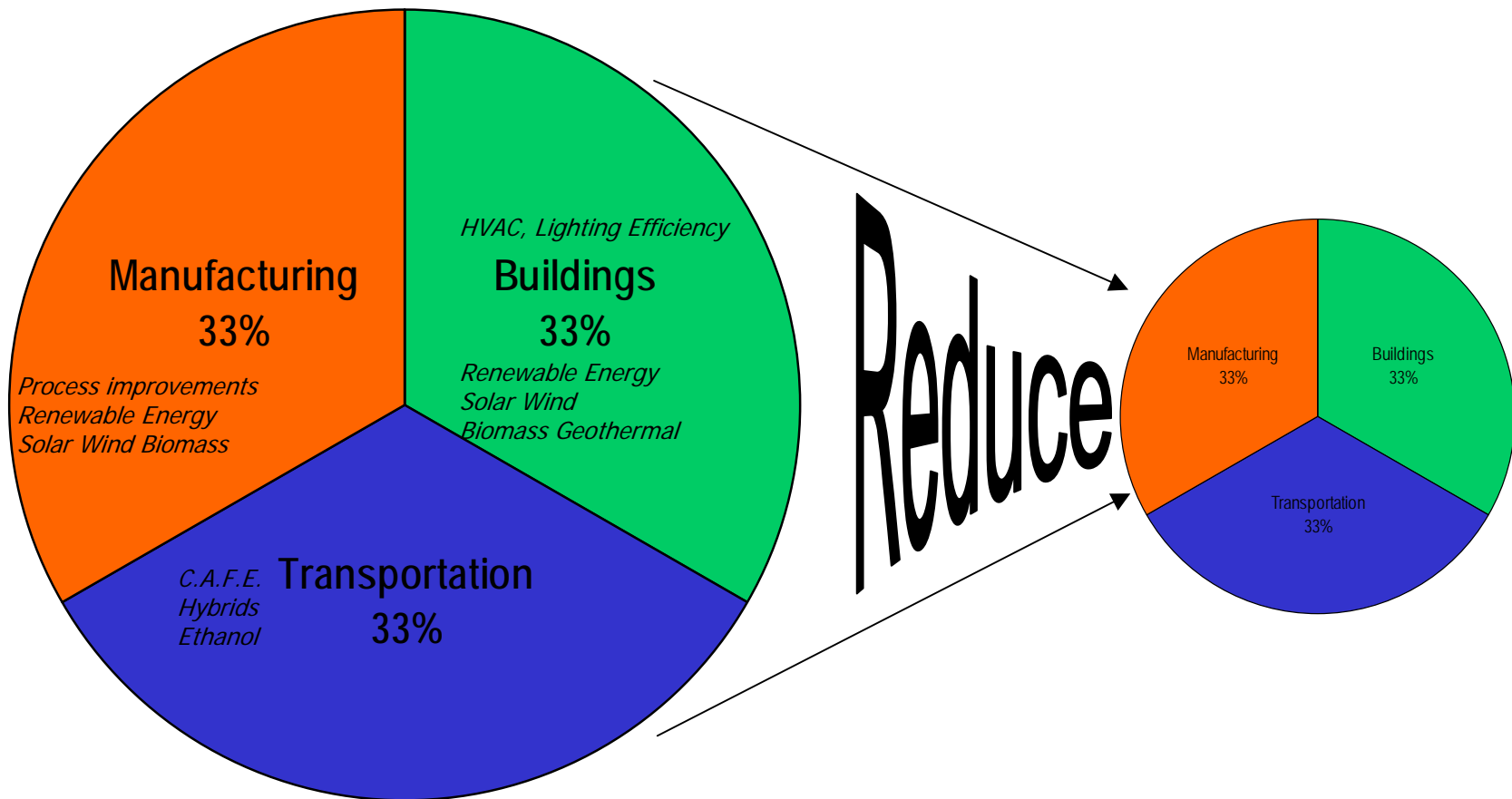
# Energy



# Climate Change

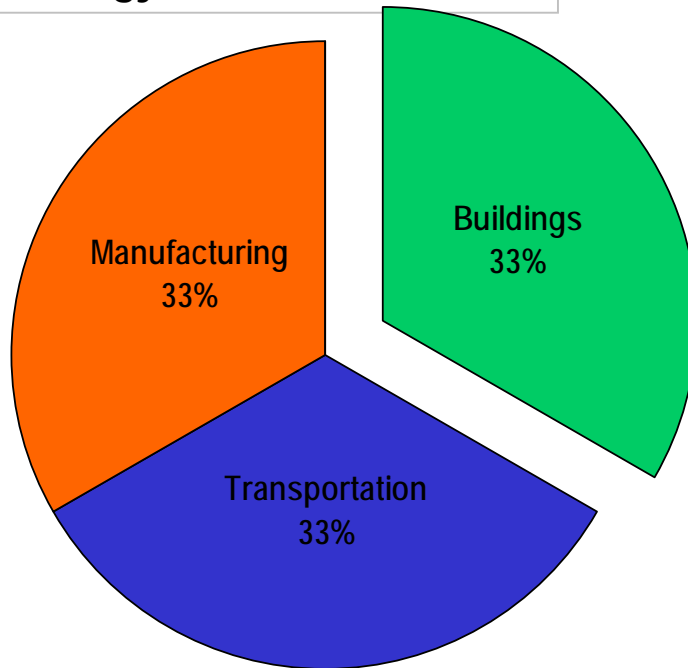
Two Levers to Pull to Reduce Non Conventional Energy Use

# Efficiency & Renewables



## Energy Technology Adoption Profiles

**For Profit: Short Payback requirement.  
Shorter planning horizon.  
Low flexibility in manufacturing process.  
Pass through of energy costs.**



**Highly distributed fleet: planes trains and automobiles.  
Lower retrofit potential.  
Long asset lifecycle.  
Pass through of energy costs.**

***Residential Buildings:* Highly distributed fleet  
*Commercial Buildings:* Short Payback requirement**

***Public Buildings:* Long planning horizon, long investment view.  
Responsive to additional non-economic drivers.  
No pass through of energy costs.**

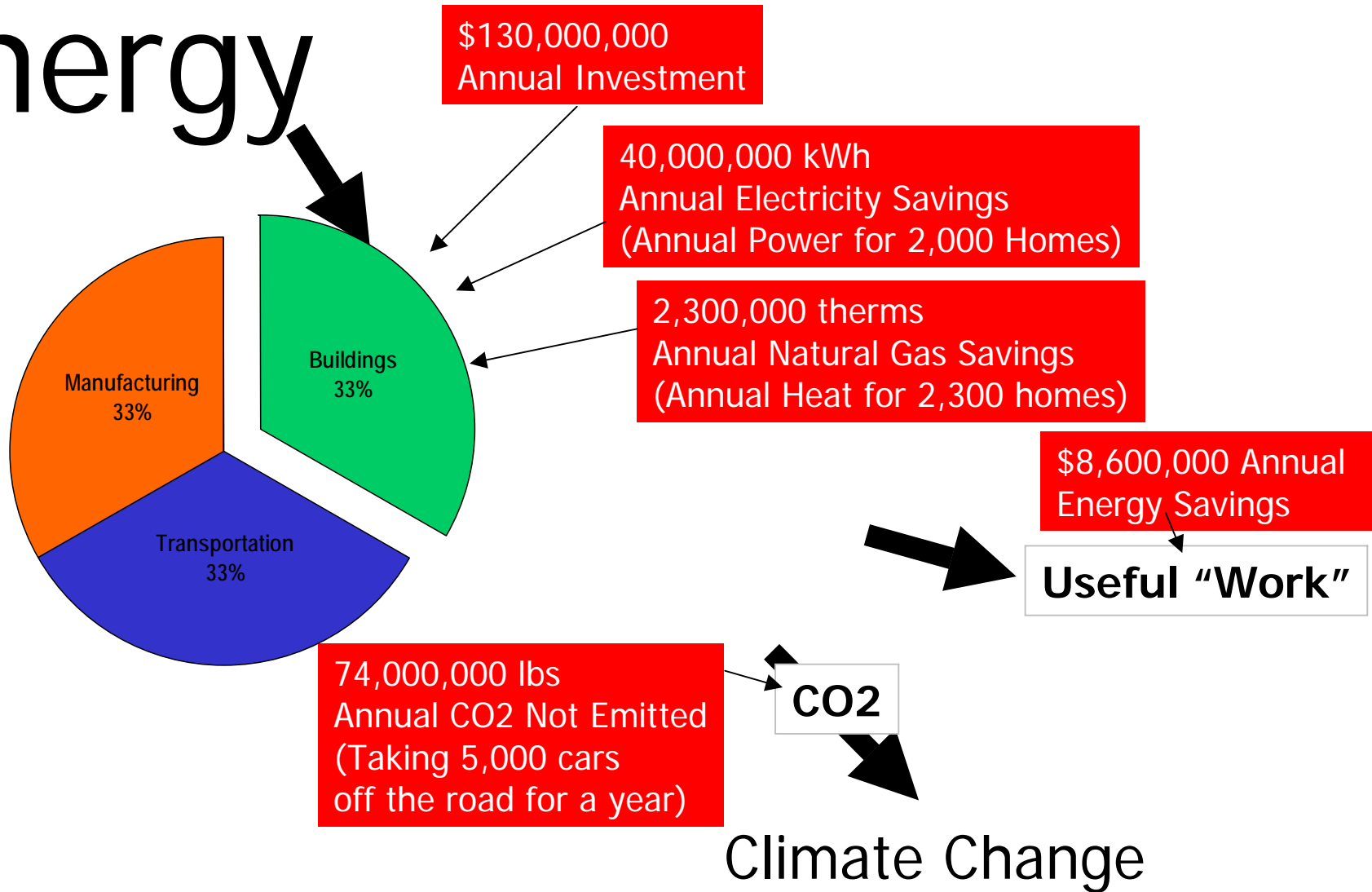
Best candidates for immediate energy and CO2 reductions

- Public buildings are owned and operated by
  - K-12,
  - Municipalities,
  - Counties,
  - State and
  - Federal
- Three methods of procuring energy projects, all legislatively prescribed
  - Conventional Capital Improvement (Bond, Bid, Spec)
  - Energy Saving Performance Contract (Lease, Performance Guarantee)
  - Off Take Agreement (Power Purchase Agreement, Purchasing Output from Renewable Energy System)
- All three methods are employed by all the types of government, Federal, State and Local
- Requires enabling legislation which exists for the Federal Government and the vast majority of states

	Renewable Applicability	Efficiency Applicability	Speed to Result	Provider Accountability	Available in NJ
Conventional Capital Improvement	Yes	Yes	Slow	Low	Yes
Energy Savings Performance Contract	Yes	Yes	Medium	High	No
Off Take Agreement (Power Purchase Agreement)	Yes	No	Fast	High	No

Each 1% Increase in NJ Public Sector Energy Technology adoption yields:

# Energy



Consider the effect of increasing the annual adoption rate by enabling the use of ESPC and PPA structures

