

GLENBROOK HIGH SCHOOLS
Regular Board Meeting March 8, 2010
District Business Office

TO: Dr. Mike Riggle
Hillary Siena

FROM: Kimberly L. Ptak

DATE: MARCH 8, 2010

RE: **DISCUSSION: Energy Education Proposal**

CRITICAL QUESTION

Should the board approve a “people-focused,” energy savings proposal from Energy Education?

BACKGROUND

Energy Education is a people-focused, energy management, consulting firm who, over the last 23 years, has worked with over 900 clients to reduce overall utility consumption. The firm focuses on modifying the behaviors of students and staff through measures such as turning off lights, scheduling the building more efficiently and, in general, increasing overall energy conservation awareness. According to their literature, they have “1200 evaluation areas which are used to identify thousands of energy savings recommendations.”

The recommendations made through this program are not capital in nature and, therefore should not result in any cost. The district is asked to make an investment in the program years 1-4. The investment consists of 1). A management fee to energy educators, 2). Hiring a full-time energy coach, 3). Purchasing energy tracking software and 4). Professional development for the energy coach. This investment is fully guaranteed. Meaning if the savings does not equal or exceed the investment, a check is written to the district. The firm has submitted a proposal for our review, please see attached. **Projected net savings over a ten year period is \$5,784,500.**

Over the last several years, the district has achieved energy savings in the areas of energy procurement and capital improvements, which have resulted in our buildings operating more efficiently. Such capital improvements have included modular boilers at GBS, solar panels at GBS, field house light improvements at GBS and GBN, retrofitting lights in the gymnasiums of GBS and GBN, replacing windows throughout GBS and GBN and adding building automation systems GBS and GBN. The remaining area to achieve energy savings is through a “people focused” program such as the one offered by Energy Education.

Energy Education has made two presentations to district and building staff and recently presented at the February 23, 2010 facility committee meeting.

Attached is a list of client references. Hillary and I contacted the business managers at District 211 and District 34 and received positive feedback from both districts.



GLENBROOK HIGH SCHOOL DISTRICT 225 Glenview, Illinois

Valid until March 2, 2010

Financial Savings Matrix

	Fast Track***	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
SAVINGS	\$ 59,000	\$ 475,000	\$ 522,000	\$ 575,000	\$ 632,000	\$ 695,000	\$ 765,000	\$ 841,000	\$ 925,000	\$ 1,018,000	\$ 1,120,000	\$ 7,627,000
TRANSFORMATIONAL ENERGY MANAGEMENT PROCESS™	0	219,600	219,600	219,600	219,600	0	0	0	0	0	0	878,400
ENERGY EDUCATION SPECIALIST ESTIMATED SALARY RANGE* \$75,000 to \$85,000	13,300	80,000	82,000	84,100	86,200	88,400	90,600	92,900	95,200	97,600	100,000	910,300
ESTIMATED CONFERENCE TRAVEL	1,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	31,000
ENERGY ACCOUNTING SOFTWARE**	0	12,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	22,800
TOTAL INVESTMENT	14,300	314,600	305,800	307,900	310,000	92,600	94,800	97,100	99,400	101,800	104,200	1,842,500
NET SAVINGS	\$ 44,700	\$ 1,60,400	\$ 216,200	\$ 267,100	\$ 322,000	\$ 602,400	\$ 670,200	\$ 743,900	\$ 825,600	\$ 916,200	\$ 1,015,800	\$ 5,784,500
RETURN ON ANNUAL INVESTMENT	313%	51%	71%	87%	104%	651%	707%	766%	831%	900%	975%	314%

*Energy Education Specialist's estimated salary for 1 position at \$80,000 annualized which includes \$5,000 for night, weekend and holiday work.

**Approximate amounts based on current product pricing.

*** Assumes 4-month Fast Track period with Energy Education Specialist hired and active by the end of the 2nd month.

Number of Energy Education Specialists 1

TOTAL NET SAVINGS OVER 10 YEARS

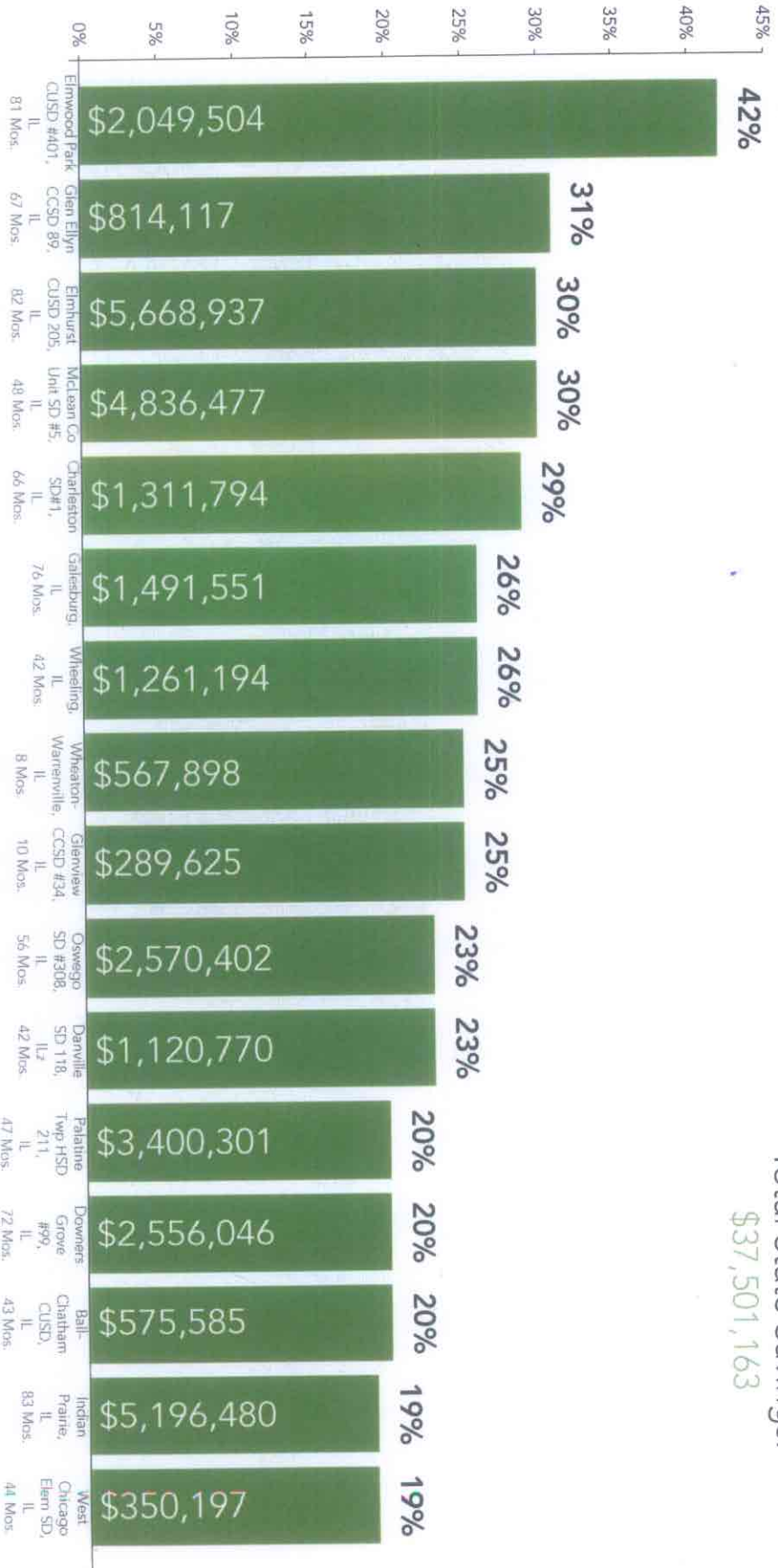
Full-time

Top Illinois Clients



Savings *

Total State Savings:
\$37,501,163

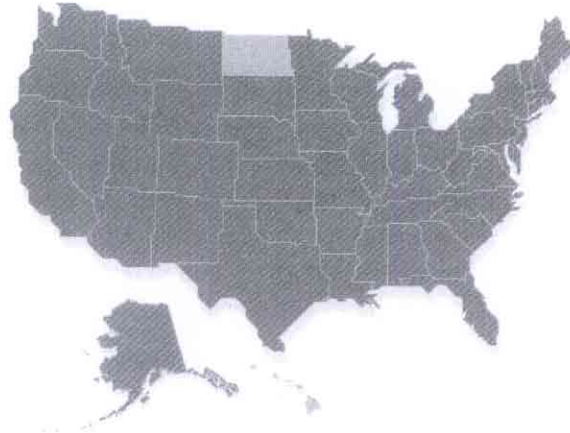


* Top districts determined by a number of factors. Percentages reflect each program's overall average performance. Savings dollars represent program-to-date results.

Company Background and History

To date, Energy Education has served more than 1,000 clients in 48 states. Collectively, we have helped our clients save in excess of \$1.9 billion. This speaks to the proven nature of the savings solutions we develop as well as our Transformational Energy Management Process™ we use to ensure our recommendations are actually and comprehensively implemented.

Our company was founded by a businessman and former school board member. Dr. William Spears was trying to solve a problem for his home district where his children attended school. After spending the better part of two years researching the dynamics of people-based energy consumption, Dr. Spears implemented a radically new approach to reducing energy consumption in his home district. The approach focused on changing human behavior, because people, not buildings, use energy. The results were so positive and so unusual the district received state and national recognition. Nearby districts began asking for help, which led Dr. Spears to start the company.



Program Overview

No doubt, ideas for saving energy are ubiquitous. Many utility companies, state organizations, and equipment manufacturers offer suggestions for saving energy, and we encourage our clients to take advantage of their ideas. In fact, institutions that employ a do-it-yourself approach to saving energy will typically save 5 – 7% off their utility costs.

What makes Energy Education's program distinctive is that it typically saves several times what do-it-yourself programs yield. Most of our clients save 20 to 30% off their utility bills. Some save even more. These savings are the product of sustainable behavior and organizational changes. In addition, Energy Education programs are maintained and continued far longer than most in-house programs because we help you create a "culture of conservation." Achieving this level of savings requires far more than coming up with a few more energy saving ideas, just as losing weight requires more than a longer list of ways to exercise. It isn't that simple. Significant behavioral change must be taught, implemented and sustained.

Two Significant Elements

Our program is based on two very significant elements:

First, we offer our clients savings recommendations specific to their environment and their organizational behavior — hundreds and hundreds of them. Our team of several dozen experts and consultants rotate in and out of our clients' campuses identifying saving solutions, large and small. A few of our recommendations can be found on websites for free. But hundreds more come from having assessed thousands of client facilities working to change the energy consumption behavior of everyone in the environment. We apply well over 400 years of combined education and experience in organizational change management and energy management across numerous disciplines to our client's situation.

Our expertise includes implementation and accountability systems, natural gas and electricity, water and sewer, HVAC systems, Energy Management Systems (EMS) and mechanical systems, behavior modification, communications, grounds care, data analysis, information systems management, organization development, construction management, human resources, utility rate structures, and many other areas of specialization, not to mention expertise in behavioral modification, that positively impact energy conservation. Our clients can not afford to bring this level of expertise in house, nor should they. Their focus is on education, so they depend on us to provide the expertise and fill the role of "change agent" in implementing a comprehensive energy management program that results in sustainable and valuable savings.

Second, we offer a powerful, but complex implementation methodology to our clients. Our Transformational Energy Management Process™ involves four very specific and incredibly involved components. The following pages provide a brief overview of each one.

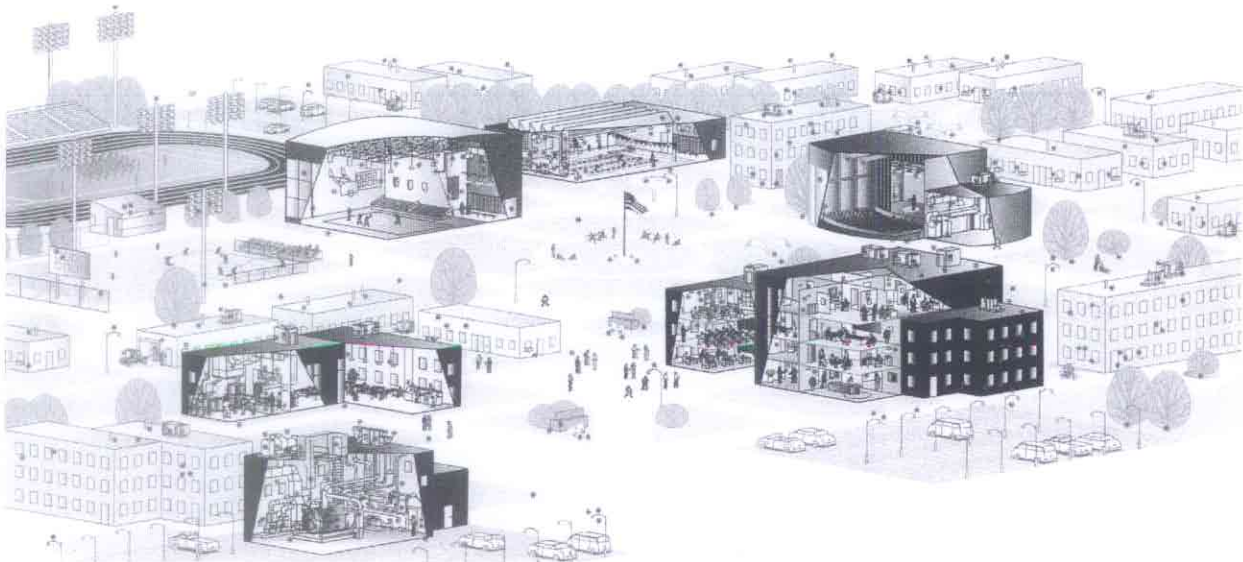
1

Assessment + Planning

Your environment is complex and unique. Energy Education tailors its program to your specific needs and requirements, never sacrificing comfort for the sake of savings.

STEP 1: Assessment + Planning

We conduct onsite assessments that include examining every facility and area in our client's environment and analyzing use and requirements at all hours of the day and night. We log temperature and humidity, and many other components important to equipment and facility use, and then teach our clients how to document their environment in a comprehensive fashion. Based on the data that is collected, we help our clients construct a detailed action plan that identifies priorities, savings opportunities, points of responsibility, optimized building scheduling profiles, proven implementation strategies and other elements critical to successful implementation and changing behavior linked to energy consumption.



2

Coordination + Communication

Our process actively engages everyone in your environment, encouraging their involvement and creating an energy conservation ethic that will stand the test of time.

STEP 2: Coordination + Communication

Implementing a people-based energy saving program involves more than just sending out announcements. Saving energy at home may be possible by simply reminding your spouse and children to close the refrigerator door. But in a decentralized campus environment that supports people with very different backgrounds, areas of focus, personal concerns, levels of education, personalities, preferences, and so forth, coordination and communication efforts are exponentially more difficult. Our coordination efforts positively engage people. Our communication efforts involve constant reinforcement, generating customized messages on a broad and individual level, employing printed, digital, and face-to-face communication, facilitating effective meetings, and much more. Maximizing savings requires that everyone who consumes energy be engaged in understanding how to also save it.



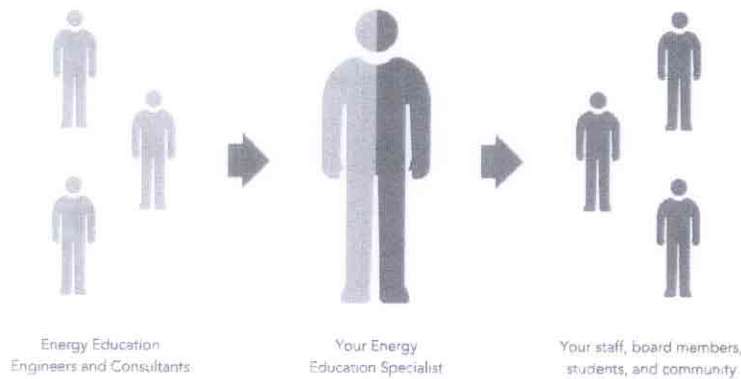
3

Leadership + Focus

Creating and sustaining an energy management program requires hands-on leadership and focus. We help you hire the right leader who will provide effective, daily focus to your energy saving efforts.

Step 3: Leadership + Focus

Executing an effective energy saving program that transforms organizational behavior requires daily focused effort and someone who can make energy management a priority. So Energy Education helps its clients hire an energy conservation leader who will provide onsite leadership to your energy program. We know what to look for during the hiring process, and help our clients identify and hire the best candidate. We then go to great lengths to train the energy conservation leader to be successful. This includes multiple monthly, onsite visits where our consultants and experts invest hundreds of hours in on-the-job training over the entire contract period. Our training also includes attending three national client conferences/seminars every year, and assimilating a monthly implementation mailing that offers additional support and development.





Measurement + Verification

With Energy Education, you keep the score. Our approach to accountable reporting lets you measure and verify our success accurately, independently, reliably, and confidently.

STEP 4: Measurement + Verification

One of the distinctions of Energy Education lies in the fact that our clients are responsible for measuring and verifying the efficacy of our work. While many equipment manufacturers and building contractors produce energy savings reports based purely on stipulated calculations, we believe the results of our program should be reported by our clients. That is why every one of our clients is a licensed user of EnergyCAP, a third-party software product that calculates energy savings using Department of Energy standards and international protocols. EnergyCAP adjusts for load changes, facility changes, differences in billing periods, and weather differences to ensure all reported savings are attributable to our energy program. This approach to measurement and verification ensures full accountability and integrity, and gives both us and our clients confidence that we are delivering what we promised: real savings.



Reduced energy equates to:



Fewer cars on the road



More trees planted



Lower carbon emissions



Money saved could translate to:



Additional programs and positions



New equipment



Salary increases



Frequently Asked Questions Concerning Our Energy Conservation Program

- Won't we save more money by implementing our own internal energy management program?
- Why can't our Director of Facilities manage this program? Our Director wears a lot of hats remarkably well!
- Why select Energy Education? What makes Energy Education's program truly unique?
- Don't local utility companies or government agencies provide the same advice and tips for free?
- Our staff doesn't have time to take on another program regardless of how much money it saves.
- We would like to hire Energy Education, but we simply don't have the funds in our current budget to take on any new projects.
- Why does it take years of consulting? Can't it be done in one year?
- The fees charged by Energy Education seem high. Are the benefits worth the cost?
- We've already installed or upgraded a great deal of equipment to control our energy consumption. Will Energy Education's "people program" still save us money?
- Performance contracting companies tell us they can also "educate our people" as part of their equipment program. Do we still need Energy Education?
- We are concerned that the savings will only be achieved by making our employees and students uncomfortable.
- How will we know how much money we actually save through the program?
- Don't people-oriented programs merely teach people how to turn off lights?
- How can Energy Education deliver savings at these projected levels on top of everything else we have already done?
- I've always heard...if it sounds too good to be true, it probably is.



Won't we save more money by implementing our own internal energy management program?

Organizations that have attempted to implement an energy management program on their own have typically had the following experiences:

- Many never get the plan past the concept stage and off the ground.
- None have assembled the level of depth and expertise that has enabled Energy Education to identify over 1200 evaluation areas.
- Those that do implement a program achieve at best only a 5 – 7% savings by mandating behavior. Energy Education achieves a 20 – 30% savings and more using positive reinforcement, rigorous and accountable follow-through, and proven techniques that eliminate roadblocks and change behavior long-term.
- Most have not been able to sustain an energy program long-term.
- The “Energy Manager” quickly becomes the “Every-other-job-nobody-else-wants Manager”
- Most have frustrated staff and created strong resistance to future conservation efforts.

The temptation is for organizations to evaluate a program based on only one factor: its cost. What they fail to realize is that low- or no-cost energy programs are like free legal advice — what may look inexpensive in the beginning could wind up creating immense frustration, loss of valuable time, and missed opportunities to save dollars (and many teaching positions) down the road.

Why? Because the true value of a program is not found in its cost but in the net savings it generates. Net savings pays for teaching positions. Net savings pay for new facilities and deferred maintenance. But significant net savings will not be achieved without double-digit reductions in energy consumption — something only possible through the efforts of highly trained and experienced energy experts and consultants. To that end, Energy Education offers over 400 years of combined experience in energy conservation, and has successfully worked in over 20,000 facilities. That experience represents enormous potential value.

The bitterness of poor quality lingers long after the sweetness of low price is forgotten.

John Ruskin

If you would like more information on the challenges of a do-it-yourself program, let us know. We are happy to provide you with additional information, including a case study of one large client that attempted for years to build and sustain its own energy conservation program, only to hire Energy Education when their in-house program fell short of what they believed they were capable of producing. This client went on to experience significantly greater net savings through their partnership with Energy Education. Unfortunately, the savings they lost can never be recovered.

We have also included an evaluation worksheet behind the Appendix tab. You will find these questions helpful in evaluating any people-based conservation program, whether it is a do-it-yourself project, a utility company offering, or any offer by someone purporting to offer a people-based conservation program.



Why can't our Director of Facilities manage this program? Our Director wears a lot of hats remarkably well!

We agree! In fact, we recently listed some of the responsibilities we have seen assigned to Facilities departments:

- | | | |
|-------------------------------|---|--|
| 1. Plumbing | 29. Fire/emergency response | 51. Work order system administration |
| 2. Boilers/Chillers | 30. Disaster recovery | 52. Inventory management |
| 3. HVAC/DDC/VAV/AHU equipment | 31. Security/life safety | 53. Warehouse management |
| 4. Turf/lawn | 32. Budgets | 54. Help desk management |
| 5. Football stadiums | 33. Board presentations/communication | 55. Room set ups/tear downs |
| 6. Baseball diamonds | 34. Customer feedback | 56. Aesthetics |
| 7. Outdoor/indoor lighting | 35. Cost-benefit studies | 57. Transportation |
| 8. Waste water treatment | 36. Deferred maintenance planning/budgeting | 58. Materials management |
| 9. Vehicles/carts | 37. Long-range planning | 59. New construction management |
| 10. Theater/AV facilities | 38. Access control system administration | 60. Remodeling consultation and implementation |
| 11. Large event spaces | 39. Emergency repairs | 61. Building inspections |
| 12. Carpeting | 40. Preventative maintenance | 62. Exterior and Interior banners and signage |
| 13. Windows | 41. Third-party maintenance providers | 63. Electrical systems |
| 14. Plants/shrubs/trees | 42. Insurance coverage/policies | 64. Roads, sidewalks, and exterior conveyance |
| 15. Mail delivery | 43. Bidding and contracts | 65. Parking lots/asphalt management |
| 16. Snow removal | 44. Facility leased space | 66. Lake/fresh water management |
| 17. Pool maintenance | 45. Energy procurement contracts | 67. Irrigation systems |
| 18. Air quality | 46. Union contracts and negotiations | 68. Seasonal colors |
| 19. Roof systems | 47. Code compliance | 69. Pest management |
| 20. Gym floors | 48. Vending systems management | 70. Keeping everyone happy all the time |
| 21. Weight/locker rooms | 49. Drainage systems | |
| 22. Housekeeping | 50. Video surveillance system management | |

Your Facilities Department personnel may not be responsible for 100% of the items on the list above. But undoubtedly they cover many responsibilities and already have a very full plate. On top of that, a recent study showed that **funding of maintenance and operations is down 22% over the last 10 years.**

So how realistic is it to assume they have the time needed to manage another responsibility the size and dimension of a behavior-based energy conservation program?



In addition, you have already determined that there are a few areas for which Facilities personnel are not responsible. For example, they do not provide legal expertise, develop educational standards, or provide architectural drawings for new construction projects. Some things simply require too much time and effort and/or specialized expertise that falls outside the considerable competencies of Facilities or Maintenance and Operations staff.

Energy Education's projection of substantial savings from behavioral change can only be realized by providing two things that Facilities and Maintenance and Operations do not have:

- Tremendous expertise in energy conservation through behavioral change
- Considerable time and focus

Significant reductions in energy consumption that yield substantial financial savings demands rigor, accountability, highly specialized skill sets, and a system of implementation that goes far beyond asking Facilities personnel to bear responsibility for one more thing.

These requirements have led well over 1,000 clients to hire Energy Education for the expertise and focus they knew was needed to experience an additional 20 – 30% reductions in energy use and cost. They looked to us to bridge facilities staff and engineers, educators, administrators, and other staff to drive their energy conservation efforts.

Facilities, Maintenance and Operations, and other departments are absolutely critical to the success of your energy program. But the difference between asking an already overworked team of professionals to support your energy program versus asking them to shoulder primary responsibility to drive it could very well be the difference between experiencing minimal results versus maximum savings and impact.

Why select Energy Education? What makes Energy Education's program truly unique?

Energy Education offers benefits to its clients that exceed every other behavior-based program in the world. Here are 10 reasons our program offering is unique:

1. **1200 Evaluation Areas:** We offer a comprehensive customized service that leverages over 1200 evaluation areas to identify consumption-saving opportunities. We use equipment and people you already have. Our program does not require capital investments in new equipment, new control systems, or new budgeted dollars for staff.
2. **Proven Implementation Process:** No one ever lost weight by being given a longer list of exercises. That is why Energy Education offers you more than a long list of energy savings recommendations. Our proven Transformational Energy Management Process™ is a rigorous, time-tested implementation methodology that strives to save every nickel, dime, and quarter possible. In effect, our program is not one way to save \$1000. It is 1000 ways to save \$1.
3. **Two words: Fast Track!** Because our program includes an initial period of several months where you do not pay for our services nor do you incur any software cost, our program is able to produce net savings faster than anyone else. In months, not years, you have net savings you can invest in more important priorities.



4. **Our Guarantee:** Our industry-leading guarantee states you WILL save net dollars. No client has ever lost money implementing our program.
5. **20 – 30% Savings:** No other behavior-based conservation program in the world produces the gross energy savings or the net financial savings that our program produces. In fact, most of our clients have saved 20 to 30% off their utility bills. Many have saved even more.
6. **20,000 Facilities, 400+ Years:** No other company has more experience focusing purely on behavior-based energy conservation. Our field consultants have worked in over 20,000 facilities and offer over 400 years' combined experience in energy conservation. We have been helping organizations save money for well over two decades. In the process, we have generated literally hundreds of thrilled references who invite your call.
7. **You Keep Score:** We don't grade our own paper. We employ a one-of-a-kind measurement and verification tool and process that reflect the level of integrity you should expect from every vendor with which you work. Your savings are verifiable because they are based on data you collect directly off of your utility bills and report to us. You keep the score, not Energy Education.
8. **Free Endless Support:** No other company offers a free endless support agreement. Our support services continue perpetually without cost, long after the contractual period has ended, and regardless of how much you grow or how much support you need. As long as you continue implementing our program, we will continue to provide service and support post-contract for no additional cost. We desire long-term relationships, and in fact, dozens of clients who have run our program for 10 or more years have averaged a return on investment of nearly 700%. That equates to \$7 in net savings for every \$1 they invested.
9. **Protect Your Mission:** We are fully committed to saving you money without compromising your organization's mission or sacrificing comfort or security. Our program does not rely on making people hot in the summer, cold in the winter, or asking them to work in the dark.
10. **Partner of the Year:** Out of 15,000 organizations, Energy Education was the only behavior-based energy conservation Product and Service Provider to be recognized by the United States Department of Energy and the Environmental Protection Agency as an ENERGY STAR™ Partner of the Year in 2009.

Don't local utility companies or government agencies provide the same advice and tips for free?

Energy conservation is a hot topic. Many sources provide free advice, including National Green Schools, ENERGY STAR, university programs, and the United States Department of Energy. Most offer free tips. A few offer a free "energy audit."

But if you think about it, utility companies thrive only when you **increase** your consumption of energy! Equipment companies thrive when you buy equipment. But only Energy Education thrives when you **reduce** your consumption of energy.



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5950 Sherry Lane, Suite 900, Dallas Texas 75225
P: 214.346.5950 F: 214.346.5951 www.energyeducation.com



Maximizing savings demands more than a list of things to do or a one-time evaluation. Energy Education's Transformational Energy Management Process™ brings an arrangement of assessment and action planning, coordination and communication, leadership, focus, commitment, measurement and verification, behavior modification, and accountability to ensure your savings are maximized.

Make no mistake: our program involves a serious commitment to rigorous behavior-based conservation. Energy Education's approach involves literally hundreds of person-hours and thousands of interactions with people and building audits in all seasons of the year and at all hours of the day and night. That is a level of implementation support no utility company or government agency offers, and it produces unparalleled results.

Further, free resources are unable to provide ongoing on-site training and expertise, perfectly suited to your specific environment and adapted as your needs and goals change. Our communication process makes sure the execution of your program is supported by a system of reporting, documentation, and accountability that ensures ideas are actually implemented, leading to new behaviors that are reinforced, time and time again, until they become part of your culture of conservation.

Our staff simply doesn't have time to take on another program regardless of how much money it saves.

We are sensitive to demands on your time and that of your staff. If our program required more time from already busy people, it would have never worked.

So one attractive feature of Energy Education's program is that it does not require any significant added time commitments from current staff beyond your Energy Education Specialist.

However, the program does require strong support and commitment from both your board and senior leadership. If you will provide the commitment, we'll provide the resources needed to work with your Energy Education Specialist to generate significant savings.

We would like to hire Energy Education, but we simply don't have the funds in our current budget to take on any new projects.

Hiring Energy Education is designed to be budget-neutral. All of the dollars needed to fund Energy Education's energy management program are paid out of your current utility budget. No new funds are required. You don't need to purchase any equipment or budget any new dollars to achieve these savings. No capital outlay is required.

Why does it take years of consulting? Can't it be done in one year?

Our 23 years of experience have taught us not only what needs to be changed in your environment, but how to encourage support for your conservation program so that you can produce and sustain the greatest level of

Beware!

So-called "low-to-no-cost" programs produce lower gross savings.

They may be called free, but free becomes expensive if **net** savings are reduced. And energy savings, once lost, can never be recovered.



savings possible. That's why our contracts run multiple years. Building a sustainable program requires time — time to change long-standing habits, time to adjust to variable weather conditions, time to transition during facility and staff changes, and time to review results. By creating an energy conservation "ethic" and culture, your program will last long after the payment period ends while continuing to yield the best results possible.

The fees charged by Energy Education seem high. Are the benefits worth the cost?

Absolutely! First of all, there is actually no cost to you since we guarantee the entire cost of our energy management program — fees to Energy Education, the Energy Education Specialist's salary and the energy accounting software license — will be paid out of savings generated by the program. None of these costs must be budgeted because they are paid out of your existing utility budget — dollars you are already spending on energy and will continue to spend until or unless substantial behavioral changes are made.

In addition, Energy Education's program generates greater net savings than any other energy conservation program available. While the financial investment you make is temporary, our services and your savings continue perpetually for as long as you maintain the program.

Implementing a serious conservation program does require the investment of resources. But the benefit of that investment is an even greater level of net savings which can be directed towards more important priorities.

In the end, hiring Energy Education is not a spending decision. It is a savings decision.

We've already installed or upgraded a great deal of equipment to control our energy consumption. Will Energy Education's "people program" still save us money?

Congratulations on investing in energy-saving equipment. These devices are a great complement to Energy Education's people-based program. But they don't replace it.

Equipment solutions focus on **energy efficiency** — making sure your equipment runs on as little energy as possible.

Energy Education's program, on the other hand, focuses on **energy conservation** — making sure equipment only runs when it is truly needed. That, coupled with our Transformational Energy Management Process™ — a proven methodology for ensuring comprehensive and consistent implementation — creates savings over and above what energy-efficient equipment generates.

We've said it many times: buildings don't use energy. People do. And research studies support this position. For example, the Environmental Protection Agency concluded their study "Building Performance Defined: the ENERGY STAR™ National Energy Performance Rating System" with this note: "...while the majority of ENERGY STAR buildings understandably use highly efficient equipment, they are most similar to the poorest performing buildings from a technology perspective." The report continues, "This observation does reinforce the need to look beyond technologies and design when defining building performance, and consider building operations and management practices as critical to the realization of a building that performs as well in the ground as it does on paper."



Complementing your investment in state-of-the-art equipment with our customized, people-driven program is a powerful combination. We are confident that significant additional savings are achievable over and above what you may already be experiencing through the investments you've made in energy-efficient equipment.

Performance contracting companies tell us they can also "educate our people" as part of their equipment program. Do we still need Energy Education?

Yes. Energy Education's energy management program typically produces savings of 20% to 30% on top of those produced by mechanical programs because we target a different area of savings opportunity. While the bulk (if not all) of the savings produced by mechanical programs goes toward paying off the equipment, our "people program" produces net savings you can invest in personnel, programs, maintenance, and even mechanical retrofits within the first few months of implementation.

We are concerned that the savings will only be achieved by making our employees and students uncomfortable.

Your ultimate purpose is to make an effective investment in the lives of people. So any energy conservation program that forces you to compromise your mission and educational goals is simply not an option.

Furthermore, anyone can realize savings by asking people to operate in an uncomfortable environment. Our commitment is to produce savings of 20 – 30% without asking anyone to sacrifice an effective working environment. If anything, Energy Education clients have reported improved conditions, especially during instructional periods.

How will we know how much money we actually save through the program?

Unlike other vendors, Energy Education wants you to keep score. We believe our clients should tell us whether or not our program is reducing consumption and saving money.

To assist with this accounting and reporting function, every Energy Education client licenses EnergyCAP software from Good Steward Software, an independent software company. With EnergyCAP, Good Steward has produced the best utility accounting software available today. EnergyCAP is used by hundreds of major corporations, nonprofit organizations and government agencies, including the Smithsonian Institution, The State of Georgia, Yale University, the city of Washington, D.C., the University of Central Florida, and a division of the United States Department of Energy.

EnergyCAP supports industry guidelines that define how utility savings should be calculated and measured.

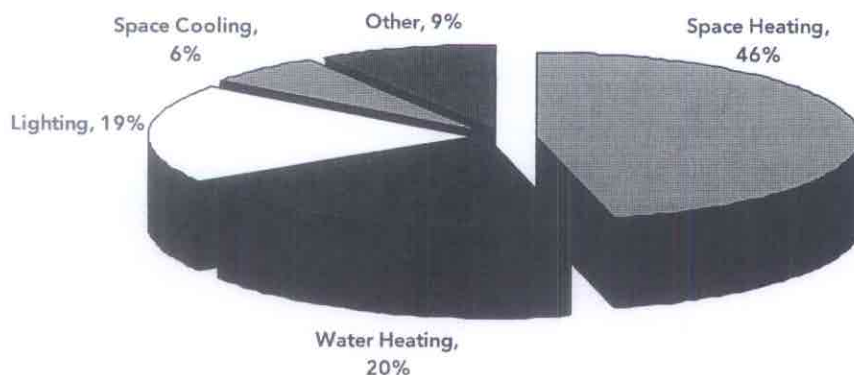
To calculate savings, our clients enter usage and rate information into EnergyCAP directly from their utility bills. Because situations and environments and weather change constantly, Energy Education's clients rely on EnergyCAP software to properly account for these changes so that behavior-based savings can be calculated as accurately as possible. Reports are then produced by EnergyCAP showing reductions in consumption, utility cost savings, and the associated environmental impact.

The result: you can have confidence that the savings you report are the savings we helped you produce through our energy conservation program.



Don't people-oriented programs merely teach people how to turn off lights?

Lighting represents only a relatively small percentage of a typical organization's total utility costs. For example, the US Dept. of Energy conducted a nationwide survey of educational buildings (see <http://www.eere.energy.gov/buildings/info/schools>), and found that only 19% of energy use in those buildings was for lighting:



Even if an organization kept every light off 24/7 and conducted its business by candlelight, they still wouldn't achieve the savings we expect from our energy program, nor would they come close to the savings results achieved by our clients.

While lighting is important, our program examines and influences every part of every facility, every system that burns natural gas or fuel oil, every item that consumes water. We influence literally thousands of changes through the people that manage that equipment as well as systems that are consuming energy but aren't adding value.

More significantly, we specialize in working with hundreds of very different people — each with unique agendas, concerns, motivations and fears — and motivate them to buy into the goals of our program by making small and large changes in how they think about and use energy. These changes, when done consistently over time, add up to significant savings far beyond what is possible through lighting reductions alone.

How can Energy Education deliver savings at these projected levels on top of everything else we have already done?

One of the more common reactions to an Energy Education proposal is that the significant savings we project coupled with our no-loss guarantee is just too good to be true. How is it humanly possible for an organization to hire us and become cash flow positive in the first few months?

Energy Education has developed and refined its operational process, including the work of "Onboarding" the Energy Education Specialist and other people critical to this process, into a highly specialized methodology. We have studied and evaluated the best ways to produce the greatest results as quickly as possible.

Working for 23 years in over 1,000 client situations with thousands of facilities and tens of thousands of unique personnel has helped us practically "script" the initial steps vital to jump-starting a program and immediately



identifying and examining every facet of savings opportunities possible. Our consultants and technical experts enable us to identify savings that, over time, add up to tens and hundreds of thousands of dollars. Our detailed, yet wide-scale approach allows us to focus on avenues of reduction that others miss, but which contribute to the high savings levels we project and deliver.

In addition, remember that our full time focus is on behavior-based conservation.

Your focus, on the other hand, is not centered on transformational energy management. The heart of your mission is in impacting lives — and rightly so! These are areas in which you have deep competency. Energy Education, on the other hand, understands what it takes to motivate and bring large-scale, long-term institutional change to the way people (management, administrators, staff, custodial, food service personnel, maintenance personnel) conserve energy. We understand how to evaluate an environment, plan for improvement, complement existing energy conservation strategies, consistently execute thousands of decisions, monitor results, and solve energy consumption problems that have remained unsolved for years.

The net result is substantial savings on top of the good work you have already done.

I've always heard...if it sounds too good to be true, it probably is.

We have hundreds of clients who felt like you did at this stage in their evaluation. But their experiences, over and over, have shown that if anything, our savings estimates were conservative. Your chances of saving even more than we project are much greater than 50-50!

Our clients are involved in important work: investing in the lives of people. So naturally we want to make it as safe and as easy as possible — in fact, completely risk-free — to enter into a relationship with Energy Education.

We've been around for over 23 years, during which it has been our honor to serve over 1,000 clients in 48 states. If our program was indeed too good to be true, we wouldn't have a success rate of nearly 100% and we certainly wouldn't invite you to contact hundreds of satisfied customers.

Memo

To: All Employees
From: Dr. William S. Spears
Date: March 1, 2010
Subject: 2010 ENERGY STAR Partner of the Year Announcement

I am very pleased to announce that Energy Education has received the 2010 ENERGY STAR Partner of the Year award for Service and Product Provider. It is the second year in a row that we have earned this prestigious award.

Clearly, receiving this award the past two years is a testimony to the commitment and diligence that Energy Education and our clients have made toward energy conservation. It is validation at the highest level, the United States Environmental Protection Agency, of the impact and effectiveness of our energy conservation program across the country.

You will receive more information as we move forward with publicizing this award, but I want to express my appreciation to each of you and encourage you to share this news with our clients, prospects and MCs.

Also, I am happy to announce that for the second year in a row an EEL client has received the 2010 ENERGY STAR Partner of the Year award for Buildings and Plants. Loudoun County Public Schools earned the award this year and we are proud to celebrate this much-deserved recognition with a valued partner.



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5950 Sherry Lane, Suite 900, Dallas Texas 75225
P: 214.346.5950 F: 214.346.5951 www.energyeducation.com

