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DELEG Announces Energy Efficiency Improvements at Three Correctional Facilities to Save State \$1.7 Million A Year

Jackson, Mich.(Feb. 15, 2011) - The Michigan Department of Energy, Labor & Economic Growth announced today that new energy efficiency and infrastructure improvements will be made to three Michigan correctional facilities in Jackson and Kincheloe that will pay for themselves by saving the state \$1.7 million a year over the next 10 years. Attending the announcement of the \$17.3 million in innovative clean energy performance contracts were representatives from the following companies: Energy Systems Group (Project: Parnall Correctional Facility, Jackson), Johnson Controls (Project: Cotton Correctional Facility, Jackson), and Chevron Energy Solutions (Project: Kinross Correctional Facility, Kincheloe).

"This partnership with ESG, Chevron and Johnson Controls is a potential model for future performance contracts for the State of Michigan and local government entities," said Andrew S. Levin, DELEG acting director. "It will allow us to explore energy efficiency and infrastructure solutions in a pilot program while helping to make Michigan a more sustainable state."

The project is funded in part by the federal American Recovery and Reinvestment Act (Recovery Act) and is administered by DELEG. Under "performance contracting," the contracting companies agree to renovate the buildings and also guarantee the amount of energy savings that will be realized as a result of the renovations. The projects are expected to create/retain 121 Michigan jobs, which will include energy auditors, specialists, and contractors.

"The three correctional facilities were selected to be part of a pilot project to demonstrate that by investing in energy saving measures and retrofits these performance projects are saving the State of Michigan \$1.7 million a year, and will ultimately pay for themselves in the next decade. Not only are we putting Michigan residents to work on these projects but we're also saving the state in utility costs for years to come," said Amy Butler, director of DELEG's Bureau of Energy Systems.

The comprehensive clean energy savings performance contracts were awarded to:

Parnall Correctional Facility, Jackson Project Value: \$12,890,098

Project Term: 10 years

Contractor: Energy Systems Group (ESG)

Guaranteed Energy Savings: \$1,195,334/year

Jobs created/retained: 75

- **Jobs:** 47 percent of the \$12,890,098 will go toward labor costs and generate over 75 new high paying jobs.
- **Eliminate wasteful spending:** By installing lighting upgrades and making energy and water conservation measures, utility costs at Parnall will be reduced by up to 40 percent and a recent 18 percent water rate increase in Jackson County will be significantly offset by more than \$2 million in reduced water consumption costs.
- **Repair outdated and obsolete equipment** and greatly improve air and heating quality in the facility.
- **Savings guarantee:** ESG has guaranteed all savings and will provide annual measurement and verification based on the International Performance Measurement and Verification Protocol.

Cotton Correctional Facility, Jackson Project Value: \$1,307,859

Project Term: 7 years

Contractor: Johnson Controls

Guaranteed Energy Savings: \$186,837 per year

Jobs created/retained: 30 construction jobs

- **Lighting Retrofit** - \$39,660 annual savings. This project will retrofit all existing low efficiency fixtures

to high efficiency fixtures with high power factor electronic ballasts.

- **Building Envelope Improvements** - \$3,951 annual savings. Air leakage and drafts are occurring throughout the building that causes a loss in heating and cooling. Total kWh saved: 833,914 kWh/year.
- **Water Conservation Retrofit** - \$111,108 annual savings. Johnson Controls will replace devices that use, but waste, water with improvements and retrofits in water closets, urinals, faucets, and shower heads. Total Gallons of Water saved: 25,106,511 gallons/year.
- **Greffen Technology Upgrade** - \$19,709 annual savings. By eliminating unnecessary cycling, this facility will see savings through more efficient boiler operation. Total Natural Gas saved: 32,207 therms/year

Kinross Correctional Facility, Kincheloe Project Value: \$ 3,212,703

Project Term: 10 years

Contractor: Chevron Energy Solutions

Guaranteed Energy Savings: \$326,469 per year

Jobs created/retained: 16

- **Lighting:** Lighting fixtures will be retrofitted or replaced to provide energy efficiency improvements while maintaining or improving existing light levels.
- **Add Control to HVAC Systems:** Tracking the hot water temperature and run times of the HVAC equipment will determine the real heating requirements.
- **Water Retrofit:** Water consumption devices that waste water will be replaced or retrofitted.

"The contracting companies uncovered many opportunities for the State to reduce operating costs while improving energy efficiency and reducing our carbon footprint through the implementation of the Energy Conservation Measures in our correctional facilities. We are so pleased to work with DELEG and the Department of Technology, Management and Budget to be able to implement these changes to help reduce operational costs," said Corrections Director Richard McKeon.

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