

MANASQUAN BOARD OF EDUCATION


Central Administration Offices, 169 Broad Street, Manasquan, NJ 08736

Lynn Coates, School Business Administrator/Board Secretary

732.528.8803 – FAX: 732.223.7422

TO: Members of the Manasquan Board of Education

FROM: Lynn Coates, School Business Administrator/Board Secretary

DATE: November 21, 2014 

RE: Energy Conservation Services Competitive Contract Proposal

The Manasquan Board of Education solicited proposals from qualified energy conservation services companies, with demonstrated ability and experience to provide a customized energy conservation program to our district and to provide comprehensive services to guide and assist the district's implementation of the program.

An advertisement soliciting proposals was placed in the Asbury Park Press on October 1, 2014. Proposals were received and publically opened at 10:00 a.m. on October 24, 2014. Specifications were requested and provided to the following vendors:

AMCO Enterprises Kenilworth, NJ	Cenergistic Inc. Dallas, TX	Concord Engineering Voorhees, NJ
DCO Energy Energy Services Division Lawrenceville, NJ	Gabe Sganga Inc. Farmingdale, NJ	Partner Engineering & Science Eatontown, NJ
Pennonni Associates Edison, NJ	Works in Progress South Burlington, VT	

A proposal was submitted by Cenergistic, Inc.

Cenergistic Inc.'s program is based on behavior modification and education. No capital expenditures or financing are required. The estimated savings (gross) are as follows:

- Five year period - \$ 726,000
- Ten year period - \$ 1,721,000

Net savings are estimated as follows:

- Five year period - \$ 297,864
- Ten year period - \$ 1,137,399

The following are program costs the district will absorb:

- A fee for the Energy Education Specialist (EES)
- A fee for the energy accounting software
- A fee for the program cost*

*Training of EES is included in the program cost.

Cenergistic Inc. will provide a savings guarantee that will offset the difference between the district's annual investment for the program and actual savings.

The proposal was ranked based on the following:

- Technical Criteria 25%
- Management Criteria 25%
- Cost Savings Criteria 50%

Scores were assigned on a 0-5 basis - 5 being the highest score. Overall scores:

<u>Vendor</u>	<u>Technical Score</u>	<u>Management Score</u>	<u>Cost Savings Score</u>	<u>Overall Weighted Score</u>
Cenergistic, Inc.	5	5	4.75	4.92

Cenergistic, Inc. is being recommended to the Board of Education for approval to provide energy conservation services. Cenergistic has a proven track record of producing desired results and their program and services will be completely funded from the district's existing utility budget. In addition, they provide references from thirteen (13) New Jersey school districts.

Cenergistic's program includes an annual fee of \$54,600 for the first five (5) years of the program. There is no fee after year five.

There is an initial software fee of \$6,650 for years 1 – 3 and thereafter the annual fee is \$2,593. The Energy Education Specialist has an estimated salary of \$24,000 and may receive an annual increase similar to other district support staff. Cenergistic, Inc. assures this Board of Education a savings guarantee as follows:

"If, over the course of each program year, your total investment in our energy conservation program exceeds the amount actually saved, we will write a check for the difference."

The board solicitor has reviewed both the specification document and the proposal submitted by Cenergistic, Inc. The solicitor advises that the document submitted by Cenergistic, Inc. appears to be responsive to the district's RFP in all respects.

It is for the reasons stated above that I recommend and encourage the board of education to accept and approve a 5-year contract with Cenergistic, Inc.

LC:sf



Cenergistic®

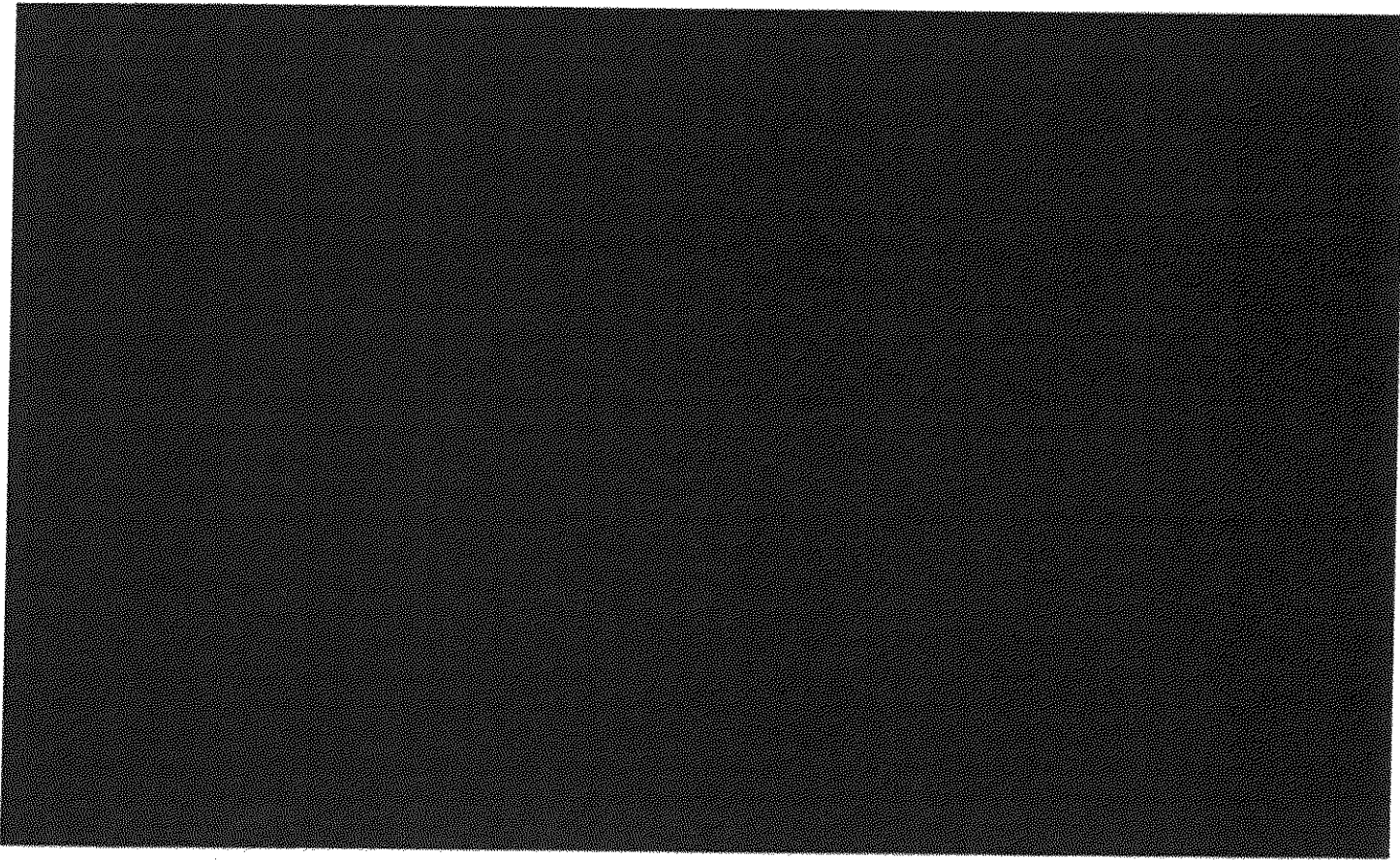
The Energy Conservation Company

Manasquan Board of Education

Energy Conservation Services

Competitive Contract Proposal

Due Date: October 24, 2014; 10:00 AM





The Energy Conservation Company

Cenergistic, Inc.

5950 Sherry Lane, Suite 900, Dallas, Texas 75225

P: 214.346.5950 **F:** 214.346.5951

www.cenergistic.com

October 20, 2014

Ms. Lynn Coates
School Business Administrator
Manasquan Board of Education
169 Broad Street
Manasquan, New Jersey 8736

Re: Energy Conservation Services Competitive Contract Proposal

Dear Ms. Coates:

Thank you for inviting Cenergistic to submit a proposal for Energy Conservation Services Competitive Contract Proposal. We know the ultimate goal for Manasquan Board of Education (Manasquan School District) is to implement a comprehensive energy management and conservation program that allows you to keep funds where they are needed most — in the classroom. Besides demonstrating good financial stewardship, it is also your goal to be a leader in the protection of our natural resources. Our energy conservation program accomplishes those objectives and more.

Cenergistic is the pioneer and nation's leader of organizational behavior-based energy conservation programs while using advanced technology and data tools to complement our long-standing behavior-based approach to energy conservation. You will find the solution we propose aligns with your goals and is based on a proven, results-driven approach. The significant and positive results Manasquan School District can expect to achieve include a sustainable energy conservation culture as well as quantifiable financial savings and, with our program, those savings will begin to be realized in weeks or months, not years. Our average client sees a 25 to 30 percent reduction in energy consumption by utilizing our proprietary and award-winning process. This reduction in energy consumption means that critical programs and staff positions can be preserved.

The proposed program outlined herein is valid for 90 days. We welcome your questions and your consideration of an expanded effort that will multiply the savings you can achieve in energy and utility costs — with no financial risk, no capital investment, no money to borrow, and no long-term payback. We sincerely appreciate this opportunity and look forward to partnering with Manasquan School District.

Sincerely,

John Bernard, CPA
President
Cenergistic®



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Section 1 — Technical Criteria

You are giving careful consideration to the Cenergistic energy conservation program at Manasquan Board of Education. Clients, who contract with Cenergistic, make an important decision to leverage the experience and expertise of our company to support their efforts to generate interest in energy conservation among the people that work and live in their facilities and communities.

Proven Ability to Reduce Energy and Utility Demands

Our 28 years of experience have taught us how to build support for your conservation program so you can produce and sustain the greatest level of savings possible. Building a sustainable program requires time — time to change long-standing habits, time to adjust to variable weather conditions, time to transition during faculty and staff turnover, and time to review results. By creating an energy conservation ethic and culture, your program will last long after the contract period ends while continuing to yield the best results possible.

Cenergistic's proven track record of producing predictable results speaks to our ability to carry out Manasquan School District's project. Key performance metrics include:

- Cenergistic's 1350+ clients nationwide have collectively saved in excess of \$3.4 billion
- Cenergistic assists our clients in managing more than \$1 billion utility dollars annually
- Cenergistic clients achieve an average 714% return on investment over a 10-year period

What makes Cenergistic's program distinctive is the district can expect to save several times what a do-it-yourself program yields. In fact, most of our clients save 20 to 30 percent off their expected utility costs. Some save even more. These savings are the product of sustainable behavior and organizational changes. In addition, Cenergistic programs are maintained and continued far longer than most in-house programs because we help create a culture of conservation throughout a client's organization.

Savings Guarantee

Cenergistic's program and services are completely funded from your existing utility budget. Our program does not require up-front capital investment or financing. Such requirements only delay the point in time to realize net savings. With our program your return on investment is measured in months, not years. Our savings guarantee eliminates financial risks, beginning with the very first year of the program and continuing through the full contract period. Our clients also avoid all risks commonly associated with large scale performance contracts, such as equipment installation failures, poor contractor performance, etc.

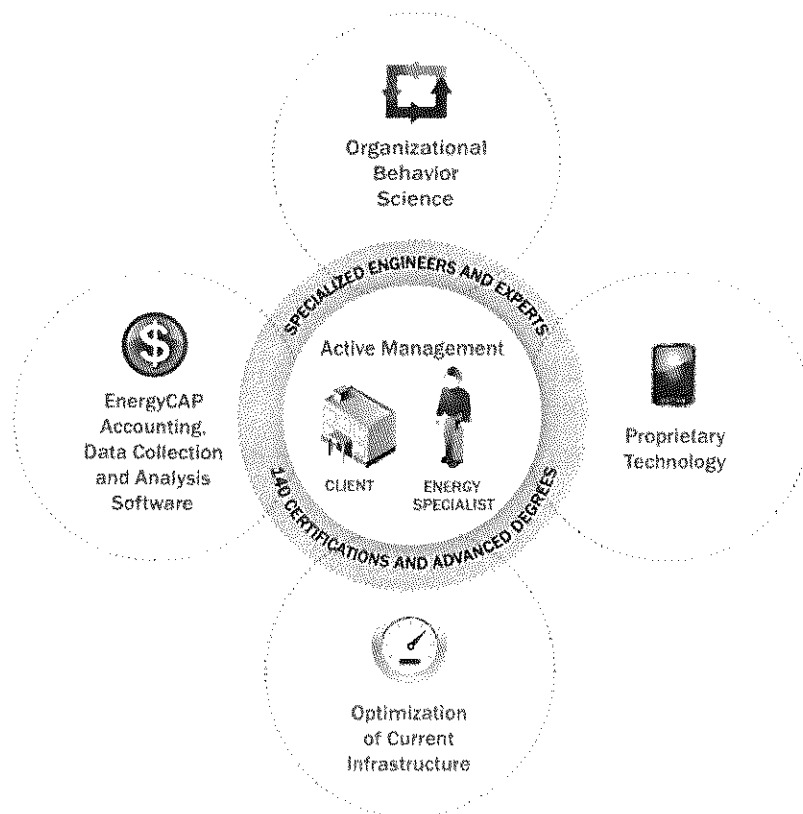
Program Overview

Manasquan School District's program is based on two very significant elements.

First, we will make savings recommendations specific to your environment and organization — hundreds and hundreds of them. Our team of several dozen experts and consultants will rotate in and out of your campuses identifying saving solutions, large and small. Hundreds of savings recommendations come from having assessed thousands of client facilities working to change the energy consumption behavior of everyone in the environment. We will apply well over 1400 years of combined education and experience in organizational change management and energy management across numerous disciplines to Manasquan School District's unique environment.

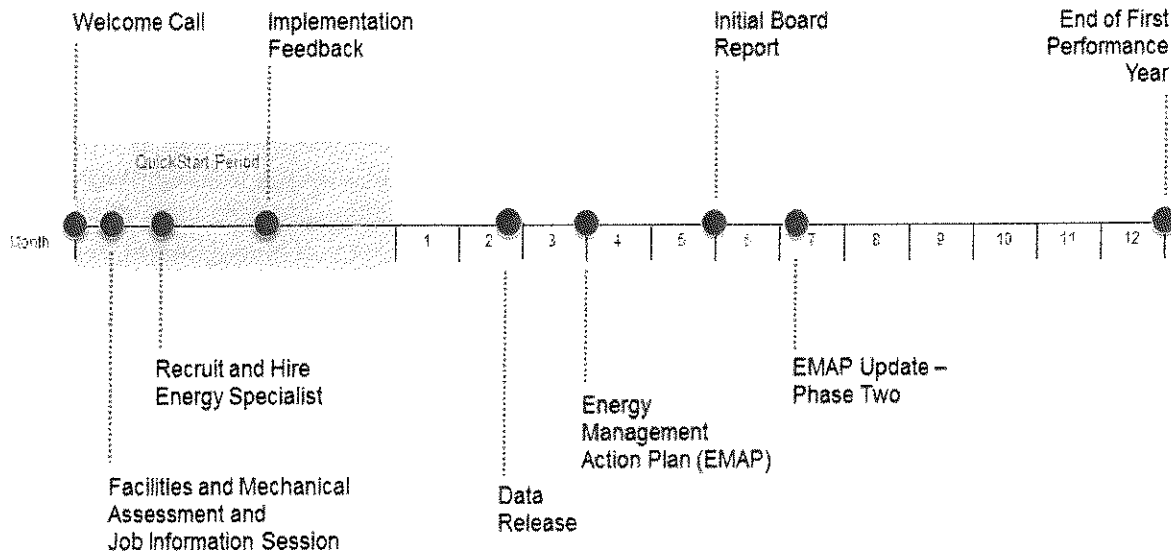
To achieve maximum savings, we will leverage our experience in implementation and accountability systems, natural gas and electricity, water and sewer, HVAC systems, Energy Management Systems (EMS) and mechanical systems, behavior modification, communications, grounds care, data analysis, information systems management, organization development, construction management, human resources, utility rate structures, and many other areas of specialization. All these positively impact energy conservation. Our clients cannot afford to bring this level of expertise in house, nor should they. Their focus is on education, and they depend on us to provide the expertise, partner with their own maintenance and operations team, and play the role of change agent to implement a comprehensive energy management program that results in sustainable and valuable savings.

Second, we will implement a powerful and complex implementation methodology in Manasquan School District – Cenergistic's energy management program.



Approach and Methodology

With Cenergistic's technology, data, methodology and expertise, our clients have achieved energy savings of 20 to 30 percent and often significantly more. We have a deliberate, methodical and effective schedule for your implementation of our program.



Energy Specialist Selection (months 1 — 3)

Cenergistic focuses on selecting the Energy Specialist who will be trained in carrying out the work of conservation awareness and measurement and verification of results. Because the Energy Specialists are employed by Cenergistic, there is no budget impact. Primary focal points during the first three months include:

- Provide posting materials and direction for securing applicants for the Energy Specialist position
- Collaboratively interview candidates with Manasquan School District representatives and select the Energy Specialist
- Identify program champion and define program reporting structure
- Gain adoption of an Energy Policy & Guidelines from the Board and Superintendent

QuickStart Period (months 1 — 4)

The goal of the QuickStart period is to implement the energy program as quickly as possible within the organization in order to start saving money. It includes establishing strong leadership support, educating all groups within Manasquan School District on the value of the program, the role of the Energy Specialist, how the program works, the importance of staff participation and adoption, and to begin changing habits in district facilities. Some focal points during the QuickStart period include:

- Make initial presentations to key stakeholder groups — administration, maintenance, custodial, faculty, students, staff
- Training on online measurement and verification software, EnergyCAP Professional
- Gather billing information for the baseline period for district facilities
- Enter each district facility's utility consumption, rates, and cost information into software by meter by month for baseline period
- Enter adjustments to performance data to account for all non-program variances
- Create operational/strategic plans and operating/use schedules for district facilities
- Estimate building savings potential for all district facilities
- Begin auditing of district facilities to ensure compliance to conservation plan and schedules
- Utilize Cenergistic's exclusive reporting and performance tracking tools
- Review/finalize operational/strategic plans with facility building owners
- Provide audit feedback to facility building owners on savings opportunities
- Provide monthly savings reports to facility building owners
- Provide early program updates to the Board
- Engage effective media coverage, including national, local, and on-campus media outlets at critical junctures during the initial training period

Program Expansion (years 1 — 3)

The goal during the Program Expansion period is to continue the assessment and recommendations for the facilities in the district and for facilities constructed during the first year of program. Cenergistic automatically grandfathers all new facilities into the energy conservation program at no additional charge for the term of the program. Leadership support is established for every building during this phase, and ongoing facility audits are conducted around the clock and throughout the year.

Regular online reports and dashboards are generated for every facility and utility type, allowing comparative data analysis and benchmarking. Reports are also produced for senior leadership and the Board, ensuring accountability and program follow-through. The primary focal points during the Program Expansion period include:

- Expand the focus of the Specialist to provide additional program and educational coverage for district facilities
- Ensure Energy Specialist attends Cenergistic National Conferences. Other Manasquan School District support staff are encouraged to attend Cenergistic training as well

- Continue to create or refine operational/strategic plans and operating/use schedules for facilities
- Monitor continuous auditing to ensure compliance to conservation plan and schedules
- Review operational/strategic plans with all facility building owners
- Provide audit feedback to all facility building owners on savings opportunities
- Provide monthly savings reports and dashboards to all facility building owners
- Provide quarterly reports on program performance to the Board
- Provide proactive media coverage efforts as deemed appropriate
- Utilize diagnostic tools to monitor operating conditions in response to program changes

Program Refinement (years 4 — 5)

The goal during the Program Refinement period is to continue to expand the energy conservation effort to every facility, focusing on smaller changes and savings. The initial three years of the program focus on large changes and significant areas of cost, while the fourth and fifth years of the program dig more deeply into the habits and systems of the district to capture any remaining savings.

In addition, districts are constantly expanding and changing conditions in the environment. Cenergistic's program accounts for those changes, ensuring the program adapts to new facilities and different use patterns over time. The primary focal points during the Program Refinement period include:

- All educational, facility auditing, and program reporting services referenced in the Program Expansion phase
- Ongoing feedback on the performance of the Energy Specialist
- Ongoing training in more specialized areas of conservation and service
- Pursuit of ENERGY STAR® and other national conservation awards and public relations opportunities
- Revisions to operational/strategic plans and operating/use schedules for all district facilities, per changes to facility use patterns

Long-Term Sustainment (beyond year 5)

Cenergistic desires the district implement its conservation program and realize significant savings on a perpetual basis. Cenergistic Consultants remain on call and available for ongoing support as needed by the district. We also provide ongoing remote monitoring and diagnostics of energy performance data following the contract term. This year alone, over 1,500 personnel from in-term and out-of-term clients attended our National Training Conferences (NTC) for energy conservation-focused continuing education and professional networking.

Measurement and Verification (M&V)

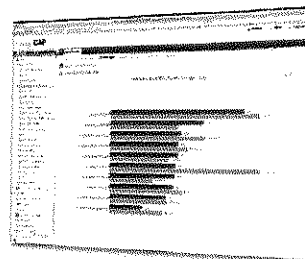
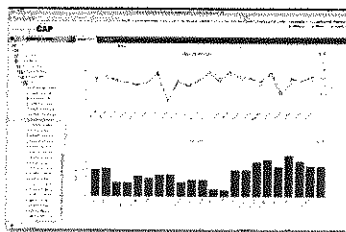
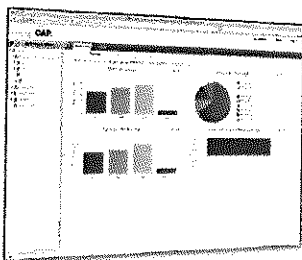
Cenergistic offers a completely independent measurement and verification process. Manasquan School District will independently track, validate and report results using energy savings measurement and verification software, EnergyCAP® Professional Online, an industry-leading utility accounting software program. The program is published by EnergyCAP, Inc. and allows you to determine savings in accordance with industry standards for tracking and reporting energy use. All of our clients use EnergyCAP Professional Online, and all of our specialists are trained to support our clients on this specific tool. Due to the high level of on-site support we are committed to providing, EnergyCAP Professional Online is available exclusively to our client partners.

Independent Tracking, Monitoring and Measuring

While many equipment manufacturers and building contractors produce energy savings based purely on stipulated calculations, we believe the results of your program should be measured and reported based on actual utility bills. Cenergistic prides itself on strictly adhering to a measurement and verification process that is open and transparent to each client.

Today's business and financial leaders have an obligation to evaluate the savings potential and return on investment opportunities of energy program initiatives, even with programs like Cenergistic's where the initiative requires no capital investment. Part of that evaluation process requires taking the time to carefully understand how an initiative will be measured, monitored and reported by the firm itself. The following key components of the M&V process ensure each client's ability to independently validate reduced energy consumption and financial savings:

- The district will appoint a senior-level Program Liaison who will be responsible for reviewing and verifying the savings from the energy awareness program using EnergyCAP® Professional Online, a third-party software product that calculates energy savings using Department of Energy standards and international protocols.
- Manasquan School District maintains the software license and program databases for the measurement and verification software.
- This approach to measurement and verification ensures full transparency and data integrity, and gives our clients and us the confidence that we are delivering what we promised: real savings.



Industry Standards

Cenergistic's Certified Measurement & Verification Professional (CMVP) consultants will provide extensive end-user training to the Energy Specialist. Additionally, EnergyCAP is consistent with the following industry standards:

ASHRAE Guideline 14: Measurement of Energy and Demand Savings

- M&V Guidelines: Measurement and Verification for Federal Energy Project issued by the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy
- International Performance Measurement and Verification Protocol (IPMVP)

National Recognition

EnergyCAP, Inc. publishes the best-selling energy management software. An industry leader throughout its more than 30-year history, EnergyCAP, Inc. provides implementation, bill processing, training, and support services. In 2011, 2012, 2013 and 2014, EnergyCAP, Inc. received ENERGY STAR's Partner of the Year Award.

Independent Evaluation of Measurement and Verification

An Assessment and Evaluation of the Measurement and Evaluation Practices of Cenergistic, Inc. is a report published by Wayne C. Turner, Ph.D., Certified Energy Manager, and Regents Professor Emeritus at Oklahoma State University. The report was based on this expert's independent and validated research, and includes the following important conclusions and attestations:

Independence

Cenergistic and software provider, EnergyCAP, Inc. are independent companies. They do not share common staff, ownership, management or control. Each company has represented to the Committee that it receives no direct or indirect form of compensation from the other company.

An exclusive distribution agreement specific to EnergyCAP Professional ensures that every Cenergistic client uses the same industry-leading utility accounting tool, thereby standardizing a critical management process while facilitating nationwide benchmarks and comparisons.

Implementation

All utility bill information is owned by the clients of Cenergistic at all times. Training is provided by Cenergistic on how to properly install and use EnergyCAP Professional and the review and approval of reported results is the responsibility of the client.

Following the installation of EnergyCAP Professional, Cenergistic's Energy Specialists work with clients to create a baseline of utility usage. This baseline is established directly from the client's utility bills, typically for the 12 months immediately preceding the start of the program.

Cenergistic and each client then work together to adjust for differences between the baseline data to the current being measured. Adjustments account for non-program-related differences between the two periods, including differences or changes in:

- Weather (heating and cooling degree days)
- Utility rates
- Mechanical equipment/retrofits
- Conditioned space (square footage) additions or subtractions
- Billing cycle periods
- Building use (programmatic changes)

Veritec noted that the current utility data is always compared to the baseline period rather than being compared to the prior year's data. The reason for this is twofold. First, this is the method specified by International Performance Measurement and Verification Protocol (IPMVP) guidelines. Second, the adjustments to account for changes in weather, square footage, equipment additions or deletions and other changes are applied to the base year for comparison to the current performance year. Thus, reported results from year to year stay consistent due to an established dataset, which is based on a consistent baseline period.

Adjustments

EnergyCAP Professional adjusts for load changes, facility changes, differences in billing periods, and weather differences to ensure all reported savings are attributable to our energy program.

Training

The survey of Cenergistic clients revealed that, for programs at least one year old, 84% of respondents reported having been adequately trained in identifying situations that may require a baseline adjustment in EnergyCAP Professional, and 97% said that when an adjustment is needed, the energy manager works with Cenergistic to ensure the adjustment fairly represents the impact of the change in their environment.

In addition, during its review of EnergyCAP Professional, Veritec discovered that the software also supports data accuracy by performing a number of automated checks and balances to ensure errors have not been accidentally introduced during the data entry process.

Savings Valuation

EnergyCAP, Inc. delivers EnergyCAP Professional in a software-as-a-service delivery model (SaaS), accessible to registered users through secure login via a web browser with an enhanced, browser-based interface. The software is delivered across the public internet using a Secure Socket Layer (SSL)-encrypted connection. The servers hosting the software are in a Tier 1 secure hosting facility with highly restricted access. EnergyCAP maintains exclusive control of the product and has no special versions or builds that have been specifically created for Cenergistic.

Research into the accuracy of reports produced by EnergyCAP Professional included the ability to review the full data trail from final reports all the way back to a client's original or source utility bills. This transparency effectively eliminates the need for third-party measurement and verification of reported savings.

The reviewing firm also discovered not all forms of savings are reported by EnergyCAP Professional. For example, EnergyCAP Professional does not report maintenance savings resulting from reduced equipment runtimes produced by the Cenergistic program. Because of this, the Committee believes EnergyCAP Professional may actually underreport financial savings. An article in Strategic Planning for Energy and the Environment (Spring 2008) supports this conclusion. It notes that, in addition to reducing utility expenses, conserving energy also provides financial and strategic benefits that contribute an additional 18 to 50 percent of the energy savings generated by the energy management program itself.

Section 2 — Management Criteria

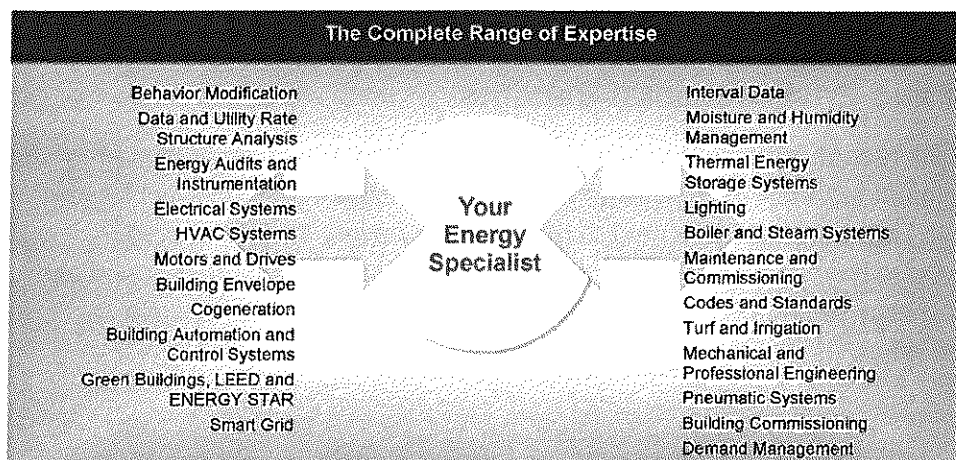
Cenergistic, Inc. shares a common goal with Manasquan School District — reduce energy consumption through a highly effective behavioral energy conservation program. Achieving this goal requires a combination of practical experience in organizational behavior, technical expertise, the ability to effectively execute a complex program and the ability to teach an organization to own and sustain its tailored program for the long haul.

Since 1985 Cenergistic has produced results unique among energy conservation companies. Cenergistic is the only company offering a combination of tools, training, technology, engineering and analysis that are guaranteed to reduce energy costs.

Unlike other approaches, we achieve these results with zero start-up budget, a rapid payback and in most cases, there is no additional funding to secure.

Our process inspires a culture of conservation, in which everyone becomes energy-aware participants. And by working with Cenergistic, you build for your future by converting reduced energy costs into funds that can be redirected to the core mission of your organization.

- Founded in 1986 — pioneers of energy conservation
- More than 1,350 clients across the nation
- Markets: K-12 school districts, higher education, health care and large churches
- More than \$3.5 billion in client-reported savings
- 1,400 years of staff energy management experience Cenergistic experts have implemented
- the energy solution in more than 22,000 buildings.
- Six consecutive years Partner of the Year – Sustained Excellence Award winner and
- 2014 U.S. Environmental Protection Agency's (EPA) Elite Partner award



Expertise

We will assign a team of highly experienced energy professionals with the specific expertise that Manasquan School District needs to launch and sustain an energy management program.

Experience

Cenergistic's senior management, marketing and operations specialists deliver a combined total of more than 1,400 years of experience and over 150 advanced degrees, professional designations and certifications in energy management and related fields. Certifications and specializations include:

- Accounting
- Behavior modification
- Biology
- Building Energy Assessment Professional
- Building Operator Certification
- Certified Energy Auditor
- Certified Building Commissioning Professional
- Certified Building Energy Simulation Analyst
- Certified Demand Side Management Professional
- Certified Energy Auditor
- Certified Energy Manager
- Certified Energy Plans Examiner
- Certified Energy Procurement Professional
- Certified Indoor Air Quality Professional
- Certified Landscape/Irrigation Professional
- Certified Lighting Efficiency Professional
- Certified Measurement and Verification Professional
- Certified Quality Engineer
- Certified Quality Auditor
- Certified Quality Manager
- Change Management
- Communications
- Computing System Design
- Construction Management
- Data analysis
- Educational Business Administration
- Heating, Ventilation and Air Conditioning
- Information Systems Management
- Turf and Irrigation Management
- Leadership in Energy and Environmental Design
- Maintenance and Operations Management
- Mechanical Engineering
- Microsoft Certified Network Engineer
- Microsoft Certified Systems Engineer
- Microsoft Certified Systems Administrator
- Organizational Behavior
- Professional Engineer
- Professional in Human Resources
- Public School Administration
- Public Administration
- Public Relations
- School Finance
- Software development
- Talent Acquisition
- Utility rate structure analysis

Long-Term Financial and Environmental Benefits

Cenergistic has a 28-year track record implementing our behavior-based energy conservation program. The average return on investment reported by our clients who have maintained their energy program for at least ten years is 714%. That translates to a net return of \$7.14 for every \$1.00 invested. Cenergistic has many clients who have maintained their energy program past the contract period and understand that maximizing energy savings and positive environmental impact is a worthwhile investment and never-ending effort.

Reference Districts

Holmdel Township Public Schools

Mrs. Barbara Duncan, Superintendent
4 Crawfords Corner Rd. Holmdel, NJ 07733
732.946.1800 / bduncan@holmdelschools.org

Program Implementation Date: 2/1/2009

Savings to date: \$4,494,270 / 50%

Egg Harbor Township School District

Dr. Scott McCartney, Superintendent
13 Swift Drive Egg Harbor Township, NJ 08234
609.646.7911 x1000 / mccartns@eht.k12.nj.us

Program Implementation Date: 3/1/2011

Savings to date: \$4,254,693 / 36%

Montgomery Township School

Ms. Nancy Gartenberg, Superintendent
1014 Route 601 Skillman, NJ 08558 USA
609.466.7601 / ngartenberg@mtsd.us

Program Implementation Date: 11/1/2006

Savings to date: \$6,037,984 / 28%

Tenaflly Board of Education

Mr. Vincent Benenati, Supervisor of Buildings & Grounds
500 Tenaflly Road Tenaflly, NJ 07670
201.816.4515 / vbenenati@tenaflly.k12.nj.us

Program Implementation Date: 10/1/2003

Savings to date: \$4,032,100 / 37%

Glassboro Township Public Schools

Dr. Mark Silverstein, Superintendent
560 Joseph Bowe Memorial Blvd. Glassboro, NJ 08028
856.652.2700 x76302 / msilverstein@glassboroschools.us

Program Implementation Date: 10/1/2010

Savings to date: \$1,164,949 / 29%

Long Branch Public Schools

Mr. Michael Salvatore, Superintendent
540 Broadway Long Branch, NJ 07740 United States
732.571.2868 x40012 / msalvatore@longbranch.k12.nj.us

Program Implementation Date: 10/1/2012

Savings to date: \$782,419 / 21%

Middle Township School

Mr. Michael Kopakowski, Superintendent
216 South Main Street Cape May Court House, NJ 08210
609.465.1800 / kopakowskim@middletpw.k12.nj.us

Program Implementation Date: 6/1/2011

Savings to date: \$694,085 / 22%

New Brunswick Board of Education

Mr. Richard M. Kaplan, Superintendent
268 Baldwin St. New Brunswick, NJ 08903
732.745.5300 x5414 /
richard_kaplan@nbps.k12.nj.us

Program Implementation Date: 2/1/2006**Savings to date: \$2,780,433 / 21%****North Brunswick Board of Education**

Dr. Brian Zychowski, Superintendent
300 Georges Rd. North Brunswick, NJ 08902
732.289.3030 /
bzychowski@mail.nbtschools.org

Program Implementation Date: 10/1/2008**Savings to date: \$2,883,344 / 20%****Plainfield Public School District**

Mr. Michael Pate, Energy Manager
504 Madison Ave. Plainfield, NJ 07060-1540
mpate@plainfield.k12.nj.us

Program Implementation Date: 12/1/2011**Savings to date: \$1,429,313 / 20%****Vineland Public Schools**

Dr. Mary Gruccio, Superintendent
625 Plum Street Vineland, NJ 08360 United
States
856.794.6700 / mgruccio@vineland.org

Program Implementation Date: 10/1/2013**Savings to date: \$819,877 / 18%****Robbinsville Schools**

Mr. Steve Mayer, Superintendent
155 Robbinsville-Edinburg Rd. Robbinsville, NJ
08691-3119
609.632.0910 / smayer@robbinsville.k12.nj.us

Program Implementation Date: 11/1/2010**Savings to date: \$1,150,716 / 27%****Bloomfield Township School District**

Mr. Scott Collins, Manager of Operations
155 Broad Street Bloomfield, NJ 07003-2629
973.680.8501 / scollins@bloomfield.k12.nj.us

Program Implementation Date: 12/1/2011**Savings to date: \$659,948 / 19%**

Section 3 — Cost Savings Criteria

All fees are funded from the savings and Cenergistic shares in the savings during the paid term of the program. We estimate Manasquan School District will achieve more than \$1,137,399 in net cumulative savings over the next ten years.

We do not recommend any capital investment as part of the program. In fact, all savings and program investments come from the district's existing utility budget. No additional funds must be budgeted or borrowed in the course of executing our program.

QuickStart

Even though Cenergistic's program does not involve financing requirements, we still offer a unique and valuable service to Manasquan School District in the start-up phase of your program. This service is called QuickStart and ensures the district gets off to a quick start and begins realizing net savings within the first few months of the program. For Manasquan School District, QuickStart means the first 4 months are fee-free while the program implementation begins, including the search, hiring and orientation process for the Energy Specialist.

Guaranteed Savings

Cenergistic knows that significant net savings result when the elements of our proven methodology, the Cenergistic energy management process, are implemented by our clients. This confidence comes from our experience in partnering with over 1,300 clients across the nation.

We extend this confidence to Manasquan School District in the form of our industry-leading savings guarantee which assures savings as you implement our energy conservation program. If, over the course of each program year, your total investment in our energy conservation program exceeds the amount actually saved, we will write a check for the difference. This savings guarantee eliminates the financial risks that would otherwise be associated with implementing a comprehensive energy conservation program. The savings guarantee represents our substantial commitment to Manasquan School District and provides meaningful reassurance to you. Below are the savings that Manasquan School District can expect to see during the course of the next ten years:

Projected QuickStart and first-year net savings	\$ 50,750
Total 10-year projected gross savings	\$ 1,721,000
10-year return on annual investment	195%
Net 10-year savings	\$ 1,137,399

Savings Projections Methodology

The energy savings projections that we offer to your organization are estimated based on: (1) information specific to the organization, and (2) the savings experienced by clients similar to your organization.

First, we collect specific information about each organization. The information gathered includes historical and budgeted utility expenditures by energy type, growth trends in student enrollment, anticipated changes in square footage, number and types of buildings, the extent to which buildings are controlled by EMS and the extent to which buildings are air-conditioned. For those organizations that have previously provided similar information, the longer-term trend in enrollment and square footage growth and the resulting impact on utility expenditures is also analyzed.

Second, these key metrics are then compared to externally purchased and internally developed databases containing statistical information on thousands of school districts. Our process looks for similarities between the organization being analyzed and a subset of our clients using key metrics we have determined are significant predictors of future energy savings potential. Geography, typical weather patterns and regional energy pricing information are also factored into this analysis.

Ultimately, we identify a group of clients that match the organization being analyzed in a number of these key metrics. These metrics reflect the size and complexity of the organization and provide a meaningful basis for assessing the savings opportunity that exists. Actual savings results for clients similar to the prospect are a significant driver in calculating projected savings.

Our energy savings projections exist as estimates of future savings potential. Actual savings are a function of the breadth, depth and pace of a future client's implementation of our program. Although it is not possible to precisely predict each client's implementation in advance, our clients' actual savings results exceed our original projections the majority of the time. Ultimately, this validates our methodology as being reasonable and conservative.

The Bottom Line: 10 Years = \$1,137,399 Net Savings

	CONTRACT PERIOD					POST-CONTRACT PERIOD						
	QuickStart ²	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Gross Savings	\$16,000	\$124,000	\$132,000	\$141,000	\$151,000	\$162,000	\$173,000	\$185,000	\$198,000	\$212,000	\$227,000	\$1,721,000
Part-Time Energy Specialist Estimated Stipend: \$24,000 ¹	4,000	24,000	24,600	25,200	25,800	26,400	27,100	27,800	28,500	29,200	29,900	272,500
Estimated Conference Travel	Paid by Cenergistic	Paid by Cenergistic	Paid by Cenergistic	Paid by Cenergistic	Paid by Cenergistic	Paid by Cenergistic	TBD	TBD	TBD	TBD	TBD	0
Energy Accounting Software	0	6,650	6,650	6,650	2,593	2,593	2,593	2,593	2,593	2,593	2,593	38,101
Cenergistic Energy Management Program ³	0	54,600	54,600	54,600	54,600	54,600	0	0	0	0	0	273,000
Total Projected Investment ⁴	4,000	85,250	85,850	86,450	82,993	83,593	29,693	30,393	31,093	31,793	32,493	583,601
Net Savings to Client ⁴	\$12,000	\$38,750	\$46,150	\$54,550	\$68,007	\$78,407	\$143,307	\$154,607	\$166,907	\$180,207	\$194,507	\$1,137,399
Return on Annual Investment	300%	45%	54%	63%	82%	94%	483%	509%	537%	567%	599%	195%

1. Energy Specialist's estimated salary based on prevailing rates for comparable part-time positions. Final salary figure will affect total net savings.
2. Assumes 4-month QuickStart period with part-time Energy Specialist hired and active by the end of the 2nd month. Cenergistic does not share in savings during QuickStart.
3. Cenergistic's fixed fee is paid at a monthly rate of \$4550 over the term of the contract.
4. Total investment guaranteed to be funded from savings, including stipend for Energy Specialist. Net savings to client assumes gross savings projections are realized; actual net savings will vary based on the level of gross savings achieved.

Cenergistic®

Energy Savings Program Prepared for Manasquan Board of Education | September 11, 2014

Section 4 — Supplementals

- Communications & Public Relations Support
- Letters of Recommendation
- ENERGY STAR
- *The Washington Times* article: "SPEARS: Funding 'green' school projects"
- Powered by technology
- Energy Pyramid

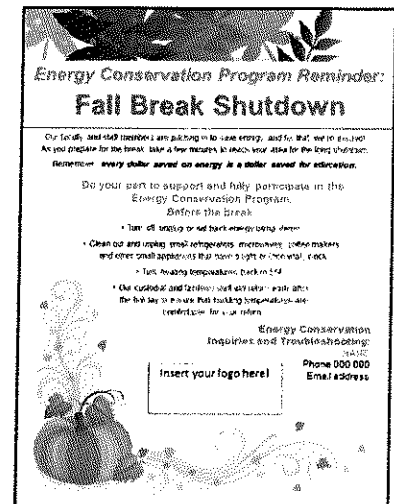
Communication and Public Relations Support

Implementing an organizational behavior-based energy saving program involves more than just sending out announcements. Coordination and communication efforts are critical in a decentralized campus environment which supports people with different backgrounds, areas of focus, personal concerns, levels of education, personalities, preferences, etc.

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 everyone who consumes energy be engaged in understanding how to also save it.

To support Manasquan School District's energy conservation program communications efforts, we will provide communications and public relations (PR) support. We will assist your organization in leveraging internal communications tools we have, as well as the tremendous PR opportunities available to promote your energy conservation program.

Proper messaging is essential to helping audiences – internal and external – understand the value of the program and how it works. From the day the program commences through every significant accomplishment or milestone, we will offer PR and communications guidance that ensures you deliver accurate and positive messages to engage and excite your constituents.



Sample "Shut-Down" Staff Newsletter

Examples of communications topics we can assist you in promoting include:

- Evaluating and recommending actions in the Senior Leadership program
- Initiating and defining the program
- Establishing expectations concerning early goals and long-term deliverables
- Achieving financial, environmental and education milestones
- Receiving national recognition, such as ENERGY STAR Building Labels
- Highlighting exceptional achievements
- Reporting monthly and ongoing program progress and accomplishments
- Completing the contract period and continuing towards long-term sustainability
- Recognizing special events, such as Earth Day, or conducting state/national leader tours

These events provide opportunities for the district to be recognized and position your message in a way that captures attention and respect.

Letters of Recommendation

**SUPPORT SERVICES**

110 S.W. 7th Rd
Ocala, FL 34471

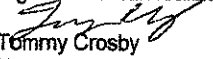
January 19, 2011

To Whom It May Concern:

The Marion County School System and Energy Education have been in contract since 2005. The savings we have achieved through Energy Education's program have been extraordinary. In 5 years we have saved 22%, which is worth \$10.7 million.

- Overall energy use per square foot in our district is down 26% since 2005.
- Despite adding over 500,000 square feet of air conditioned space since 2005, the total KWH used in the district decreased by 4 million KWH from 2006-2009. The square footage added included two middle schools, two elementary schools, numerous classroom wings, and several cafeterias.
- In 2009, 17 of our schools received the ENERGY STAR label as awarded by the EPA.
- The environmental impact of the program should be applauded as well. The energy saved by the program since 2005 equates to saving 50,605 metric tons of CO2 or taking 9,000 cars off the road for one year.
- The two Energy Education Specialists on staff are trained by the staff at Energy Education. They receive regularly scheduled visits and also frequently request visits to address issues that arise. The expertise provided by Energy Education has been invaluable.

The behavioral program offered through Energy Education has been productive and wise fiscally and environmentally. We are sure your organization can realize similar benefits.


Tommy Crosby
Executive Director of Support Services

Save-A-Friend
1-877-7FRIEND (1-877-737-4363)
-An Equal Opportunity School District-

Letter of Recommendation



SARASOTA
COUNTY SCHOOLS

Office of the Chief Operating Officer

1960 Landings Blvd., Sarasota, FL 34231

941-927-9000 • fax 941-927-2539

Web site: www.SarasotaCountySchools.net

April 8, 2011

To Whom It May Concern:

The School Board of Sarasota County entered into a relationship with Energy Education in the winter of 2006. In just over the first three years into the program we have either reduced or avoided energy costs to the tune of nearly \$10 million. In fact, in today's tough budget times our energy management program remains one the few shining stars in our budget reduction efforts. I say that because it's one of the few things we can actually put our fingers on and say not only that the program has worked but quantify the extent to which it has worked. Put in the context of teachers, the energy costs avoided to date represent the combined salary of some 140 teachers.

We have two full-time staff that help us implement this incredible program. When I ask them why things are working they point to a number of things. Three specifics are:

1. Access to Knowledgeable Staff. The help we received from consultants (Garrett Self, Craig Mesenbrink, Merlin Koehn, Jack Bullock, Bryan Sons, and David Galick) has been extremely valuable. Each one of them has provided ideas and suggestions that allow us to save more money. For the first year we would see upwards of five consultants per month to assure our program was moving in the right direction. Today we still see one or two consultants per month to discuss new ideas and review past challenges.
2. Seminars: Twice a year we attend company sponsored seminars. We always learn something to bring back and try. Moisture Management, Lighting, and general HVAC topics have been covered very well. Out of the box topics include a series on how to hold "Successful Conversations" to help "sell" the program in our district. The relationships we have built with the other Energy Managers in Florida at these conferences have been a great value to the program. The money saved from attending these seminars far outweighs the cost of attendance. One example of a new idea we brought back would be the Venstar thermostat. This thermostat on average pays for itself in less than two months—we now have hundreds of them installed across our facilities.
3. Having this contract with Energy Education Incorporated (EEI) gives the program the "teeth" it needs to be successful. We understand other Energy Management Programs have been tried in the past with some success, but nothing like the savings we are seeing now. This is a direct result of our relationship with EEI and the support the program has received from the Landings.

Page two

It is a former Superintendent that brought Energy Education to our District initially and I was personally very skeptical of some of their claims. Today I'm a believer! We have serious budget challenges ahead of us but those challenges are significantly smaller because of this relationship. If you are concerned about your energy bills and want help from a professional, knowledgeable, supportive team, Energy Education may be your solution.

Sincerely,



Scott J. Lempe
Chief Operating Officer

Letter of Recommendation



SCHOOL BOARD OF POLK COUNTY

P.O. BOX 391
BARTOW, FLORIDA 33831

(863) 534-0500

1915 SOUTH FLORAL AVENUE
BARTOW, FLORIDA 33830

Board Members

BOARD CHAIR
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DISTRICT 5

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DISTRICT 2

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DISTRICT 3

DICK MULLENAX
DISTRICT 4

DEBRA S. WRIGHT
DISTRICT 6

TIM HARRIS
DISTRICT 7

C. WESLEY BRIDGES, II
General Counsel

Administration
SHERRIE B. NICKELL, Ed.D.
Superintendent

January 6, 2011

To Whom It May Concern:

Polk County Schools entered into contract with Energy Education in May 1992. In our 17 years of implementing the program we've saved more than \$60 million, an average of 28 percent.

Those hard facts don't begin to cover the benefits of the program:

- ENERGY STAR has recognized 115 of our buildings with the Label award (third-party validation of our efficiency)
- Polk County Schools is one of the most energy-efficient school districts in Florida as measured by energy cost per square foot. For 2005-2006, the district's costs were \$0.75 per square foot: well below the next lowest and less than half the highest.
- These savings have taken place during a time of growth for our district. From 1991 – 2007 we increased our air-conditioned square footage by 53.7%, while only increasing energy consumption 21.4%. We saved more than 425 Million kWh of electricity during that time.
- Our Energy Education Specialists are trained by Energy Education's engineers and experts, who even now are available to support the program at no additional charge. In fact, we began with three Energy Education Specialists, and have grown to four. These positions more than pay for themselves.

Partnering with Energy Education has been a wise fiscal decision for Polk County Schools. I am convinced that this partnership is a wise fiscal decision for your organization as well.

Sincerely,

Fred Murphy
Assistant Superintendent
Support Services/Facilities and Operations

FRED L. MURPHY
Assistant Superintendent
Support Services/Facilities & Operations

Support Services
(863) 534-7309
(FAX) 863-519-3776

Facilities & Operations
(863) 534-0620
(FAX) 863-534-0833

*Polk County Schools -
an equal opportunity
institution for education
and employment*

*The Mission of Polk County Public Schools is to ensure rigorous, relevant learning experiences
that result in high achievement for our students.*

Letter of Recommendation

NEWBURGH ENLARGED CITY SCHOOL DISTRICT

Ralph A. Pizzo

Superintendent of Schools

www.newburghschools.org

David E. Noriega, Ed.D.

Assistant Superintendent / Student Intervention and Support Services

Ed Forgit

Assistant Superintendent / Curriculum & Instruction

Mary Ellen Leimer

Assistant Superintendent / Human Resources

Michael Pacella

Assistant Superintendent / Finance

124 Grand Street

Newburgh, NY 12550

P: 845-563-3500

F: 845-563-3501

March 17, 2011

Dear Administrators, Faculty, and Staff,

Allow me to express my appreciation to each of you for your continued participation in advocacy of our energy management program. To date, we have reduced our energy consumption by twenty percent for the last fourteen months and the associated financial returns are significant. Remarkably, this comes without any reductions or adjustments in the administration of our education, interscholastic, or extracurricular programs.

It is also outstanding to share that last week we were complimented by a visitor, Mr. Lou Tobias, Director of Strategic Initiatives for the Dormitory Association for the State of New York. He was here to assess the specifics of our energy program as a model to implement in the SUNY college campuses state-wide. Mr. Tobias left our school district fully convinced by our success and will be moving forward.

Next to education, energy is perhaps the most wide-spread necessity influencing both our personal and professional lives everyday. Everyone is an energy user and the only leverage we have is in controlling how we manage the energy we consume. As the cost of gas, oil, and electrical power continues to increase rapidly, so does the value of our energy management.

I encourage you to continue to enhance your prudent practices with the goal of eliminating energy waste throughout our district. Collectively, the simple practices of turning things off, shutting things down, and unplugging where possible, results in the retention of valuable resources which are better utilized for the purpose of Education instead of utilities. It is for this reason that you have my continued support in keeping our energy efforts moving forward.

Sincerely,



Ralph A. Pizzo

Superintendent of Schools

Letter of Recommendation

Elmore County Board of Education

Jeffery E. Langham, Ed.D.
Superintendent

Jeffrey T. Middleton
Chief Financial Officer

100 H. H. Robison Drive
P. O. Box 817
Wetumpka, Alabama 36092

Telephone: (334) 567-1200
Fax: (334) 567-1405
www: elmoreco.com

BOARD MEMBERS
Larry Teel, President
Robert Lusk, Vice President
Kitty Graham
Joey Holley
Mary Ann McDonald
Mark Nelson
Patrycia Lowery Tucker

July 11, 2012

To Whom It May Concern:

Since becoming a partner with Energy Education over three years ago (January 2009), the Elmore County School District has enjoyed savings to date of over 2 million dollars and a reduction of over 27% in utilities cost. For our school system, this is a thrilling accomplishment!

While school districts like ours have weathered crippling financial conditions statewide over the past several years, Energy Education has been a positive light throughout these gloomy times. Energy Education has provided huge financial and environmental benefits to us regardless of our ongoing economic challenges.

Additionally, Energy Education nurtures a sense of teamwork that has positively affected our school system family. Our administrators, staff, and students have recognized and rallied behind the concept that their behavior is key to the success of our energy conservation efforts. Thanks to Energy Education, we have created a culture of energy conservation — saving money, preserving jobs and protecting the environment. It is especially amazing that this program works within existing parameters and requires no facility upgrades. It takes our school system "as is" and boosts us to exciting new levels.

I offer high praise to the exceptional crew of specialists provided by the company, as well as the exceptional software that helps us monitor the program. These features, coupled with our talented in-house Energy Manager, have helped us enormously.

In retrospect, when first introduced to Energy Education, my first thought was "this is too good to be true." Guess what? It is "really good" and "completely true". How refreshing that Energy Education has met and even exceeded its promises to us as a client! For prospective clients, I give Energy Education my highest recommendation based on our experiences here in the Elmore County School District.

Sincerely,
Jeff Langham, Ed.D.
Superintendent

ENERGY STAR® Certification Assistance

Since the start of the ENERGY STAR building certification program, Cenergistic clients have chosen this national recognition and third-party validation of their energy conservation success. Cenergistic will assist Manasquan School District in submitting its buildings for ENERGY STAR Certification and other recognition, and you can expect to benefit from our practical experience and commitment to improving the environment.

ENERGY STAR Client Results

Our partnership with ENERGY STAR provides us with the opportunity to assist clients across the nation in receiving their own recognition for extraordinary work in people-oriented energy conservation. Cenergistic's clients have earned more than 6,350 ENERGY STAR awards and recognitions. We are committed to assisting Manasquan School District in achieving certifications and recognition as well.

Cenergistic and ENERGY STAR Partnership

For the fourth year in a row, Cenergistic has again been recognized by the United States Environmental Protection Agency and the United States Department of Energy with their highest honor, the 2014 ENERGY STAR Partner of the Year - Sustained Excellence Award. This award, following receipt of the Partner of the Year award in 2009 and 2010, and the 2011, 2012 and 2013 Partner of the Year - Sustained Excellence Award, further validates Cenergistic as the nation's leading organizational behavior-based energy conservation company and sets us apart from the more than 20,000 ENERGY STAR Partners across the country.

ENERGY STAR

The Nation's Top Service and Product Provider



Cenergistic's program aligns closely with ENERGY STAR® goals: help clients conserve energy while ensuring a safe, comfortable environment. Over the years, Cenergistic and our clients have tallied up numerous ENERGY STAR recognitions. We are the nation's number one Service and Product Provider for Certification and Leader recognition. Cenergistic earned the Partner of the Year – Sustained Excellence Award in 2011, 2012, 2013 and 2014 from ENERGY STAR for "success in capturing substantial long-term energy savings for thousands of client buildings."

In addition, many Cenergistic clients have received recognition as ENERGY STAR Partners or Leaders, or have earned the ENERGY STAR Certificate for one or more facilities. Top recognitions include:

- **2013 & 2014 Partner of the Year — Sustained Excellence Award, 2011 & 2012 Sustained Excellence Award and 2009 & 2010 Partner of the Year — Cenergistic (dba Energy Education)**
- **11 Oklahoma State University Residential Halls earned the ENERGY STAR — some for multiple years**
- **2013 Partner of the Year — Sustained Excellence Award, 2012 Sustained Excellence Award and 2010 & 2011 Partner of the Year — Loudoun County Schools; Ashburn, Virginia**
- **2013 National Building Competition Winner — Bloomfield Public School District; Bloomfield, New Jersey**
- **2010 Congregation Award — Lakewood Church; Houston, Texas**
- **2010 Congregation Award — First Baptist Church; Orlando, Florida**
- **2009 Partner of the Year — Whitefish Bay School District; Whitefish Bay, Wisconsin**
- **2009 Congregation Award — First Baptist Church; Dallas, Texas**
- **2009 Congregation Award — Cross Church; Springdale, Arkansas, formerly First Baptist Church and Shiloh Christian School and The Church at Pinnacle Hills**
- **2007 Congregation Award — Prestonwood Baptist Church; Plano, Texas**

In ENERGY STAR's **Leader** program — recognizing efficiency and reduction in energy use on a portfolio-wide basis — Cenergistic clients make up 50% of the K12 category.

In ENERGY STAR's **Building Certification** program — recognizing efficiency in a single building — 51% of all K12 ENERGY STAR buildings are Cenergistic clients: more than all other service providers combined.

Each award not only recognizes Cenergistic's achievements in energy conservation, but more importantly the efforts of more than 1,300 clients nationwide in developing and sustaining successful energy conservation programs for the last 28 years.



Cenergistic continues to establish a standard of excellence unmatched in energy conservation. For the fifth straight year, the United States Environmental Protection Agency has recognized this excellence with national recognition –

The ENERGY STAR Partner of the Year Sustained Excellence Award.



"Cenergistic leads the field with their commitment to energy efficiency and demonstrates how all Americans can save energy, save money and create a healthier environment."

Bob Perciasepe
Acting Administrator
United States Environmental Protection Agency

Cenergistic®

The Energy Conservation Company

For more Success Stories



www.Cenergistic.com

The Washington Times

Friday, October 3, 2008

SPEARS: Funding 'green' school projects

An energy imperative for high performance

By William S. Spears

As school house doors across the nation swung open last month, signaling the official end to the summer recess, thousands of classroom lights switched on around the country welcoming back millions of students. All the while, energy prices paid to cool, heat and illuminate these institutions continue to escalate ever higher into record territory. This upward trajectory in energy prices will continue to put a serious strain on the resources and capabilities of school districts across the country as they are forced to strike a balance between keeping the teachers they have, improving academic programs, completing capital improvements and meeting the demand of mounting facilities bills for heat, light and air conditioning.

One reality has become clear: Our schools cannot afford to wait for Washington to act. While budgetary pressures associated with higher energy costs continue to worsen for most schools, Congress is currently mired in a battle over a legislative initiative that would provide needed funding and incentives for school districts seeking immediate and long-term relief from higher energy prices. The 21st Century Green High-Performing Public Schools Facilities Act (H.R. 3021) passed the House in June, but continues to sit idle in the Senate Committee on Health, Education, Labor and Pensions.

This legislation would provide states and local educational agencies (LEAs) with funding to repair, modernize and build public schools at the kindergarten, elementary and secondary levels. Most notable is a provision in H.R. 3021 that directs LEAs to dedicate a certain percentage of their funding (from 50 percent in 2009 to 90 percent in 2013) toward projects that meet green building standards.

Partisanship and policy disagreements aside, there now seems to be — for the first time in decades — a broad consensus that environmental stewardship and responsibility directly result in lower spending.

Democrats in Congress insist that America needs to make a serious investment in schools to make them more environmentally friendly and energy efficient — and they are right. Republicans have raised serious concerns over the price tag of the legislation and the long delay time for local schools to realize real energy savings, and they are right as well.

With the partisan battle for H.R. 3021 continuing in Congress between the “red” and “blue” factions in seeming perpetuity, there is an immediate and bipartisan solution that will yield direct results for our nation’s schools and our global environment — without requiring a single new building or the purchase of any expensive new

equipment. This “purple solution,” both environmentally sound and revenue-neutral for taxpayers (in fact, it actually returns money to school budgets), is the development and implementation of sophisticated and customized people-based energy savings programs that produce sustained year-over-year savings of millions of dollars for local school districts, while simultaneously helping to save the environment for those students when they grow up.

As a businessman and former school board member who has spent more than two decades working with school systems large and small to help reduce their energy consumption and save money, I have seen the power of people-based energy conservation firsthand. Far beyond simply reminding teachers and custodians to “turn off the lights,” an effectively managed people-based energy conservation program (which includes assessment, planning, communication, coordination, leadership, focus, and measurement and verification) focuses on hundreds of initiatives, saving millions for cash-strapped schools — right now. That’s the power of human and organizational behavior change. From rural school districts to major universities, people-based energy conservation has returned billions of tax dollars in energy conservation savings to school coffers over the past two decades — without the need for Congress to act, the construction of one new building, or the capital investment of one dollar.

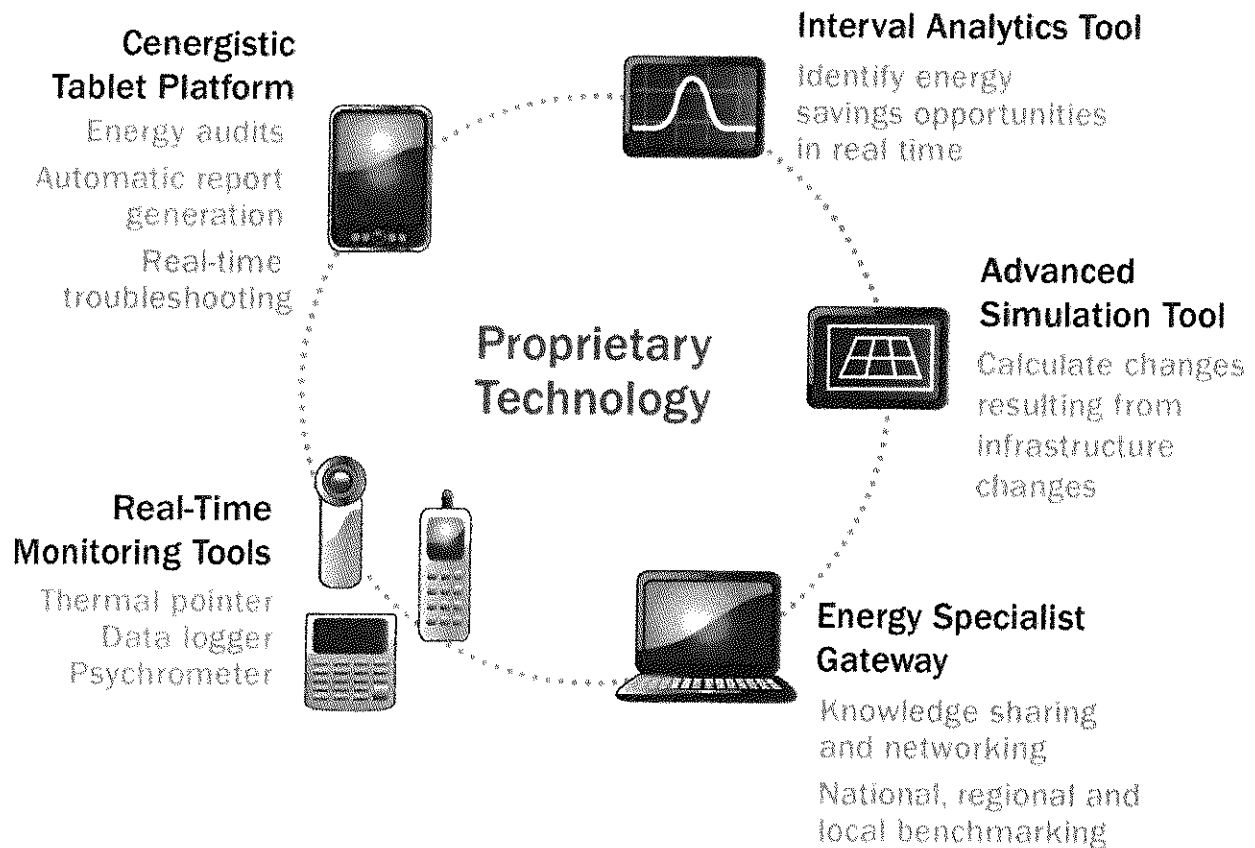
Even the federal government has recognized the power of people-based conservation. In fact, nearly 50 percent of all ENERGY STAR labeled school buildings, a recognition given by the Environmental Protection Agency and the Department of Energy for the most energy efficient buildings, have participated in people-based energy management and conservation programs. (With the help of ENERGY STAR, Americans nationwide saved \$16 billion last year on their utility bills, while eliminating greenhouse-gas emissions equivalent to 27 million cars.) With Congress now back from summer recess, and students back from theirs, rising energy costs and dwindling state coffers are going to force tough sacrifices at the expense of our children’s education. Just imagine our schools going to a four-day week because energy and utility bills leave them no choice. Rather than wait for Congress to act, local leaders should embrace the savings already within their reach through the power of behavioral change guided by proven people-based energy conservation programs.

Our nation’s schools cannot afford to wait — and for once, there is a solution that both Republicans and Democrats can fully embrace.

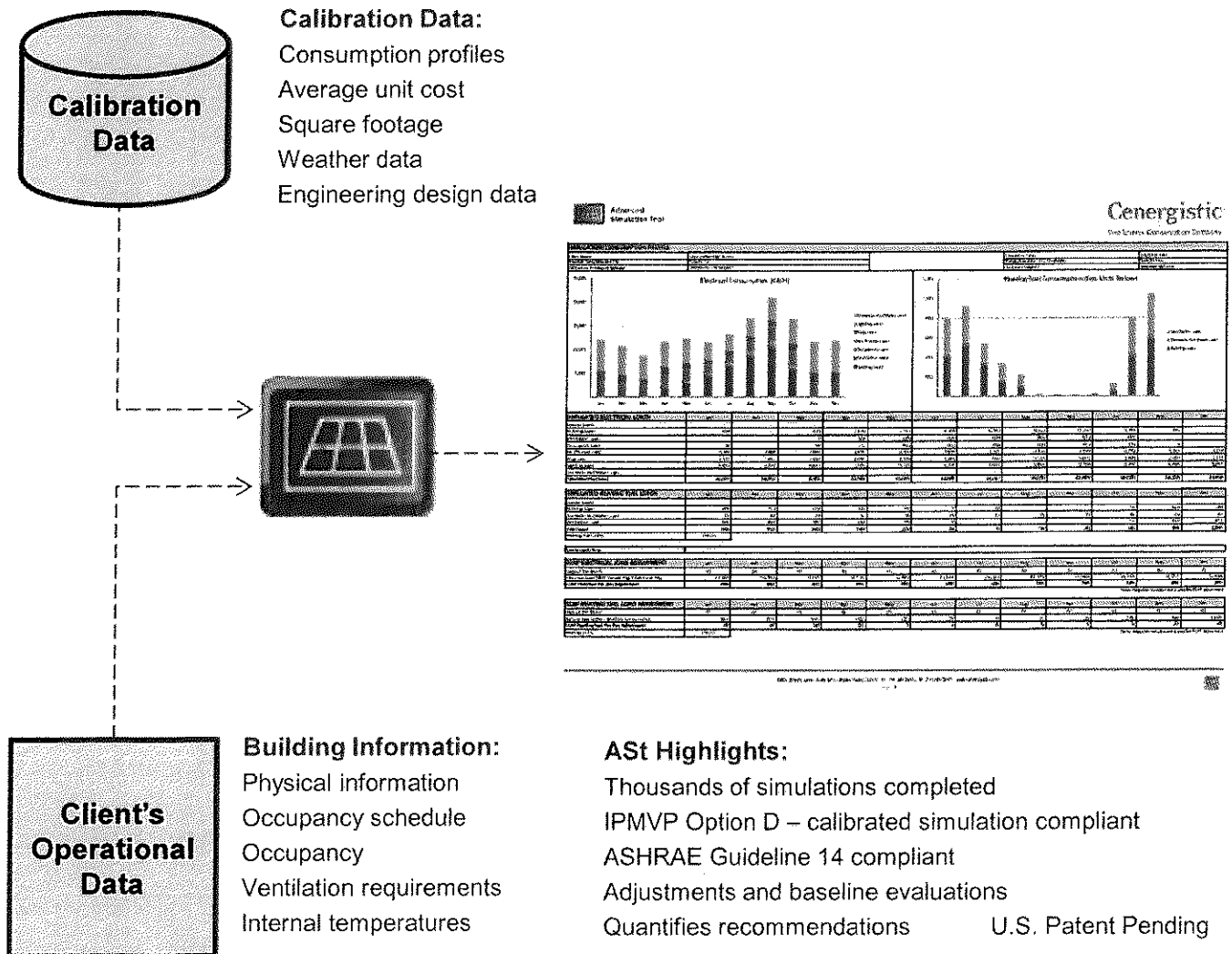
William S. Spears is Chairman and Founder of Cenergistic Inc.

Powered by Technology

Our work is supported by a proprietary set of technology- and data-enabled tools that identify opportunities for savings and document progress in real time.

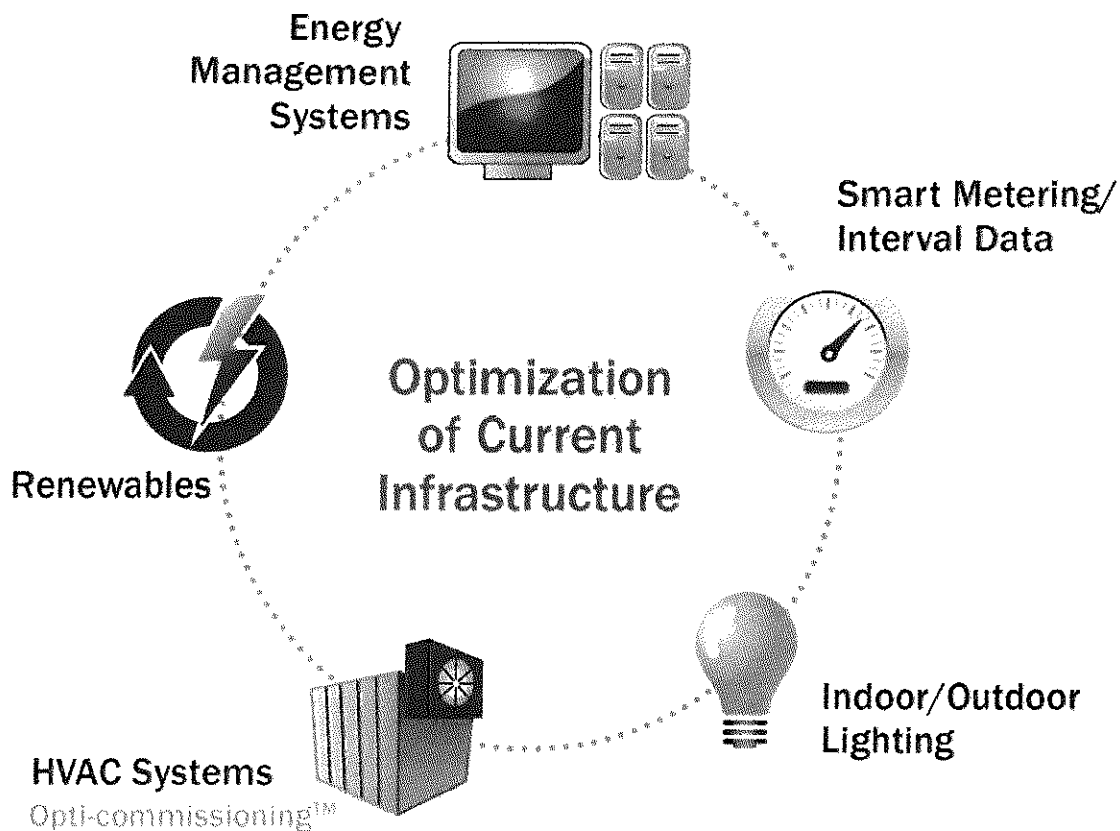


Technology Example: Adjustment Simulation Tool (AST)

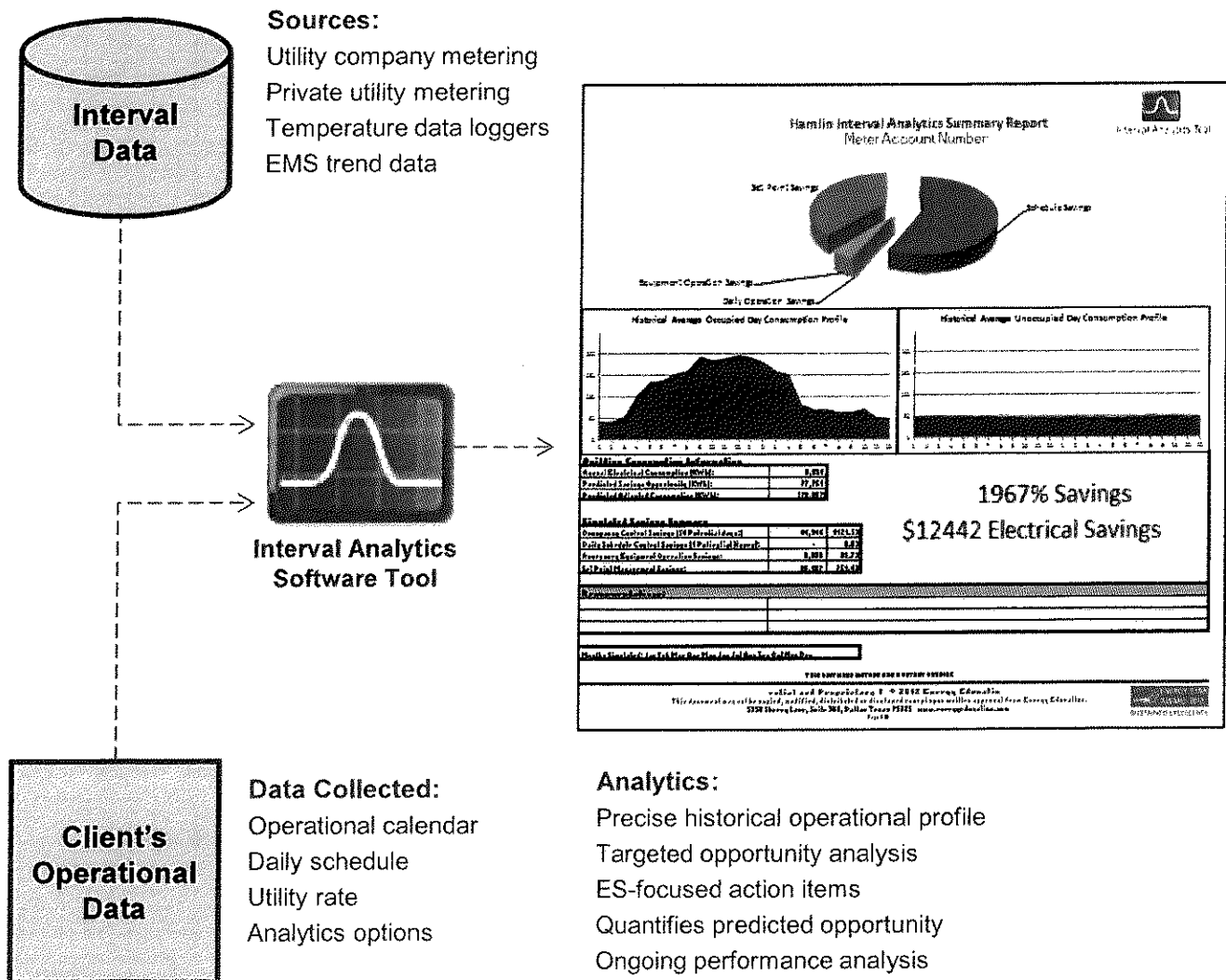


Improving the Performance of Your Infrastructure

Most of our clients have complex infrastructures encompassing a wide range of hardware and software systems. Cenergistic helps integrate all systems to ensure they operate at peak efficiency while maintaining appropriate standards compliance.



Interval Analytics Tool (IAt)



U.S. Patent Pending

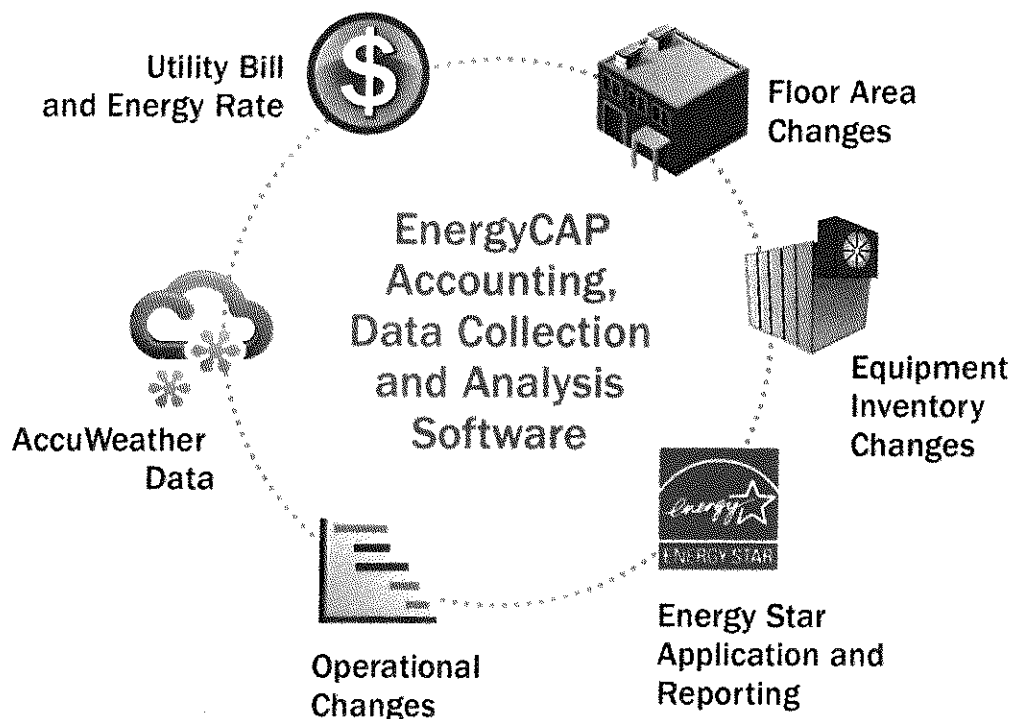
Measurement and Verification

Savings are calculated using EnergyCAP® industry standard.

Considers factors including weather and infrastructure changes, ensuring that your energy management program is credited only with directly attributable savings.

Provides tracking, reporting, analyzing, auditing and benchmarking capabilities, clear documentation and verification of energy savings.

More than 200+ reports available.



The Energy Pyramid

No person would ever consider building a pyramid with the peak first. Rather, a pyramid is built base first and then layers are added. Likewise, no one should install a renewable energy project without first implementing programs for energy conservation, energy efficiency, and energy demand.

TIER 4 — RENEWABLE ENERGY

Last to be implemented. When the system is modified to use energy efficiently, less renewable energy is needed.

TIER 3 — ENERGY DEMAND

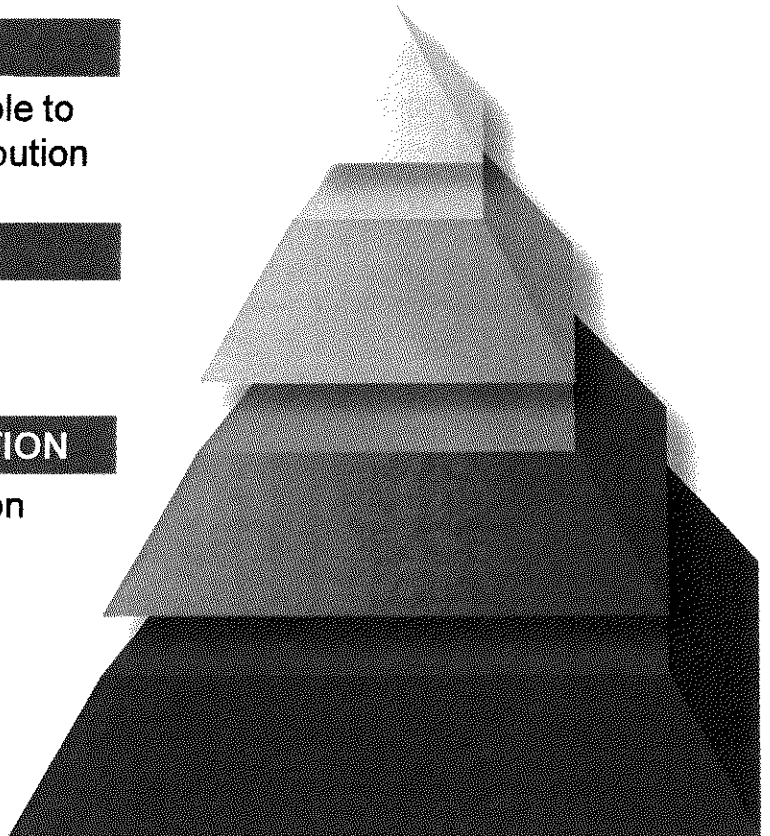
Shifting energy usage when possible to periods with less demand on distribution

TIER 2 — ENERGY EFFICIENCY

Purchasing and installing efficient equipment and processes

TIER 1 — ENERGY CONSERVATION

First implemented. Largely based on behavioral/operational practices. Best return on investment.



Section 5 — Contract Exceptions

Exceptions or Deviations to Manasquan BOE (NJ) RFP for Energy Conservation Services

Cenergistic believes that any questions or issues concerning the terms of the RFP can be resolved through discussion and negotiation, but in the spirit of full disclosure and to identify topics most conducive to further dialog and clarification, Cenergistic would list the following exceptions to the RFP:

1. Paragraph 21, Termination of Contract, gives the District the right to terminate the contract in the event the Contractor has failed to comply with the terms and conditions of the bid and/or proposal. Cenergistic is agreeable and understands if there is a material breach by Cenergistic that is not cured, after having been given adequate notice (at least 30 days) and an opportunity to cure the breach, the District should have the ability to terminate the contract. To allow for discussion and clarification and to be sure there is a requirement for adequate notice of a claimed breach and an opportunity to cure the claimed breach with appropriate remedies, Cenergistic would list this paragraph as an exception.

Section 6 — Cenergistic Contract

We have provided our standard contract for our Fixed Fee Proposal. You will find the contract is designed to support a long-term relationship and includes all of the key elements needed to support and foster your successful implementation of our energy management process. While we believe the terms set out in our contracts would best serve our mutual goal of a long and successful relationship, we are not communicating a “take it or leave it” position. Rather, we welcome the opportunity to dialogue and work through any concerns with you if, after your review of our proposed agreements, you find something is in conflict with the terms of your RFP or incomplete in some respect.

Energy Savings Contract

This energy savings contract is between the Manasquan Public School District (the "District") and Cenergistic, Inc. ("Cenergistic"). This contract is subject to all applicable federal laws and laws of the State of New Jersey.

Cenergistic® delivers customized, comprehensive people-driven energy conservation programs that focus on changing human behavior to help school districts, churches and higher education clients reduce their consumption of energy and water without any equipment upgrades. Implementation of these programs is guided by Cenergistic's team of energy consultants and Dallas-based support team members - together representing several hundred years of public school energy conservation experience. Cenergistic's clients can invest the financial savings that result in the lives of the people they serve, rather than in utility companies. Cenergistic guarantees the success of these programs as set out in paragraph 8 below. To date Cenergistic has served more than 1,300 clients in 48 states.

The District is committed to its mission: "Manasquan School District's mission is to empower students to reach their potential and become life-long learners. We strive to ensure that students play an active role in their education, are guided by rigorous academic standards aligned to the Common Core State Standards and the New Jersey Core Curriculum Content Standards, and function within a community that regards students, educators, and parents as full participants in the educational process. We dedicate ourselves to the realization of a supportive learning environment that nurtures growth, personal integrity, and mutual respect." The District uses electricity, gas, water and sewer (collectively "energy") to fulfill its mission. The District serves more than 1,697 children at its two campuses.

Cenergistic has offered to build and provide a customized energy conservation program that is focused on organizational and behavioral change and is designed with the following goals:

- Save dollars that the District can reinvest in the people it serves;
- Preserve a quality learning environment for the District's children;
- Conserve energy for a positive impact on the environment; and,
- Increase awareness to empower energy users to be energy savers.

Cenergistic will help the District pursue these goals through implementation of its energy conservation program. Central to the success of this program is the recognition of shared responsibility between Cenergistic and the District as the program is initiated and implemented. Cenergistic provides extensive resources, education and training, action planning, and other conservation-related services, while the District works cooperatively to implement Cenergistic's program.

As a part of this shared responsibility, Cenergistic offers a *QuickStart* during the early months. During the *QuickStart* the District does not pay any fees to Cenergistic; at the same time Cenergistic delivers focus on priority elements of its Cenergistic energy management program for a quick start. The *QuickStart* is intended to accelerate net savings for the District.

The parties therefore agree as follows:

1. **Program.** On _____ ("Start Date") Cenergistic shall begin its work on this contract. Cenergistic shall take immediate actions to facilitate the District's search for an Energy Specialist and shall provide the District with a people-driven energy management program that is customized to enable the District to reduce consumption of energy ("Program").

2. **Energy Consultants.** A Cenergistic team shall deliver the Program to the District as follows:

- Through Cenergistic's limited on-site, remote and ongoing assessments of the District's facilities and based on Cenergistic's experience in having assessed thousands of client facilities, Cenergistic's team shall develop hundreds of recommendations that are specific to the District's environment.
- Cenergistic's team shall guide and assist the District's Program implementation following Cenergistic's proven methodology, the Cenergistic energy management program.

3. **Energy Specialist.** (a) Position and Compensation. Program implementation requires a daily focused effort that is led by one of the District's own people – an energy specialist who can make conservation a priority while positively engaging people to conserve energy. The energy specialist position will be part-time (with a daily commitment) and the District shall not allow or assign other duties that could limit the energy specialist's pursuit of the Program goals. The District shall pay the energy specialist at a level that is within the range recommended by Cenergistic to attract and retain qualified people ("Compensation").

(b) District Hiring. Cenergistic shall serve an active and key role to assist and guide the District through its energy specialist search process - from posting the position through interviewing candidates. On the Start Date the District shall promptly begin and then continue this search process until a mutually acceptable person is identified and hired for the energy specialist position. Due to the unique nature of the position, the energy specialist must be a current or retired District employee and typically will have teaching experience. Cenergistic's recommendation for the energy specialist position will follow the conclusion of the posting and interview processes and is subject to the District's approval and decision to hire or not hire. Likewise, the District will not employ any person as energy specialist that is unacceptable to Cenergistic.

(c) Duties. The energy specialist's primary duties will be to spend time in the District's facilities to identify savings opportunities and to work closely with the District's people to execute proven implementation strategies to change behavior linked to energy consumption.

(d) Education and Training. Cenergistic's team shall train the energy specialist with the skills essential for Program implementation. Cenergistic's comprehensive training will be both remote and limited on-site, on-the-job training. The energy specialist must attend the on-site appointments scheduled by Cenergistic and must be receptive and responsive to Cenergistic. Cenergistic shall provide written education and training materials. Furthermore, Cenergistic shall host and the energy specialist shall participate in, and/or attend each year the following: National Training Conferences, virtual National Training Conferences and other remote training (Skype, Gotomeeting, etc.). The District is not required to pay any additional fees to Cenergistic for the materials or the

conferences, which are an integral part of the energy specialist's education and training and the District's Program implementation. Cenergistic shall pay for the reasonable travel, hotel and meal expenses associated with the energy specialist's attendance at Cenergistic conferences in accordance with Cenergistic travel policies (collectively "Travel Expenses"). Cenergistic's energy consultants will be available and on-call to respond by phone (or in person as deemed appropriate in Cenergistic's discretion), to special problems or questions through the end of the Term (as defined below).

(e) **Observation and Communication.** The District is the energy specialist's supervisor and maintains full and final employment authority, e.g. hiring and firing, for this important position that is subject to high standards and performance expectations. For example, the Cenergistic energy management program calls for routine data entry which is monitored through weekly accountability reporting. Cenergistic shall regularly observe the energy specialist's fit, skills, tenacity, hard work, leadership, interpersonal relationships, and performance level and results. Designating a high ranking District business official ("Program Liaison") as the energy specialist's supervisor directly and positively impacts Program implementation. Cenergistic shall communicate with the energy specialist's supervisor concerning the observed performance of the energy specialist. As a part of these obligations, during the first twelve months of an energy specialist's service, Cenergistic shall periodically advise the energy specialist's supervisor whether that person has shown the qualities to be successful in the position. If Cenergistic advises the District that a person serving as energy specialist does not have the qualities to be successful in the position, a replacement energy specialist will be recruited and hired using the collaborative process and guidelines described in paragraph 3(b).

(f) **Leave Scheduling.** The energy specialist is expected to spend a majority of time out in the District facilities to drive energy savings; with times outside the instructional day being particularly valuable for the energy specialist to identify and capture savings opportunities. It is critically important (especially during the first two years of the Program) that the energy specialist be available for work during times when buildings are unoccupied and have flexibility to work nights, weekends and holidays. To allow for appropriate dialogue, the District will notify and consult with Cenergistic before approving any requests for the energy specialist's vacation leave or other leave that (1) is in conjunction with school holidays or break periods, or (2) requires an extended absence of more than one week.

4. Program Implementation. (a) **Prompt Start.** Once an energy specialist has been hired, the District will promptly begin and then continue to implement the Program at its expense.

(b) **Commitment and Communication.** In Cenergistic's experience, the success of the District's Program implementation will be a function of the demonstrated commitment of the school board, superintendent and other administrators, e.g. through timely communication of high level support for the Program. More specifically, no later than 60 days after the Start Date, the school board must adopt an appropriate policy and the administration must adopt appropriate administrative guidelines reflecting the District's commitment to the Program. The District shall communicate these guidelines to its people, construction contractors and on-site management service providers, if any. Cenergistic will work with the energy specialist to facilitate semi-annual progress reports for the school board.

(c) **Software Tool.** The effective management of energy information is a first step to achieving positive results through accountability. Energy consumption will be accounted for by using a third party software program, EnergyCAP®, with which Cenergistic's team is knowledgeable and trained to provide support to the District. No later than 90 days after the Start Date, the District must license the

EnergyCAP® energy accounting software program from EnergyCAP, Inc, or, if later recommended by Cenergistic to its clients (e.g. because EnergyCAP® ceased to be available), an alternative software program ("Software"). The District's cost for the Software is \$6,650 per year for the first three years and \$2,593 per year thereafter.

(d) Access, Authority and Control. The energy specialist needs to have access to the District's systems controls, including the energy management systems ("EMS"), and the authority (in communication and coordination with other District personnel) to make changes so that facilities are not operated outside of the established policy and guidelines. The energy specialist needs the authority to: (1) program the EMS including changes in the temperature settings and run times of EMS controlled equipment (e.g. HVAC, water, heating and lighting systems), and (2) change settings and run times for each facility's equipment and systems (e.g. lighting, sewer and water systems, time clocks and thermostats) that are not controlled by the EMS. The energy specialist will not have authority to make any changes that violate District established policy and guidelines and the District retains the right to suspend the energy specialist's access at any time. In the event of such a suspension the District will immediately inform Cenergistic of the suspension and the basis. The District shall provide such access and authority to the energy specialist within 30 days of the energy specialist's first day of on-site work. This contract does not alter the District's exclusive right of control over its people and facilities and its pre-existing responsibility, if any, to provide reasonable premises safety.

(f) No Third Party Interference. The District shall not allow any third party to interfere with the District's Program implementation.

5. **Savings Determination.** (a) General. Energy savings are determined in accordance with the Measurement and Verification Plan ("M & V Plan") attached hereto by comparing measured use before and after the start of Program implementation, with appropriate adjustments for changes in conditions that are independent of the Program. The simple formulaic expression is:

Avoided Energy Use (or Savings) = Adjusted-Baseline Energy – Reporting-Period Energy ± Non-Routine Adjustments of baseline energy to reporting-period conditions

Cenergistic and the energy specialist shall use the Software to calculate the District's savings by subtracting the energy actually used (i.e. consumption: kWh, BTUs, gallons, etc.) in each Performance Year (as defined below) from the use in the Base Year (as defined below), plus or minus any Adjustment Variables (as defined below), and applying the price (based on the blended rate to the District for each type of energy purchased by the District) for each corresponding period ("Savings"). The "Total Savings" means the Savings and any additional verifiable cost containment or avoidances resulting from the Program (e.g. utility refunds received as a result of a Program billing audit), in accordance with current industry-accepted valuation methodology. Savings reports shall be delivered to the Program Liaison for review and verification. The Program Liaison will work diligently to review reported Savings and will present any questions about the savings reports within five business days of receipt. Cenergistic's projections of Total Savings when using the Program are based upon energy consumption and other data furnished by the District.

(b) Baseline Period. A 12 month baseline period will be established as set out in the attached M & V Plan by Cenergistic and the District's energy specialist. The Software will be used to establish a baseline period consisting of 12 consecutive months that precede the Start Date ("Base Year"). The District represents that the historical utility usage data provided to Cenergistic for the

purpose of savings projections is accurate. If it is later determined that either: 1) there is a variation between the data provided and the accurate utility usage of $\pm 5\%$ or more or, 2) changes in the 12 months preceding the Start Date would cause those 12 months to not accurately reflect actual pre-program usage by the District ("variation"), Cenergistic may select as the Base Year an alternate 12-month period from the 36 months preceding the Start Date. For new construction, the energy specialist and Cenergistic, in consultation with the Program Liaison, will use detailed, calibrated simulation analysis to compile the Base Year.

(c) Reporting Period. Each reporting period will be a 12 month period ("Performance Year"). The first Performance Year will begin after the energy specialist starts work and the *QuickStart* (as defined below) ends ("First Year") and each Performance Year is consecutively named. The "Second Year" means the 12 month reporting period following the end of the First Year, the "Third Year" follows the Second Year, and so on. A performance year may be suspended as set out below. Using the Software, Savings shall be calculated for each Performance Year in comparison to the Base Year.

(d) Appropriate Adjustments. (i) Adjustments to the baseline shall be made in accordance with the M & V Plan to recognize that the operating environment changes in ways that impact energy use but are independent of the Program (e.g. the weather) and function simply to bring energy use in the two time periods to an equivalent set of conditions.

(ii) The Software allows appropriate adjustments to the Base Year, using available data to account for the following factors occurring during the Performance Year that affect the energy used in facilities ("Adjustment Variables"): outside temperature; floor space; occupancy type or schedule; amount, type or use of equipment; number of days in the billing period; energy rates; and reasonably estimated energy loads added or reduced after Program implementation.

(iii) The Software also allows other appropriate adjustments for a more accurate Savings calculation. If the District has experienced abnormal temperatures during the Base Year, a total of 36 months of billing information can be used to create a more accurate statistical model for the District. The District shall communicate the District's energy conservation guidelines to its construction contractors and on-site management service providers, if any. Savings will be determined using either calibrated simulation or by making appropriate adjustments, as mutually agreed by the parties, in the event of any of the following: (a) the guidelines are not substantially followed by third party construction contractors or on-site management service providers; (b) the District chooses not to substantially implement Cenergistic's water conservation recommendations; or, (c) there are equipment malfunctions that negatively impact program savings. Agreement concerning the calibrated simulation or appropriate adjustments will not be unreasonably withheld by either party. In the event solar electricity is implemented by the District, the parties will agree upon a process that both measures and values the solar electricity for purposes of determining the blended rate of avoided consumption from that source. If the energy specialist position is vacant or the energy specialist is off-the-job for more than 30 days, or if the District fails to substantially implement the program as determined by Cenergistic in its sole discretion, the Performance Year can be suspended until an energy specialist is on-the-job and the District is substantially implementing the program. If a Performance Year is suspended, it will consist of twelve non-consecutive months; however, for purposes of determining savings, savings, if any, during the suspended period shall continue to accrue.

(iv) The data will continue to be reviewed for accuracy during the term of the Contract. In the event there are inaccuracies in the data or there are data entry errors (i.e. information not known at the time, incorrect meter reading or data entered into the Software incorrectly), the data may be updated to correct such errors that occurred during the twelve (12) months immediately preceding the latest monthly billing statement. Data prior to the twelve (12) months immediately preceding the latest monthly billing statement will be deemed to be accurate by the parties.

6. **Term.** This contract shall be for a term beginning on the Start Date and ending on the last day of the Fifth Year ("Term").

7. **QuickStart and Monthly Fee.** (a) QuickStart. The District shall not pay any monthly fees to Cenergistic during the *QuickStart* period, beginning on the Start Date and ending four months after the Start Date, or on such later date as determined by Cenergistic ("QuickStart"). In the event the Performance Year is suspended as set out in paragraph 5 above, the monthly fees for the suspended period shall be deferred and the term shall be extended until 60 monthly fee payments have been made.

(b) **Monthly Fee.** The District shall pay Cenergistic a fee of \$4,550 ("Monthly Fee") per month for 60 consecutive months ("Fee Period"). The District shall pay the first Monthly Fee in the month after the *QuickStart* period and Cenergistic will bill the District on the 1st of each month for each subsequent Monthly Fee. Based upon a number of factors including without limitation, the total square footage of the buildings and the utility spend, the District understands that the normal level of services with the normal fee structure would not be feasible for the District. Therefore, the parties agree that many of the Cenergistic services will be provided remotely rather than on-site, as determined by Cenergistic in its discretion.

(c) **Additional Districts.** In the event the District acquires, contracts with, or otherwise becomes responsible for educational services for another district ("acquired district"), or is requested by another district ("requesting district") to allow the District's energy specialist to provide energy management support, the District agrees to not share, utilize, or include the Program (including the use or services of the energy specialist trained by Cenergistic) to any extent, in any facilities in the acquired or requesting district without Cenergistic's express written consent and payment of additional fees as mutually agreed.

8. **Savings Guarantee.** (a) Cenergistic's commitment to the quality of the Program is evidenced by Cenergistic's Savings Guarantee (as defined below). Cenergistic shall reimburse the District for the difference if the District's Costs (as defined below) exceed its Total Savings, computed from the Start Date to the end of any Performance Year during the Term ("Savings Guarantee"). Due to the cumulative nature of the Savings Guarantee it is necessary to specify that Cenergistic shall not make reimbursement for amounts that Cenergistic has already reimbursed for a prior Performance Year. To be eligible for the Savings Guarantee the District must have employed an energy specialist as required and substantially implemented the Program. If Cenergistic reasonably determines that the District is not substantially implementing the Program, Cenergistic shall give the District written notice of its determination (including specific details supporting Cenergistic's determination and specific recommendations for appropriate District action) and, at Cenergistic's election, the Performance Year and payment of the Monthly Fees shall be suspended for a period of up to four months as time to remedy. The District shall act within a reasonable time to cure such failure, with curative steps being taken within sixty (60) days after receipt of the written notice referenced above. If the parties are unable

to agree on whether the District is substantially implementing the Program, the parties agree to meet to resolve the differences as set out in paragraph 13(c) below. "Substantial implementation of the Program" does not require the District to have implemented the Program in every detail. To "substantially implement" the Program means that the process of implementation is material to the extent that the program functions as intended. It requires that the Program has been implemented in its material elements, or almost fully implemented. The "District's Costs" means the total amounts paid for the energy specialist's Compensation and Travel Expenses, initial and renewal costs of the Software, and the Monthly Fees. Cenergistic shall pay the District a required reimbursement no later than 90 days after the results for the prior Performance Year have been finalized by Cenergistic and the District's energy specialist. If Cenergistic fails to make a required reimbursement, the District may terminate this contract without a payment of a Work Fee and recover the amount of the required reimbursement from Cenergistic.

(b) The District shall refund prior reimbursements on the Savings Guarantee to Cenergistic if (1) the Total Savings exceed the District's Costs, computed from the Start Date to the end of a later month during the Term, or (2) the District exercises its right of Termination for Convenience (as defined below). The District shall pay Cenergistic a required refund: (1) no later than 90 days after the results for such later month have been finalized by Cenergistic and the District's energy specialist, or (2) on the effective date of a Termination for Convenience.

9. **District Termination for Convenience.** (a) As provided in this contract Cenergistic anticipates a long-term relationship and remains committed to the District through the Term and beyond. However, the District may terminate this contract for any reason and without cause as provided in this paragraph. To validly exercise this right to terminate for any reason and without cause (including if there is no appropriation of funding or for any other termination that is not based on Cenergistic's failure to perform its material obligations under this contract) (a "Termination for Convenience"), the District shall provide Cenergistic with at least 60 days prior written notice and shall pay Cenergistic a Work Fee to compensate Cenergistic for its Intellectual Property, the work performed by Cenergistic and for the benefits received by the District (and not as a penalty) ("Work Fee"), with the calculation based upon the date of termination, as follows:

Quick Start through the end of Performance Year One	<p>a. Payment for the value of Cenergistic's Intellectual Property and the continuing benefits of the program after termination: in the amount of \$18,600 which represents 15% of Projected Performance Year One Total Gross Savings per the Cenergistic matrix; plus</p> <p>b. \$700 per day, for each Cenergistic employee on-site from Start Date through the termination date to cover costs including overhead</p>
Performance Years Two through Four	An amount equal to the preceding twelve Monthly Fees

Performance Year Five	The lesser of: (a). the remaining projected Performance Year 5 fees per the Cenergistic matrix; or, (b). an amount equal to four Monthly Fees
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Upon a Termination for Convenience, the Work Fee shall include the following additional amounts which the District shall pay Cenergistic: the unpaid Monthly Fees but only through the termination effective date (including any months which were deferred because of a suspension of the Performance Year as set out in paragraph 5 above). A Termination for Convenience voids the Savings Guarantee. This termination right does not limit the rights and remedies of the District. More specifically, if Cenergistic fails to perform its material obligations under this contract, the District's legal rights and remedies are not limited by the terms of this paragraph. If the District contends Cenergistic has committed a material breach of the contract, the District will provide written notice to Cenergistic specifically describing the breach and giving Cenergistic a reasonable opportunity and time (not less than 30 days) to cure the claimed breach before taking other action. If the material breach is not remedied by Cenergistic following the notice as set out above, the District may terminate this contract without any obligation to pay a Work Fee.

10. **Termination Event.** Upon termination of this contract the District shall promptly: (a) return to Cenergistic all materials and Proprietary Information previously furnished by Cenergistic or accumulated by the District in connection with the Program, including all copies thereof; (b) discontinue the employment of any District energy specialist trained by Cenergistic in that position; and (c) cease using the Proprietary Information and implementing the Program.

11. **Proprietary Program and Information.** (a) The District will have access to and use of Cenergistic's energy management program as well as materials that are copyrighted, trade secrets and other information that is proprietary to Cenergistic (collectively "Proprietary Information"). Furthermore, the Proprietary Information also includes all database files created using the Software.

(b) The District agrees that the Proprietary Information (including all copies) continues to be Cenergistic's property and should be kept confidential to the full extent permitted by law. The District shall give Cenergistic written notice and an opportunity to respond if the District receives a third party request for Proprietary Information. The District shall not disclose the Proprietary Information to any unauthorized person or use it outside of the District or this contract. The District shall assist Cenergistic in the protection of the Proprietary Information. The District's obligations under this paragraph survive termination of this contract.

(c) In consideration of the education and training provided by Cenergistic, the District's energy specialist must agree not to disclose Proprietary Information to third parties or to compete with Cenergistic. Due to the inherent risk for disclosure of Proprietary Information, the District's energy specialist must not participate in any energy specialist user group meeting that is not sponsored by Cenergistic.

12. **Program Continuation.** Once the District has paid all fee amounts owed to Cenergistic for the Fee Period and so long as the District continues to substantially implement the Program, (which shall include employment of a Cenergistic trained energy specialist and maintaining current performance data in the Software), the Program shall continue with no additional fee payments to Cenergistic. During this Program Continuation period the District may continue to implement and utilize

the Program but always subject to the District's continuing obligations in this contract regarding the Proprietary Information (as defined and set out above).

13. **Miscellaneous.** (a) This contract constitutes the entire agreement of the parties with respect to the subject matter of this contract. This contract supersedes the parties' prior communications, requests, responses, proposals, offers and agreements, if any. This contract may be modified only by a writing signed by the parties. Invalidity or unenforceability of one or more provisions of this contract shall not affect any other provision of this contract. The attached Schedule 12(b) includes Cenergistic's affirmative action agreement in compliance with N.J.S.A. 10:5-33 et seq. and N.J.A.C. 17:27.

(b) In an action to enforce or construe this contract in a court with competent jurisdiction, the prevailing party shall be entitled to recover its reasonable and necessary attorneys' fees and costs of court.

(c) **Dispute Resolution.** Open communication and cooperation of the parties is vital to the success of the Program and to the settlement of disputes if they arise. If a dispute persists, either party may suggest an executive meeting for review and resolution. The party suggesting the meeting should identify the issues in dispute and coordinate a face-to-face meeting at the District to review the issues and solution options. The executive officer for each party who has full authority to discuss the issues and commit to effective solutions shall attend and participate in the meeting. Also, those persons with firsthand knowledge of the issues must be available for the meeting. No dispute under this contract shall be subject to litigation proceedings prior to completing the meeting, except for an action to seek injunctive relief.

Each party is signing this contract on the date stated under that party's signature.

Manasquan Public School District

CENERGISTIC, INC.

By: _____

By:  _____

Name _____

Name: John Bernard

Title: _____

Title: President

Date: _____

Date: October 14, 2014

Manasquan PSD, NJ – NEW JERSEY K12 FF5 SES – part-time District employed ES v.4 101414

MEASUREMENT AND VERIFICATION PLAN

This Measurement & Verification Plan ("M&V Plan") is prepared for Manasquan Public School District (the "Organization") by Cenergistic and is agreed to by the parties as the M&V plan in accordance with the protocols of the International Performance Measurement and Verification Protocol ("IPMVP") for the energy program delivered by Cenergistic pursuant to the contract with a Start Date of _____.

This M&V Plan is prepared in accordance with Chapter 5 of IPMVP Volume 1 (EVO 10000-1:2012).

The IPMVP guideline, developed and maintained by the nonprofit Efficiency Valuation Organization (see www.EVO-World.org), is the most current and widely-recognized guideline promulgated by a non-profit and impartial source. The IPMVP is the product of an international consortium of volunteers working together to create a "protocol that would help determine energy savings from energy efficiency projects in a consistent and reliable manner."

IPMVP includes guidance for many types of energy management initiatives and circumstances; not all guidance is applicable in all cases. The purpose of this M&V Plan is to document how the M&V guidance contained within IPMVP will be specifically applied to this contract. In cases of variance between specific provisions of IPMVP and this M&V Plan, this Plan takes precedence.

1. ECM Intent The energy conservation measures ("ECMs") reduce electricity, gas, water and other energy usage and cost, depending on the specific facility. Many varied ECMs will be used to achieve the savings. ECMs will be operational in nature (not equipment, facility or hardware retrofits) and are generally categorized as turning off energy-using systems when not necessary, setting back energy-using systems when possible, and improving efficiency of energy-using systems when in use. Space conditions, during both occupied and unoccupied periods, will change as necessary to comply with the organization's published energy policy and administration guidelines.

2. Selected IPMVP Option and Measurement Boundary IPMVP Option C (Whole Facility) will be used for savings determination because it is the most appropriate M&V method for total facility energy reduction when all energy-using systems are affected and ECMs cannot be isolated, submetered or simulated by computer model. Option C was also chosen because many ECMs will be involved, and some of them cannot be directly measured. Utility meters for electricity, gas, water and sewer will be included in the savings M&V for the organization. Together, these meters will account for all energy use by each facility. The total savings is the sum of savings for each facility. The measurement boundary includes all facilities and infrastructure owned and leased by the Organization.

3. Baseline: Period, Energy and Conditions Using the Software (as defined in the contract, hereinafter "Software"), a baseline period shall be established for each meter consisting of 12 consecutive months that precede the energy program Start Date. Normally this will be the 12 months immediately prior to start date, but under circumstances described in the contract, an alternate 12-month period may be chosen.

The baseline data for each meter will be defined and available in the M&V Software upon import and preparation of the data for each meter & facility. The Software also includes static factors such

as weather and building size. Included in the baseline data will be an identification of the baseline period, baseline energy consumption and demand data, other independent and relevant variable data, and other static factors (i.e. occupancy type, building information such as square footage, etc.). Other baseline data may be included and/or supplemented as agreed by the parties. Daily mean temperature weather data will be obtained from a nationally-recognized service using NOAA-originated data.

4. Reporting Period Each reporting period will be a 12 month period called a "Performance Year". The Performance Year begins according to the terms of the contract.

5. Basis for Adjustment Energy savings are determined by comparing measured use before and after the start of Program implementation, after making appropriate adjustments for changes in conditions that are independent of the Program. Since savings are to be reported as "cost avoidance", under reporting period conditions, IPMVP Equation 1b will be used. This method quantifies how savings in a given reporting period is determined, relative to what energy use would have been without the ECMs in place. Equation 1b defines how baseline period energy needs to be adjusted to reporting period conditions.

Equation 1b: Avoided Energy Use (or Savings) = Adjusted-Baseline Energy – Reporting-Period Energy ± Non-Routine Adjustments of baseline energy to reporting-period conditions

In addition, savings may be accrued due to one-time actions such as identification of utility billing errors leading to refunds, rebates, rate changes, and other measures that do not reduce energy usage but do reduce Organization's out of pocket utility costs.

6. Analysis Procedure The Software performs the cost avoidance analysis procedure. The Software allows appropriate routine and non-routine adjustments to the baseline period, using available data to account for the following factors occurring during the reporting period that affect the energy used in facilities: number of days in the billing period, energy unit cost, and reasonably estimated energy loads added or reduced after Program implementation due to such factors as outside temperature; floor space; occupancy type or schedule; amount, type or use of equipment; facility construction/renovation; and energy management hardware retrofits installed under unrelated projects. Specific cost avoidance analysis algorithms used by the Software are extensively documented and can be furnished upon request.

The Software also allows other appropriate adjustments for a more accurate Savings calculation. If the organization has experienced abnormal temperatures during the baseline period, a total of 36 months of billing information can be used to create a more representative statistical baseline. Savings will be determined using either calibrated simulation or by making appropriate adjustments, as mutually agreed by the parties, in the event of any of the following: (a) the organization's energy conservation guidelines are not substantially followed by its construction contractors or on-site management service providers, if any; (b) the District chooses not to substantially implement Cenergistic's water conservation recommendations; or, (c) there are equipment malfunctions that can negatively impact program savings.

The Software adheres to the IPMVP guidelines. IPMVP is not exhaustive in its guidance; in some situations engineering judgment must be used. Calculations are supervised by licensed

Professional Engineers, Certified Measurement and Verification Professionals and Certified Energy Managers.

7. Energy Prices Reporting of cost avoidance will value the energy use avoided at the then-current unit cost for each meter, each period. Prices will be calculated by the Software for each month. The price applied for each utility is the realized price, based on the blended rate to the Organization for each type of energy purchased by the organization, taking into account consumption and all charges from the utility provider.

8. Meter Specifications Utility company meters used for billing are the only meters used. Exception: For heating oil stored in tanks, dip measurements recorded by the organization or by the provider may be used. In master-metered campus situations, submeters may be necessary for accurate identification of building by building energy usage.

9. Monitoring responsibilities Energy data from utility bills will be recorded in the Software as set out in the contract. The Software captures weather information necessary for calculating and applying adjustments. Changes to the baseline conditions, such as facility size, occupancy or equipment changes, will be documented in the Software. Responsibility for collection, entry, calculation and accuracy of the data in the Software is the responsibility of the Energy Specialist(s) under the supervision of Cenergistic.

10. Expected Accuracy The accuracy of data capture of the utility billing data and entry of that data into the Software is expected to be verified 100% ($\pm 2\%$) via reports that reconcile data with utility bill accounts payable to ensure the quality of the data entered, to ensure consistency with previous billing, elimination of gaps or duplicate entries, and reasonable protection against user errors in data entry. Statistical accuracy of the Software's routine weather adjustment process uses industry-standard linear regression techniques and is evaluated on a meter-by-meter basis. Data analysis does not involve sampling since the actual data, as entered into the Software, is used for any savings calculations. The accuracy of the Software's calculations has been validated empirically against the Department of Energy's ENERGY STAR program, which benchmarks buildings' performance. The calculations of the Software are consistent with ENERGY STAR results in determining increase in building energy utilization index (EUI – Energy usage per square foot per year).

11. Budget The cost of M&V includes the Software cost, as defined in the contract, plus a portion of the Energy Specialist's time. The Software cost is defined in the contract. More time will be required early in the energy program by the Energy Specialist as the baselines are determined and the Energy Specialist becomes familiar with the Software and the process for entering data and determining savings. Once the utility bills have been entered, the baseline has been determined and the Energy Specialist has become familiar with the Software and the process, subsequently, the savings determination process and its review with operating and administrative staff is expected to require approximately 5% of an Energy Specialist's time, across all meters and facilities for the organization.

12. Report Format Cost avoidance will be calculated on a monthly basis as set out in the contract. Cost avoidance reports will be prepared and provided at least semi-annually to the organization. Cost avoidance calculations will commence with a formal data release occurring approximately five months after the Energy Specialist is in place. Cost avoidance reports will

include results from the Software and show energy as well as expenditure savings versus the baseline. Cost avoidance reports have different formats for different audiences, but in general show usage and cost for: baseline actual, baseline adjusted to reporting period conditions, reporting period actual, and calculated cost avoidance (adjusted baseline minus reporting period actual).

13. Quality Assurance The primary risks in this M&V process are listed below with specific quality assurance steps that will be used to address each.

- Utility companies sometimes estimate meter readings instead of actually reading the meter. Any such estimate will be self-corrected by a subsequent month "true-up" when the meter is actually read. When an estimate is detected, the Energy Specialist will attempt to validate the utility company estimate to reflect actual usage until an actual reading is made, and then adjust data to smooth out anomalies created by estimates.
- Undetected changes happen to buildings, their operation, or use and those undetected changes may not be reflected in the reported savings. The procedures described in Section 9 minimize the chance of any such impact and ensure that any unimplemented baseline change has minimal effect.
- Data entry by the Energy Specialist may put incorrect data into the Software. Cenergistic along with the Energy Specialist together review this data regularly to find such errors, and complete routine error-checking procedures within the Software to find and fix them.

The parties agree this M & V plan will be modified as mutually agreed to reflect changes that occur or additional data that may be obtained.

This M & V plan has been developed for Manasquan Public School District by the following qualified professional.

CENERGISTIC INC.



EILEEN BYRD

SENIOR VICE PRESIDENT – DATA QUALITY

CERTIFIED PUBLIC ACCOUNTANT (Texas State Board of Public Accountants)

CERTIFIED INTERNAL AUDITOR (Institute of Internal Auditors)

CERTIFIED QUALITY ENGINEER (American Society of Quality)

CERTIFIED MEASUREMENT AND VERIFICATION PROFESSIONAL (Association of Energy Engineers)

CERTIFIED ENERGY MANAGER (Association of Energy Engineers)

Schedule 12(b)

Mandatory Affirmative Action Language

During the Term of this contract, Cenergistic (referred to in this Schedule as the "contractor") agrees as follows:

1. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex. Except with respect to affectional or sexual orientation, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the public agency compliance officer (PACO) setting forth provisions of this non-discrimination clause;
2. The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, or affectional or sexual orientation or sex;
3. The contractor or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment;
4. The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-33 et seq., as amended and supplemented from time to time.
5. The contractor or subcontractor agrees to make good faith efforts to employ minority and female workers consistent with the applicable county employment goals prescribed by N.J.A.C. 17:27-5.2, or a binding determination of the applicable county employment goals determined by the Division pursuant to N.J.A.C. 17:27-5.2.
6. The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, or affectional or sexual orientation or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
7. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.
8. In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

Section 7 — Required Forms

- Affirmative Action Questionnaire
- State of New Jersey Employee Information Report
- Certificate of Employee Information
- Non-Collusion Affidavit
- Stockholder/Partnership Disclosure and Statement of Ownership
- Political Contribution Disclosure Form
- State of New Jersey Business Registration