



**Enhancing the effect of ARRA
funding with Honeywell Energy
Savings Performance Contracts**

The Stimulus is here. Let's get it working.

The American Recovery and Reinvestment Act of 2009 (ARRA) has passed. The disbursement of funds has already begun. And the question facing states, municipalities and schools all across the country is "how can we get and use our share of these funds wisely, effectively and with the most impact for our communities?"

It's a good question, and a hard one to answer. After all, this massive stimulus is unprecedented in recent history, and few even understand its potential and scope. How can public officials, tasked with the responsibility of obtaining and using such funds, make sure they are getting the biggest "stimulative" bang for their constituents' hard-earned buck? With Honeywell Energy Performance Contracts (ESPCs).

A Quick Intro to Energy Savings Performance Contracts

ARRA, ESPCs, ESCOs: It's all too easy to get lost in the alphabet soup of acronyms surrounding what's popularly known as "The Stimulus Package." While there is a great deal of complexity involved at the drill down level, for the sake of quick and easy understanding, we've boiled it down to this:

**An ESCO is an Energy Services Company.
And their products are energy efficiency and emissions reduction.**

An ESCO marshals all the resources necessary to achieve a customer's energy savings goals. Honeywell is one of the few Fortune 1000 companies with its own ESCO. This gives you the real benefit of "one-call" responsibility, reliability and accountability.

**An ESPC is an Energy Savings Performance Contract.
These custom contracts are guaranteed to lower energy costs
– with no budget-busting costs to you.**

Research has shown that buildings and facilities account for nearly 40 percent of aggregated energy use, and up to 70 percent of electricity use. These facts make them a prime target for energy savings efforts. The Department of Energy specifically recommends leveraging ARRA stimulus dollars through proven financing vehicles to achieve these objectives.

**A Honeywell Energy Savings Performance Contract is just the kind of financing vehicle the DOE prefers. The concept is simple: an ESPC leverages money saved on energy and operating costs to pay for building improvements. Once a contract is written for a specific facility, Honeywell installs whatever new technology or systems are required to achieve those savings. So the burden of performance is on us.
And the results are guaranteed.**

The government's energy goals include creating or saving jobs, reducing greenhouse gas emissions, measuring and verifying results and leveraging the stimulus funds with additional funding for projects. A Honeywell ESPC can help achieve these goals right away. How? By providing you a guarantee, backed by the strength

of Honeywell, that upgraded buildings and facilities will achieve a specified level of savings over a period of time. These savings will meet or exceed the cost of the upgrades – all at no additional budget-busting cost to you.

Jobs are Job Number One.

From the public's point of view, few parts of the ARRA are more important than putting their neighbors back to work. And Honeywell ESPCs can do that faster and more effectively than just about any Stimulus funding-appropriate project out there.

How? By enabling Honeywell to bring its unparalleled experience to bear on your community's buildings and facilities from Day One. The effect is nearly instantaneous. Once Honeywell is chosen, we move quickly to deploy locally based technical and professional resources that develop the project details. A wide range of skilled blue- and white-collar jobs is required immediately – jobs that will be waiting to be filled by qualified members of your community.

Just how big is the job creation potential for the kinds of projects ESPCs cover? According to the National Association of Energy Services Companies (NAESCO), a \$10 million ESPC project typically has the potential to create or sustain 95 jobs.

In addition, all of these locally based jobs may qualify for local, state and federal regulations regarding MBE/WBE participation.

Fast startup – and results.

A key element of the ARRA is speed. The Stimulus Package is designed to be implemented NOW, with effects to be experienced NOW. But how can you get your projects going NOW if few people even know how to prepare projects for consideration?

Once again, Honeywell's long experience with governmental entities at all levels makes it easy to find your way through the maze of regulations and review. We can help you identify projects, prepare applications and anticipate obstacles every step of the way. As your partner on these projects, our interests align exactly with yours, and our experience, reputation and proven reliability can smooth the way for faster project starts – and results.

Performance Contracting Plus Stimulus: Make the Most of This Limited Opportunity.

It could be you already have plans for the kind of projects a Honeywell ESPC is designed to enable. But now, Stimulus funding can make those energy savings projects even more effective by broadening their scope – all without adding costs to your annual budget.

ARRA funds combined with a Honeywell ESPC can enable limited plans to expand to the next level of efficiency and impact. And Honeywell can show you how. By allowing a project to grow in scope, its savings and benefits can too.

Honeywell ESPCs look at each project from a holistic point of view. Each building or facility is analyzed, providing significant opportunities for reductions in energy usage, heightened efficiencies and environmental improvement. Even such small things as upgrading windows and doors can yield big savings over time.

Here is just one real world example of a Honeywell Energy Savings Performance Contract in action.

Customer	Housing Authority of the City of Pittsburgh
Scope of Work	<ul style="list-style-type: none"> • Installation of geothermal HVAC systems • Traditional conservation measures including HVAC improvements, new boilers, lighting retrofits, plumbing upgrades and building envelope enhancements • Energy awareness workshops to educate residents on conservation practices
Investment	No up-front investment using an ESPC
Environmental Benefit	Reduction of 16 million pounds of CO ₂ emissions annually, equivalent to removing 1,300 cars from the road
Anticipated Savings	\$25.1M over 12-year contract; nearly \$3.2 million annually

Do more short-term. Benefit more long-term – at no additional cost.

An example of how a Honeywell ESPC can improve – and extend – the impact of any ARRA energy-related project.

Standalone ARRA Grant	Honeywell ESPC Plus ARRA Grant
Grant funds: \$500,000	Grant funds: \$500,000 Other funding: \$2,000,000 Total project size: \$2,500,000
Improvements: <ul style="list-style-type: none"> • Lighting • Variable frequency drives • Controls 	Improvements: <ul style="list-style-type: none"> • Lighting • Variable frequency drives • Controls • Chillers • Boilers • Building insulation • Roof • Doors, windows • Additional efficiency enhancements • Renewable energy
Impact	Impact
Jobs created: 5 jobs	Jobs created: 25 jobs
Savings: \$75,000 annually	Savings: \$375,000 annually (6-year term)
Greenhouse gas emission reduction: 500,000 lbs/CO ₂ annually	Greenhouse gas emission reduction: 2.5 million lbs/CO ₂ annually
Greenhouse gas emission reduction equivalent: Elimination of 50 cars annually	Greenhouse gas emission reduction equivalent: Elimination of 250 cars annually

The better bottom line: Honeywell ESPC projects using ARRA grants provide a much greater impact than ARRA grants on a standalone basis.



Meet the “Green Jobs of the Future.”

Much has been said about the need for “green” jobs, but what exactly are such jobs? The kind Honeywell Energy Service Contracts can create.

While we bring our global expertise to bear on every project, the success of such efforts relies on a dependable, locally based workforce of highly skilled technicians, engineers and administrators. These jobs stay in your community, becoming a sustainable and scalable resource for years to come.

Honeywell Energy Savings Performance Contracts: A solution that continues to save long after the Stimulus is gone.

Understanding the full potential impact of a Honeywell Energy Savings Performance Contract enhanced by ARRA funding is not easy. After all, the benefit of the jobs it can create is an important element, but just part of what makes this innovative funding and implementation model so attractive.

You, and your constituents, will see and feel the near-term benefits immediately, but you'll also experience those tangible – and trackable – benefits long into the future as well. And with Honeywell, you've got a proven partner you can count on to deliver exactly as we have for well over a century.

Let us show you just how “stimulative” ARRA Stimulus funds can be.

Why Honeywell?

No one sees the whole energy picture more clearly than Honeywell.

From cars to airplanes, homes to skyscrapers, we're making the world more energy efficient, innovative and productive. For example – Honeywell programmable thermostats help homeowners save up to 33 percent on energy costs. A proud signatory of the Clinton Climate Initiative, Honeywell is one of only four Fortune 1000 companies to have its own energy services company.

Nearly 50 percent of the Honeywell portfolio is linked to energy efficiency. In fact, it's estimated that the global economy could operate on 10 to 25 percent less energy today by using existing Honeywell technologies. Since the 1980s, Honeywell has completed more than 5,000 energy efficiency projects in facilities across the globe.

Honeywell Energy Efficient Technologies and Services for Commercial Buildings include: energy management systems, spray foam insulation and roofing using Honeywell's Enovate® blowing agent, refrigerators and AC units using Honeywell refrigerant, Smart Grid solutions, economizers with DCV and setback thermostats.

One call.

A Honeywell Energy Savings Performance Contract can get your share of ARRA Stimulus funds up, running and creating jobs fast. As one of the only Fortune 1000 companies with an ESCO, we are your “one-stop shop” for energy solutions. With one call, we can help you determine whether an ESPC makes sense for your project, or show you a variety of highly effective service and retrofit programs that can help you achieve your energy efficiency goals while giving you the biggest impact for your stimulus dollar.

Find Out More

To learn more, contact your local Honeywell representative, visit www.honeywell.com/buildingsolutions or call **1-800-345-6770, ext. 612**.

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Honeywell is proud to support the Clinton Climate Initiative, USGBC, ACUPCC and other groups that encourage the responsible use of our natural resources.

Nearly 50 percent of Honeywell's product portfolio is linked to energy efficiency, and our work helps eliminate millions of pounds of carbon dioxide emissions each year.

Honeywell has been recognized with multiple awards including the "Green Innovation of the Year" award from Frost & Sullivan.

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