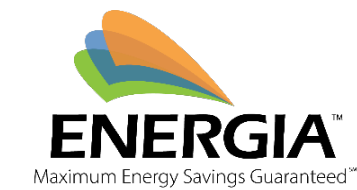


The Value of Energia's Expertise



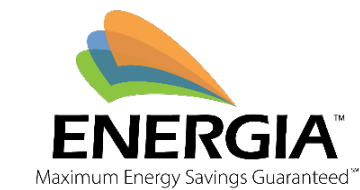
| <i>Value Provided by Energia</i> | <i>Description</i> | <i>Financial Benefit to District</i> | <i>"Soft" (non \$) Benefit</i> |
|---|---|--|---|
| Required ESCO to Guarantee Rebates | During development of the contract, Energia pushed to require the ESCO to guarantee the entirety of their claimed rebates and incentives as these monies were required to maintain the current scope of work. The ESCO agreed and ultimately, during construction it was discovered that the project was no longer eligible for that program. The ESCO has agreed now to make the District whole for that difference. | \$278,000 (\$ value of guaranteed rebates) | District was able to be consistent with what was presented to the BOE as the original project scope. |
| Corrected ESCO's Faulty Assumption | District had complained about chronic lack of comfort control for a few classrooms in one school. UV replacement was included in scope, but ESCO was assuming traditional UV piping system was in place. Energia investigated and found that several UVs are tied in series and utilize a monoflow piping system. If not caught and accounted for in design, this would have required a change order during construction. New design will also address comfort control issues. | \$45,000 (cost avoided by correcting issue in design than construction) | New design will allow for better District control of UVs and fix comfort control issues/complaints from staff. |
| Required ESCO to Maintain RFP Scope | ESCO shared final scope with District and Energia that was different from scope shown in draft Comprehensive Energy Audit (CEA). Energia pushed back on ESCO and required them to commit to including all scope items that were shared with District. This resulted in 2 more buildings receiving UV replacements and allowed District to preserve ESSER allocations for other projects. | \$3,700,000 (ESSER \$ saved by including UV scope in EPC) | EPC is being used to free up money from ARPA project. If two additional buildings were not included in EPC for UV replacement, this scope would have to remain in the ARPA project and limit other work that can be done. |
| Required ESCO to Guarantee Demand Savings | The State Education Department passed down guidance that they were no longer accepting demand savings claims for solar installations. While being aware of this, the ESCO included demand savings in their final project development during the CEA which inflated savings and thus allowed for additional scope of work. Energia required that the ESCO agree to guarantee the demand savings in order to preserve the agreed upon scope. | \$2,000,000 (\$ amount of demand savings that were guaranteed by ESCO) | District was able to avoid delays with SED and significant reduction in scope that would have occurred without Energia's influence over the ESCO. |
| Performed Pre-Contract Design Work to Preserve ESSER Deadlines | District is including CRRSA monies in the EPC to help fund additional improvements, but the deadline for expense of these funds is September 2023. As such, Energia began design work prior to execution of the contract in order to start construction in Summer 2023 and meet this deadline as well as a March 1, 2023 SED submission deadline. Had this deadline been missed, the District would lose this money. | \$2,096,732 (CRRSA \$ that would be lost if deadline was missed) | District was able to capitalize on CRRSA monies that would not have been available if Energia had not been willing to begin design early, at our risk. |
| ESCO Miscalculation of State Aid Reimbursement | In the CEA, Energia found that the ESCO had overstated the District's state aid reimbursement based on the scope and District's previous EPC. Had this not been identified, and based on the ESCOs presented cash flow, the District would have experienced a shortfall of \$1.2M in state aid versus what they were anticipating. | \$1,179,110 (excess state aid over 18-year term) | District was able to avoid an unexpected negative aid situation. |
| Construction Deviation - Solar Installation Did Not Match Design | Some areas of gym roof required roof attachments as opposed to ballast bricks due to roof structural capacity. During solar inspection, Energia found that contractor added ballast bricks in additional areas as opposed to roof attachments. This is in violation of the solar design drawings and more importantly, solar structural reports which creates a life safety concern. Energia required that ESCO remove ballasts and attach panels to roof as specified. If not caught, panels could not withstand snow drift and may fail in the future which would require relocation of panels, replacement of the roof section, and could potentially damage structural supports and cause harm to building occupants. | \$140,000 (cost of relocating panels and replacement of gym roof) | District was able to avoid a dangerous life safety condition that the ESCO tried to implement. Energia's expertise led to this deviation being caught and rectified. |

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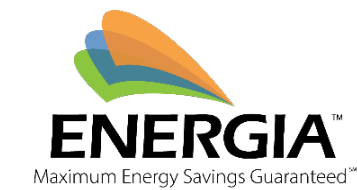
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|---|--|---|---|
| ESCO's Design Didn't Meet Code | ESCO submitted proposed design plans for a boiler plant improvement measure which did not comply with the latest NYS code requirements. This was caught by the Energia design team during our design which allowed us to solve the issue and develop a new solution prior to construction. Had this only been caught in construction, a new solution would need to be designed and developed which would cause significant project delays and a loss in savings. | \$70,000 (prevented loss of savings if summer construction window was missed) | District was able to avoid incalculable delays to the project schedule and a non-code compliant ESCO recommendation. |
| Performed Pre-Contract Design Work to Preserve Summer Construction | Earlier in project development, Energia and the ESCO had committed to beginning construction in Summer 2023 as the District has a boiler that needs to be replaced before the following heating season. Ultimately, the development process ran longer than expected for the ESCO, however in order to maintain this commitment, Energia began design work prior to finalization of the project at risk, and experienced additional costs due to scope adjustments that occurred later on. This allowed for construction to begin in the summer and prevented the District from having to purchase and install a new boiler on their own. | \$902,000 (cost of new boiler included in EPC) | District would have to deal with supply chain issues and may not have received new boiler in time for summer construction. This would create Health and Life safety concern if old boiler failed during heating season. |
| Received Insufficient Structural Certification | The ESCO, being responsible for structural certification of District roofs for solar, used a 3rd party company for this service. As the design was being developed, it was revealed that the 3rd party company did not conduct a sufficient analysis rendering their initial certification worthless. Since this was due to a lack of vetting by the ESCO, Energia required that the ESCO cover the costs for redoing this and Energia shared in this cost as well. This resulted in a minor solar reduction which would have inflated savings if this was included in the contract and ultimately removed. | \$102,000 (cost for redoing solar analysis + difference in savings from reduced solar scope) | Health and Life safety concern if designs were developed based on bogus structural certification. |
| Began Design Work Early - At Risk | The Glen Cove Administration stressed the importance of getting some of this work done during the Summer construction window. In order to ensure that happened, Energia began the design process weeks before there was a signed Contract with the District. | \$349,345 (loss of savings if summer construction window was missed) | District was able to accomplish needed HVAC improvements prior to heating season. |
| Required ESCO to Guarantee Rebates | During the review of the Comprehensive Energy Audit Report, Energia's engineering team noticed that the project did not maintain the required 18-year simple payback if some of the utility rebates were to drop out. For this reason, we required that the ESCO guarantee the rebates needed to make the project work. | \$21,000 (\$ amount of guaranteed rebates) | Guaranteed project would remain in tact even if rebates were to fall out as ESCO would cover this loss. |
| Prevented Incorrect Equipment from Being Selected by ESCO | This project included the replacement of a Rooftop Unit at the Glen Cove High School. The original equipment selected by the ESCO was a downflow only duct connection, but the unit was required to be a horizontal duct connection type. Catching this error early on saved lots of time as, if this error was not caught, the ESCO would have ordered incorrect equipment and would have to had reordered the equipment resulting in months of delays. | \$150,000 (loss of savings caused by delay + cost of correcting issue) | Avoided months of delay in project schedule |
| Roof Repairs for Solar / Warranty Protection | This project included the installation of SolarPV on roofs with about 1/2 of warranty life remaining. The ESCO initially proposed installation of PV on older roof areas without warranty and others with partial remaining warranty. Energia required that PV be removed from one roof based on our inspection and requirement for thermal scans to be performed in contradiction to ESCO claims to suitability. Further ESCO agreed to make any and all repairs to roof seams prior to installation and later claimed roofs were already in acceptable condition. Based on specific contract language and scope we required in the agreement, ESCO was required to hire a roofer to reseam ALL locations with solar installed, recertify warranties to ensure no leaks for the life of the solar install at their expense. | \$45,000 (cost for ESCO to reseam roofs prior to solar installation) | Avoided potential leaks under a solar installation requiring removal for repair over the life of the solar. |

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|--|--|---|---|
| Solar Meeting Code / Ensuring Solar Capacity Matches Contract | The ESCO proposed changes to the solar layout (due to ongoing capital work at the district) however, their proposed changes removed the overcurrent protection device. This not only would not meet code, it would pose a major safety risk for the District. Their new layout also removed 100 kW of solar which would require a deduct change. We demanded that the ESCO either provide a deduct change order for the District's review or make changes to meet the contractually agreed to solar size. | \$250,000 (\$2.50/watt for 100 kW) | Avoids major safety risk for the district and ensures the solar meets code requirements. |
| Ensured Insurance Documents Met NYS Law | The ESCO attempted to change a liability clause in the P&P bonds which the District's attorney called out. After refusing to fix it, we reached out to the ESCO's leadership team to express the need to make this change. We also ensured all documents are sealed and notarized as many documents have been sent without these items. | \$5,000 (additional attorney fees avoided) | Protected the District from unnecessary risk by ensuring insurance documents are sufficient. |
| Required ESCO Commitment to RFP | During development of the Comprehensive Energy Audit, the ESCO noted that the majority of solar included in their RFP proposal would need to fall out as it could no longer support itself economically. Energia pushed back on this ESCO requiring that they maintain their commitment to meet a \$/W value where solar is viable and that they tighten their savings guarantee to maintain an 18 year or less simple payback on the solar measure. The ESCO was able maintain these values resulting in an additional \$2M of solar being added back into the project. | \$2,108,673 (amount of solar retained in final scope) | Allowed District to maintain scope as shown and agreed to by the Board of Education. |
| Used Industry Expertise to Gain Major Cost Concession from ESCO | ESCO overestimated lighting savings during the Request for Proposals phase. Annual savings shown during the Comprehensive Energy Audit development were ~\$61K less than originally stated and thus required changes to the scope of work. Energia caught this difference and required that the ESCO rectify the situation to maintain their proposed RFP scope or face potential expulsion. This resulted in the ESCO tightening their pricing and increasing their percentage of guaranteed savings resulting in an additional \$604K over the term of the project | \$604,026 (additional savings over 18 years guaranteed by ESCO) | Allowed District to maintain scope as shown and agreed to by the Board of Education. |
| Required ESCO to Guarantee Rebates | During the review of the Comprehensive Energy Audit Report, Energia's engineering team noticed that the project did not maintain the required 18-year simple payback if some of the utility rebates were to drop out. For this reason, we required that the ESCO guarantee the rebates needed to make the project work. | \$310,000 (\$ amount of guaranteed rebates) | Guaranteed project would remain in tact even if rebates were to fall out as ESCO would cover this loss. |
| Used Industry Expertise to Gain Major Cost Concession from ESCO | Energia identified lighting proposal cost issues and guided the ESCO to rectify the situation. These issues would have not been visible without expert oversight. | \$1,000,000 (amount of excess \$ by requiring ESCO to tighten costing) | Allowed ESCO to include additional needed scope at no additional cost to the District. |
| Saved District from Inheriting a Hidden, Ongoing Cost | ESCO projected savings didn't account for on-going maintenance. Energia factored in a 20% reduction in their projections resulting in significant cost avoidance. Energia's GESA specialist highlighted a critical technical clause to protect the long-term financial interests of the School District: \$50,000/year over 20 years. | \$1,000,000 (cost avoided over 20 year term) | District did not need to retain a maintenance contract at their own cost. |
| Negotiated a Guaranteed Utility Rebate for the District | Energia REQUIRED the rebate be guaranteed. Previous contract language would have eliminated this important benefit. Energia knew this was an area, from years of experience negotiating ESCO contracts, that the ESCO would concede. | \$163,093 (\$ value of guaranteed rebates) | Guaranteed project would remain in tact even if rebates were to fall out as ESCO would cover this loss. |

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|--|---|---|---|
| Used Industry Expertise to Gain Major Cost Concession from ESCO | ESCO constructed roof-mounted solar array without utility interconnect approval after indicating that they did have approval from the utility provider. After installation, the utility noted that there would be exorbitant costs required to upgrade their electrical infrastructure for solar tie-in. In order to remediate the situation, the District agreed that the ESCO can hold off on utility interconnection until the utility performs their planned upgrades in ~3 years. In the meantime, Energia required that the ESCO maintain their guarantee of savings for this system (even though it is offline) and agree to perform interconnection when available and on their own dime. | \$110,000 (annual savings from solar for 3 years plus approx. cost of interconnect) | District will be made whole for loss of savings from the offline solar array in order to satisfy their debt service. |
| Saving District from Having Catastrophic Failure of Building | ESCO subcontractor was about to core drill two 14" diameter holes into a load-bearing wall. Energia's CM was on site and caught that this was about to happen and stopped the subcontractor. | \$100,000 (approx. cost to repair structural damage and reinforce wall) | If holes were drilled, this likely would have caused critical failure and resulted in a partial collapse which would create a catastrophic health and life safety issue. |
| Required ESCO to Cover Costs for Structural Redesign | ESCO looking to redesign solar system against original designs including altering racking systems and layouts which affect structural and wind loads that weren't accounted for in their new, proposed design. Energia required that the ESCO cover the cost for the stringing and electrical design modifications as current design intent by ESCO does not meet code/structural certifications. | \$50,000 (cost for ESCO redesign plus labor cost to correct issue if caught post-implementation) | Without Energia oversight, ESCO would have proceeded with solar redesign which would not meet code and could cause major health and life safety issues from both a structural and wind-load perspective. |
| Prevented ESCO from Making Prohibited Equipment Selection | During implementation, ESCO told Energia and Client that they were going to substitute the agreed upon Rooftop Units (RTUs) for an equivalent unit. After further review, Energia found that the ESCO was suggesting a unit without Variable Frequency Drive (VFD) modulation or Demand Control Ventilation (DCV) as specified in the contract, and without an economizer or convenience outlet which are code violations. | \$55,000 (cost differential between proposed unit vs. correct unit plus difference in savings) | Would result in a loss of energy savings due to lack of VFD and DCV control on the units. Code violations could also cause an issue for the Client in the future if realized and lack of convenience outlet would raise this issue during servicing/required maintenance. |
| Prohibited ESCO Redesign Due to Code/Safety Issues | The ESCO, without any notice or RFI, decided to change the design of the new boilers against Energia's original design to install flues which was completely incorrect and violating code and safety standards. The ESCO proposed to install a fan to draw air from the chimney, but sized the fan for 1 boiler as opposed to the 2 being installed which is both dangerous and against code. This design would also cause improper air flow for combustion. Energia required the ESCO to obide by our design to prevent these issues. | \$40,000 (cost of materials and labor to install the appropriate flue) | Code violations could also cause an issue for the Client in the future if realized and lack of convenience outlet would raise this issue during servicing/required maintenance. |
| Required ESCO to Comply with Department of Labor Requirements | ESCO priced the project assuming General Contracting labor for most components and electrical for the wiring related to their proposed Solar measure. As a general laborer has a much lower hourly rate than a licensed tradesman electrician, the ESCO's pricing didn't account for this increased cost related to DOL requirements. Energia required that the labor comply with DOL guidance at the ESCO's expense and will be reviewing certified payrolls before release of payment to confirm this is being followed. | \$75,000 (Rate Differential between General Contractor and Certified Electrician) | Penalties for being in violation of DOL compliance are costly and could cause unnecessary burden to the District during the investigation and in remediation. |