

Guiding Your Organization's Journey Toward Energy Efficiency and Sustainable Operations

Presented by Stephan Loiseau

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Topics of Discussion

- ✓ Challenges Facing the Meat Industry
- ✓ Implementing Holistic Solutions
- ✓ Choosing the Right Partner
 - Design-Bid-Build
 - Design-Build
 - Energy Saving Performance Contract
 - Energy-as-a-Service
- ✓ Maximizing Available Incentives
- ✓ Aligning Facility Priorities to Corporate Goals

Challenges Facing the Meat Industry



Food safety and hygiene



Energy management

Regulatory compliance



Labor management and safety



Infrastructure upgrades

Automation/technology integration



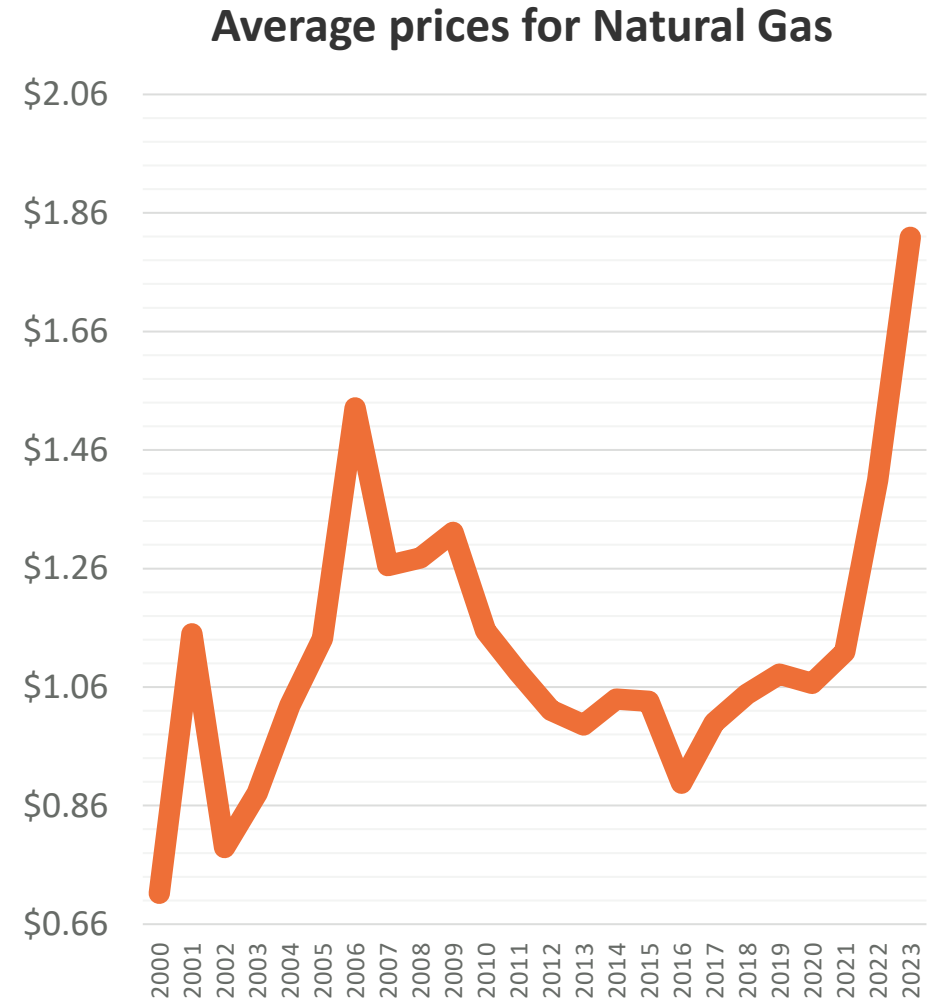
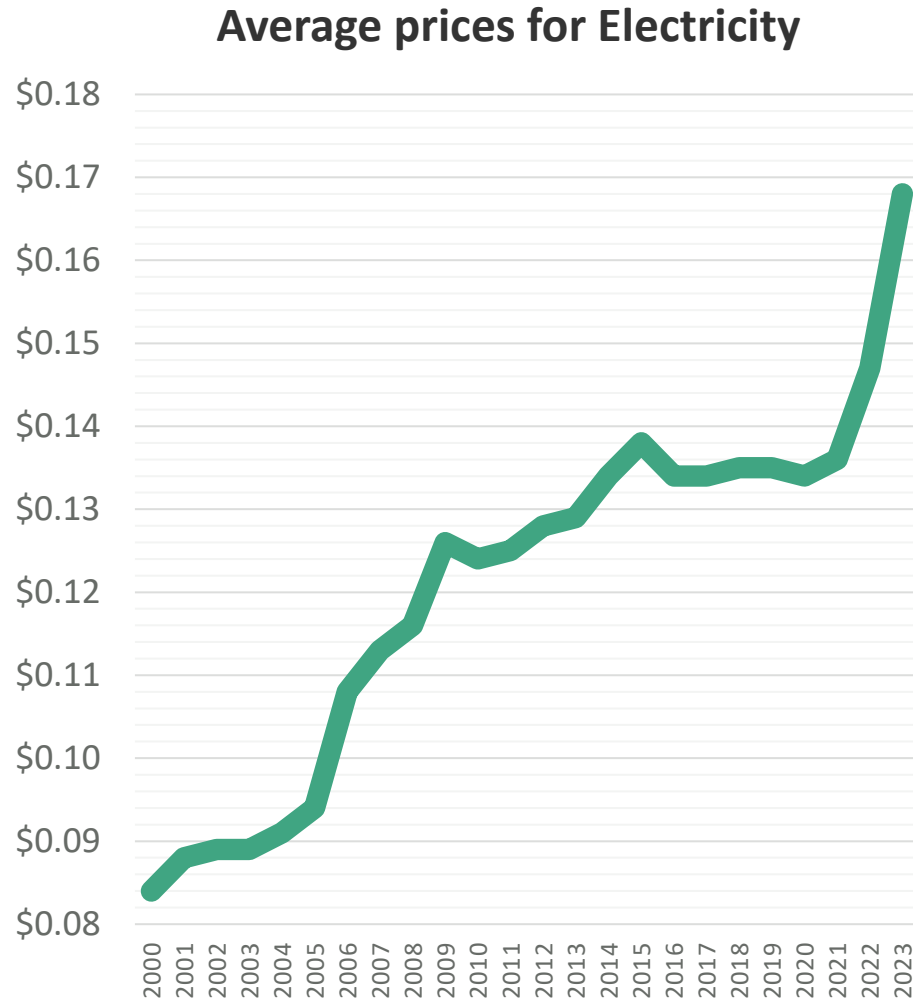
Environmental impact



Supply chain disruptions



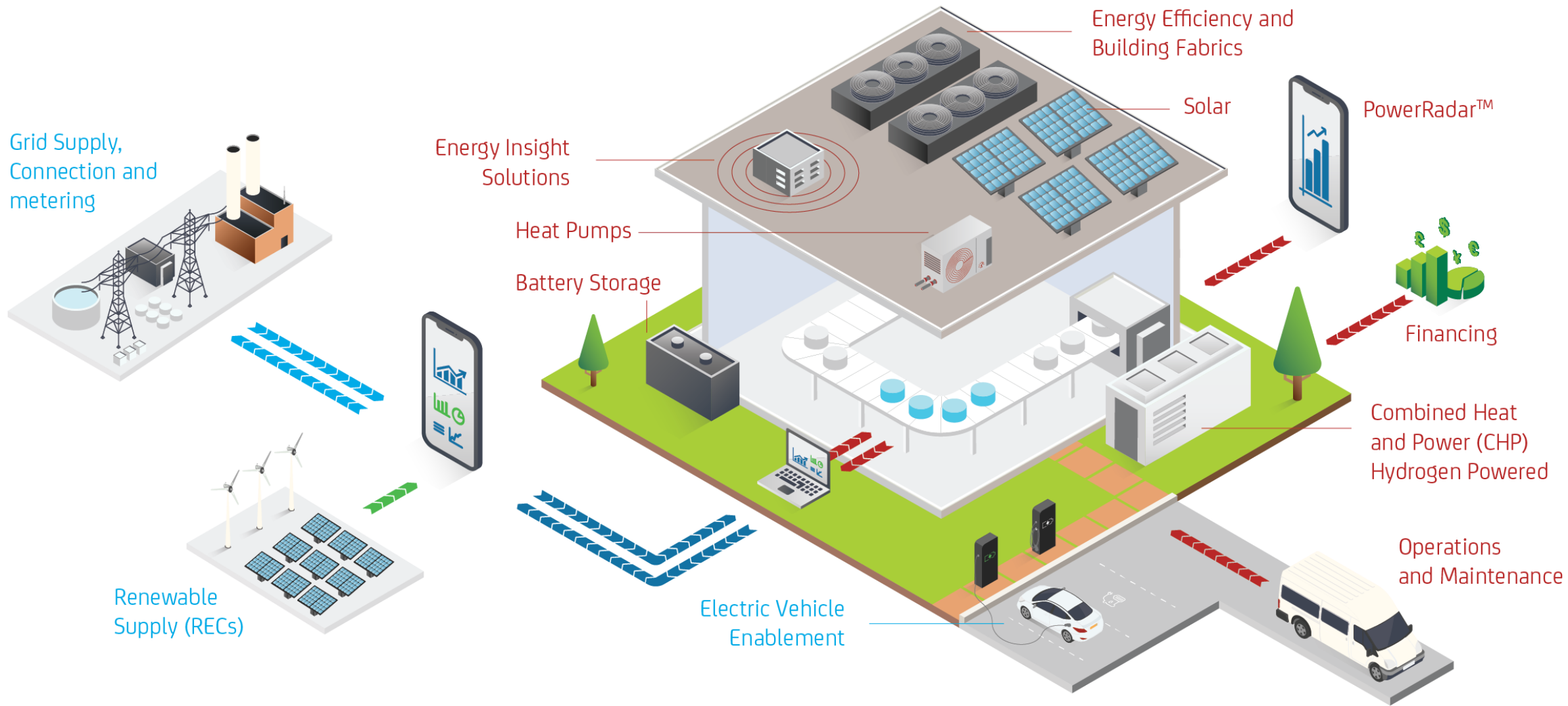
Cost per kWh/Therm in United States since 2000



Source: U.S. Bureau of Labor Statistics

Implementing Holistic Solutions





Sample deployment order of solutions

	Step 1: Plan	Step 2: Cut	Step 3: Convert		Step 4: Enhance		
Power	Develop Roadmap	LED Lighting & Controls Digital Energy Monitoring		Solar, Batteries, Peak Shaving	CHP, fuel cell, microturbine	Demand Response	Microgrid Controllers
HVAC and Water		HVAC and Mechanicals	Water Conservation	Geothermal, High Temperature Heat Pumps			
Building		Building Envelope	Building Automation		Carbon Capture Liquid CO2 Production		
Vehicles				EV Fleet Conversion	EV Charging		

Local incentives to be applied in addition to Federal incentives



Recent developments that improve project feasibility

Inflation Reduction Act

Available tax credits or direct payments for clean energy projects

Local Incentives

Available throughout the United States

Flexible Contracting Options

Alternate delivery options are available to get projects done, even without upfront capital, and with guaranteed savings.



Choosing the Right Partner to Augment Existing Resources

Contracting Options

RISK TRANSFER

Customer Assumes Risk

Contractor Assumes Risk

Counterparty with Customer

Counterparty with Financier

ESCO Role

Payment Type

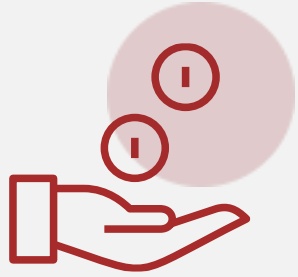
Asset Ownership Transfer

Accounting Treatment

Credit Impact

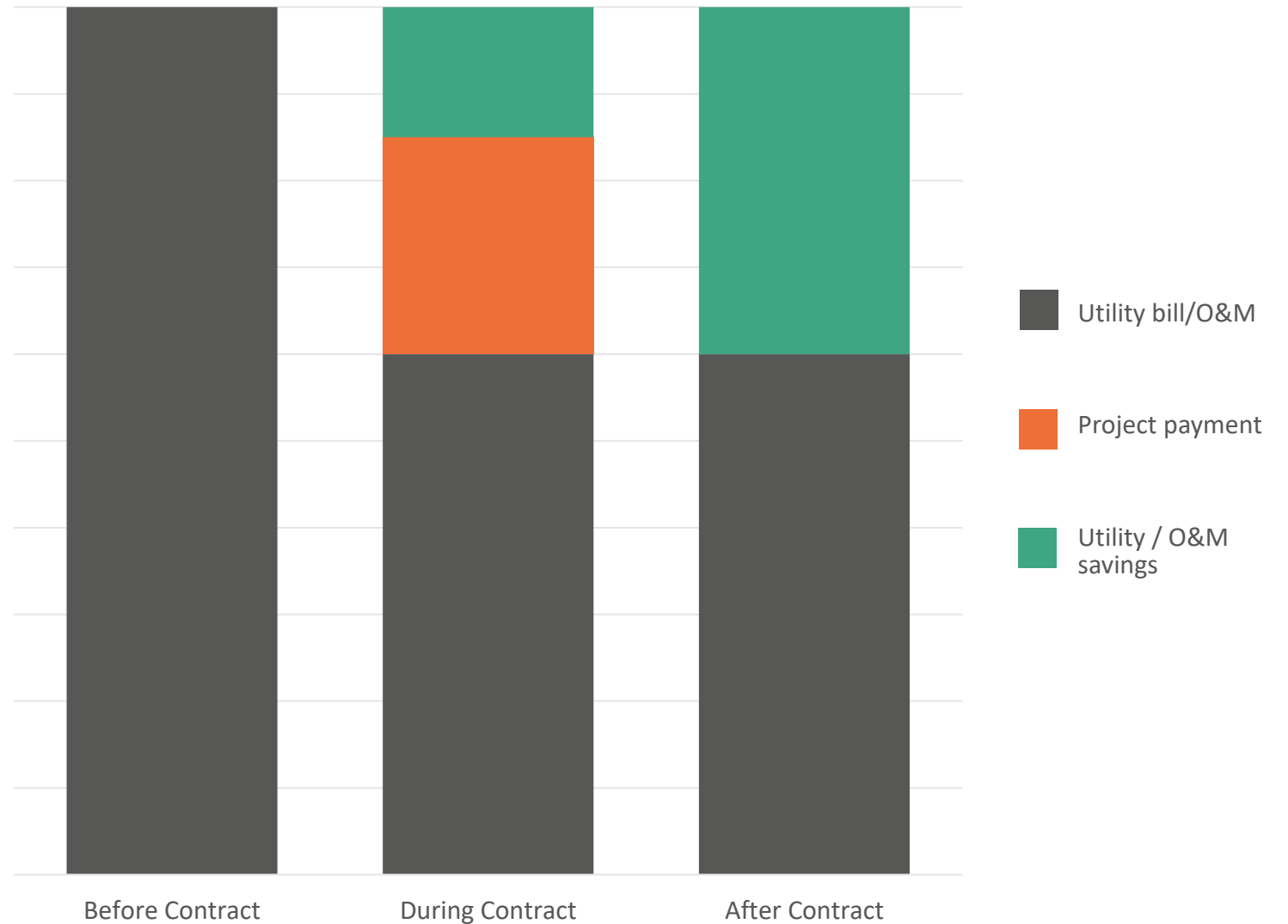
Other

	Design-Bid-Build	Design Build	ESPC	EaaS / SESA
Counterparty with Customer	Engineering, GC, O&M	ESCO	ESCO	Financier
Counterparty with Financier	Customer or Not Applicable	Customer or Not Applicable	Customer or ESCO	Not Applicable
ESCO Role	N/A	Prime Contractor	Prime Contractor	EPC Contractor and Guarantor
Payment Type	N/A	Fixed	Fixed	Performance Based
Asset Ownership Transfer	N/A	At Acceptance	At Acceptance	Fair Market Value at End of Term
Accounting Treatment	Capital Expenditure	Financing Dependent, if any	Lease/Debt	Service Agreement
Credit Impact	Negative to Neutral	Financing Dependent, if any	Negative to Neutral	Neutral
Other	The customer is responsible for bids and contracts with individual firms for design, build, and ongoing services.	ESCO obligations end after warranty, unless separate operating agreement is executed.	Customer executes two contracts; one with ESCO and one with Financier. Savings guarantee offsets fixed payments.	Variable payment based on measured savings. Can also be used for a renewable PPA.



Guaranteed Savings

- ESPC and EaaS/SESA contracts are structured so project savings are greater than the payments
- Payments are contingent on verified project performance
- ESCO guarantees project savings



Vetting Potential Partners

- Association Accreditations
(NAESCO, DOE IDIQ Gen 4, AEE, etc.)
- Industry Accolades and Awards
- Project References
(similar facility type and scope of work)
- Past Performance
- Safety Record (EMR)
- National reach and scalability
- Any Litigation?

Maximizing Available Incentives





Renewable Energy Tax Credits

- The **Inflation Reduction Act** has expanded and extended the Investment Tax Credit (ITC) and the Production Tax Credit (PTC), as well as the Energy Efficient Commercial Buildings Tax Deduction (179D)

Stacking Value of Investment Tax Credit and Sliding Value of 179D

ITC COMPONENTS	ITC VALUE	DETAILS
Low-Income Community Bonus	10-20%	10% for projects in low-income communities, Indian land, 20% bonus for projects that provide 50%+ financial benefits to low-income persons.
Energy Community Bonus	10%	10% bonus for project in energy communities.
Domestic Content Bonus	10%	10% bonus for using steel, iron, or products made in U.S.
Prevailing Wages/Apprenticeship	24%	24% for paying prevailing wage and using a registered apprenticeship program. Must be paid in construction and 5 years after the project is placed in service. Not required for projects < 1 MW AC to qualify for full value.
Base Rate	6%	Base rate of ITC.

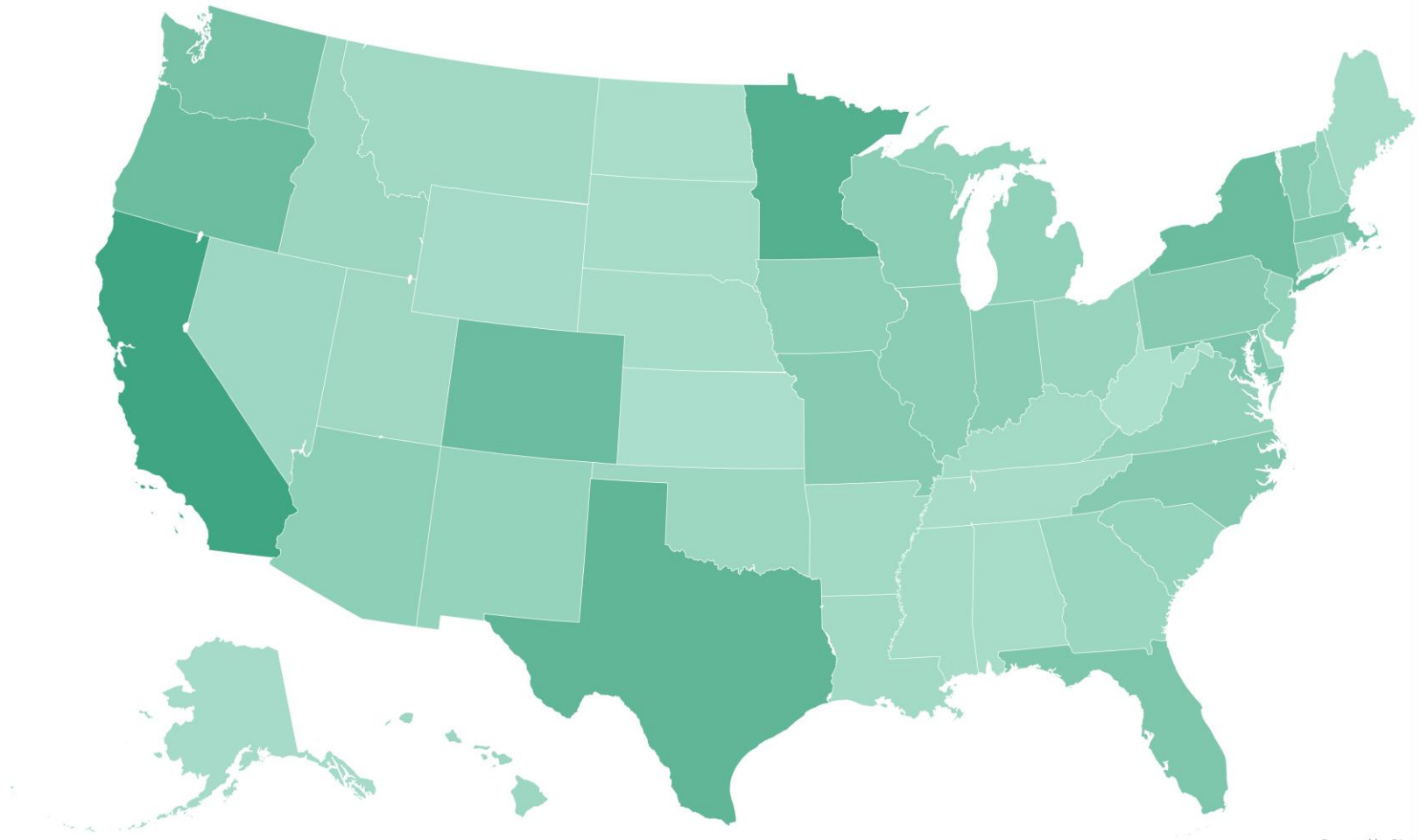
179D COMPONENTS	VALUE	DETAILS
50% increase in efficiency	\$5.00/sqft	\$5.00/sqft for projects that achieve 50% increase in efficiency and meet prevailing wage/apprenticeship requirements
25% increase in efficiency	\$2.50/sqft	\$2.50/sqft for projects that achieve 25% increase in efficiency and meet prevailing wage/apprenticeship requirements
Prevailing Wages/Apprenticeship	x base	If prevailing wages/apprenticeship requirements are met during construction, projects will be eligible for entire efficiency multipliers.
Base Rate	\$.50/sqft	Base rate of 179D.



Available Local Incentives

- Solar
- Clean Energy Projects
- Fleet Conversion
- Energy Efficiency
- Peak Reduction

Find Policies & Incentives by State



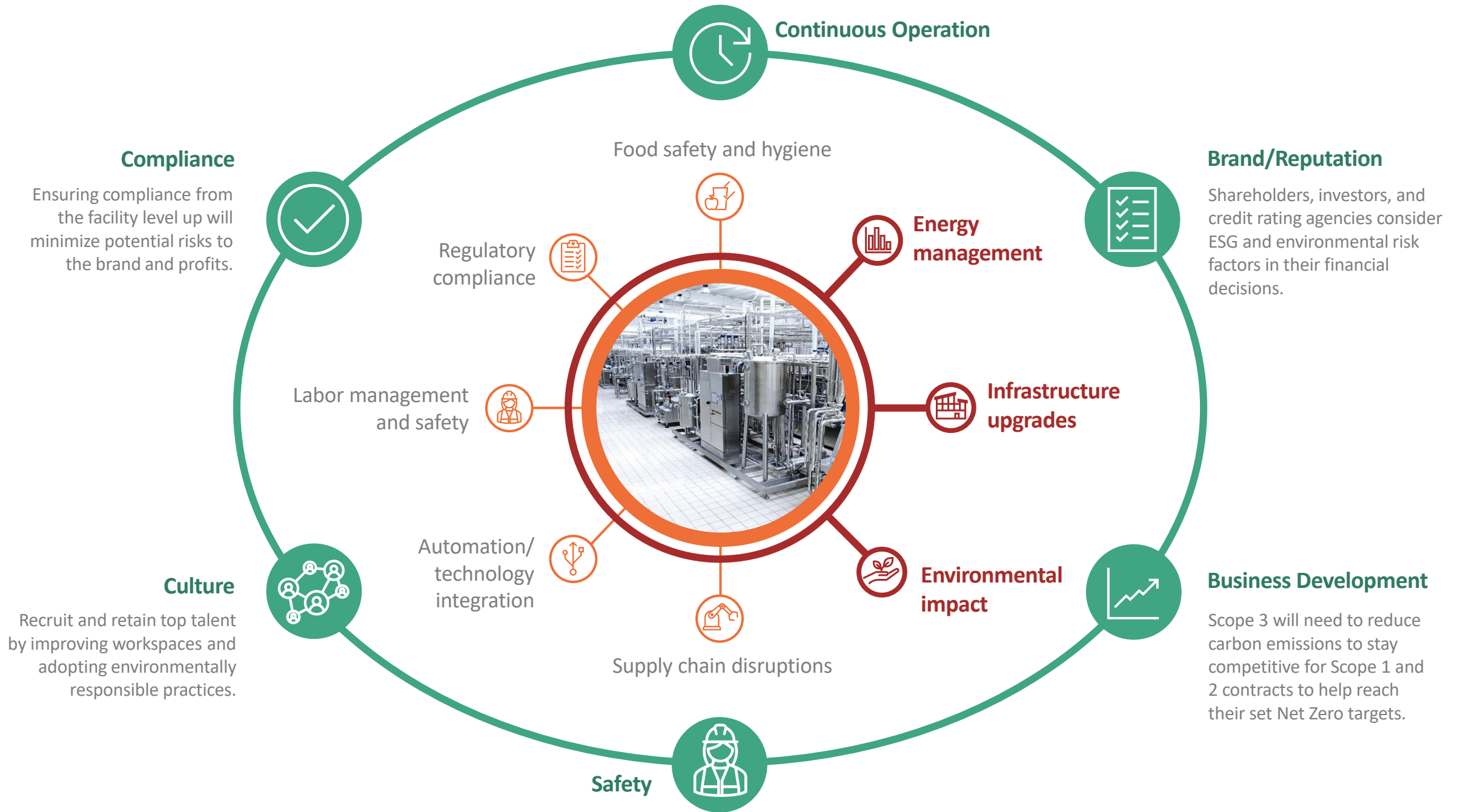
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Aligning Facility Priorities to Corporate Goals



Thank you

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