

GREENHOUSE GAS EMISSIONS REDUCTION FUND
Phase One – Annual Progress Report Form

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| Organization Name: | TRC Environmental Corp |
| Program Title: | New Hampshire Pay for Performance |
| Program Contact: | Tom Rooney - trooney@trcsolutions.com – 603.766.1913 |
| Reporting Period | 1 /1 /2011 - 12 /31 /2011 |

1) Summary of work completed during this reporting period.

a) Provide a summary of activities relevant to this grant using Exhibit A of your contract as an outline. Include summaries of work completed by all project partners.

During the first year of the NH Pay for Performance Program, calendar year 2011, the Program has been engaged in the following activities.

- ✓ As an initial step, a Partner network was established. This included the development of a request for qualifications document, known as the Partnership Agreement.
- ✓ Using an evaluation panel including representatives from NH PUC, NH OEP, Carbon Solutions New England, and TRC, twenty-three (23) qualified Program Partners have been selected through a formal RFQ process. There have been a few firms were not accepted due to not meeting the minimum qualifications and experience criteria set forth in the RFQ. The Partners who have been accepted into the Program to-date are:
 1. Acadia Engineers & Constructors
 2. Aramark
 3. Bonhag Associates
 4. Bluestone Energy Services
 5. Celtic Energy
 6. Crothall Services Group
 7. Energy Efficient Investments
 8. Energy & Resource Solutions
 9. ESCO Energy Services
 10. GDS Associates
 11. Harriman
 12. Honeywell
 13. Integrated Building Energy Associates, LLC
 14. Investment Engineering
 15. LighTec
 16. Lime Energy
 17. Johnson Controls
 18. NH Manufacturing Extension Partnership
 19. Schneider Electric
 20. Siemens
 21. Trane
 22. Twin State Engineering
 23. Turner Building Science
- ✓ TRC has held three a full-day Partner Orientation sessions on February 24th, May 18th, and August 31st. All approved Partners are required to attend this session that covered the details of the Program process and workflow. Also included in the Orientation sessions are representatives from other energy efficiency organizations including NH Better Buildings, the Retail Merchants Association, USDA, NH Community Development Finance Authority (CDFA), the Core Utilities, and the NH PUC Sustainable Energy Division.
- ✓ On March 1, 2011, TRC hired one full-time staff member to the Portsmouth office to support the NH P4P program.

- ✓ TRC launched an informational program website visible at www.nhp4p.com
 - The website includes program overview, documents, “Find a Partner”, FAQ, and Contact pages.

- ✓ TRC developed a comprehensive set of Program Documentation (Version 2.0 of these documents are under development and will be released in January 2012)
 - Program Application Form
 - Program Guidelines (detailed document covering technical specs associated with Program)
 - P4P Spreadsheet Tool and Calibration Tool
 - Program Partnership Agreement
 - Energy Reduction Plan Template & Samples
 - Program Brochures
 - Program Summary
 - Steps to Participate in NH Pay for Performance Program
 - How to Select a Partner for the NH P4P Program

- ✓ In addition to one-on-one meetings and teleconferences with Partners and potential participants, TRC promoted the Program at the following events:
 - NH Business & Industry Association Energy Committee on March 8, 2011
 - NH Local Energy Solutions Conference on April 2, 2011
 - New Hampshire College & University Council meeting coordinated by Lime Energy in June 2011
 - Environmental Business Council of New England Energy Conference in Boston on June 29, 2011
 - NH Lodging and Restaurant Association’s Eco-Hospitality Conference on November 9, 2011
 - NH Local Government Center Conference on November 17, 2011
 - NH Business and Industry Association’s Energy Seminar on December 2, 2011

- ✓ The following represent the Applications submitted to the NH P4P Program in 2011.
 - Manchester City Hall
 - Manchester Carol Rines Center (*on hold*)
 - Rye Junior High School
 - Greenland Central School
 - BAE - 1, Nashua NH (NHQ02)
 - BAE - 2, Nashua, NH (NHQ04)
 - Monadnock Paper (*cancelled*)
 - Lakes Region Community Services Federal Building
 - Monadnock Regional School District
 - HiRel System
 - Rubber Group
 - Southeastern Container
 - Southern New Hampshire University – Athletic Center
 - Southern New Hampshire University – Academic Center
 - Southern New Hampshire University – Project 3
 - University of New Hampshire - Gregg Hall
 - University of New Hampshire - Dairy Research Center
 - Turbocam International

- ✓ In addition to the participants in the Program with submitted applications, TRC has had discussions with the following entities regarding their expressed interest in the NH P4P program.
 - NH Ball Bearing
 - Velcro
 - NH Hospital Association
 - Sawyers Mill (Dover)
 - St. Paul's School
 - East Point Properties
 - Keller William Coastal Realty (Portsmouth)
 - City of Berlin
 - *And several other interested parties...*

- ✓ TRC facilitated an eQUEST modeling training conducted by Karpman Consulting on September 26th and 27th at the Seacoast Science Center's Judd Gregg center in Portsmouth, NH. The training was completely booked with attendance by twenty five (25) Partner firm staff, representing approximately fifteen (15) Partner firms.

- ✓ The next round of NH P4P Program Partnership enrollment into the program is currently underway, with a due date of February 17th, 2012. The next Program Partner Orientation will be scheduled for early March.

b) List quantitative actions in table format below (see directions for more details)

| Table 1: Activity Summary | | | | | |
|--|---------------------------|--|--|---|----------------|
| <i>Activity</i> | <i>2011 Q1*</i> | <i>2011 Q2</i> | <i>2011 Q3</i> | <i>2011 Q4</i> | <i>2012 Q5</i> |
| <i>Establish Program Partners (at least 5)</i> | 12 | 7 | 4 | 0 | |
| <i>Conduct Program Partner Training/Orientation</i> | 1 | 1 | 2 | 0 | |
| <i>Prepare Documents for NH P4P Program</i> | 7 Core Documents | 0 | 0 | 0 | |
| <i>ERP Review & Approval</i> | 0 (No ERPs submitted yet) | 1 ERP currently in review | 1 approved 2 under review | 2 approved 2 under review | |
| <i>Verify valid contracts between partners and building owners</i> | 0 | 1 | 1 | 1 | |
| <i>Incentive Payments Processed</i> | 0 | 0 | 1 | 0 | |
| <i>Institute Incentive Plan/Structure</i> | 1 (done) | 0 | 0 | 0 (developing new structure for Phase 2) | |
| <i>Monthly Partner Conference Calls</i> | 0 (still ramping up) | 1, 5/26/2011 1, 6/23/2011 Total: 2 Calls | 8/4/2011 8/25/2011 9/22/2011 Total: 3 calls | 10/27/2011 12/1/2011 Total: 2 calls | |

* Please break out activities for the month of December, 2010. (No major project activity to report on during December of 2010).

- 2) List projected annual energy savings by fuel type for all completed energy efficiency projects during this reporting period (see Reporting Instructions for more details.)

| <i>Fuel</i> | <i>2011 Q1*</i> | <i>2011 Q2</i> | <i>2011 Q3</i> | <i>2011 Q4</i> | <i>2012 Q5</i> |
|-----------------------------|-----------------|----------------|----------------|----------------|----------------|
| <i>Oil (Gallons)</i> | 0 | 0 | 0 | 0 | |
| <i>Electric (kWh)</i> | 0 | 0 | 0 | 0 | |
| <i>Natural Gas (Therms)</i> | 0 | 0 | 0 | 0 | |
| <i>Propane (Gallons)</i> | 0 | 0 | 0 | 0 | |

* Please break out anticipated annual energy savings for the month of December, 2010.

- 3) Please list total hours worked on the project as required by your contract.

| <i>2011 Q1*</i> | <i>2011 Q2</i> | <i>2011 Q3</i> | <i>2011 Q4</i> | <i>2012 Q5</i> |
|-----------------|----------------|----------------|----------------|----------------|
| 538 | 472.5 | 324 | 210 | |

* Please break out total labor hours for the month of December, 2010.

- 4) Explain any obstacles encountered or any milestones not reached. *Note any problems or delays. If you have a deviation from the plan, contact the PUC before proceeding and document approved action.*

The single biggest challenge to date in 2011 was legislation regarding the NH repeal of Renewable Greenhouse Gas Initiative (RGGI). Many potential participants as well as program partners were very concerned and hesitant to get involved with the NH P4P Program until the active legislation regarding RGGI settled out. Much of the first half of 2011 was clouded by questions concerning the longevity of RGGI and how that would impact proposed incentives.

With 18 applications submitted and several projects underway, the Program is gaining momentum. We would have liked to have more projects under construction by now but interest in the Program and related activity has increased noticeably over the 4th Quarter of 2011. Large, comprehensive projects move slower than simple equipment change-outs. Partners have been soliciting input on additional projects beyond the 18 represented by submitted Applications.

- 5) Summarize work to be completed next quarter.

Based on feedback from Program Partners and NH building owners, the P4P Program has been revised for 2012. Most noteworthy are increased incentives and a new alternative approach for accessing incentives. Version 2.0 of Program documentation will be released in late January followed by a promotional campaign to spread the word about the revised Program. This will also involve closer coordination with the Retail Merchants Association (RMA) and the NH Better Buildings Program.

Clean Air-Cool Planet has been assisting with the outreach and awareness of the Program, which has been useful in setting up meetings and presentations. This outreach should produce more projects in the 1st Quarter of 2012.

Several promotional activities are planned for the coming Quarter including a presence at the following events:

- NH Businesses for Social Responsibility (NHBSR) Webinar on February 8, 2012 (RMA will be presenting too)
- Local Energy Solutions Conference on March 31, 2012

- 6) If applicable, in a section labeled *Beyond the Contract* (or some other well defined title), please report other activities, partnerships, funding or other synergies that have occurred as a result of this funding.

The Program continues to reach out to other energy efficiency projects including the Retail Merchants Association, NH Better Buildings Program, Clean Air-Cool Planet, and the NH Core Utility Programs.

- 7) If applicable, please include brochures, workshop announcements, or other materials developed to promote your grant activities. Attachments (and other documentation) are appreciated.

Several new brochures and website content was in development during December and will be rolled out in January to promote the revisions the Program for 2012. Attached are the Partner Conference Call Agendas for all of 2011.

- 8) Complete the Invoicing form which includes your Budget vs. Actual Expenditures. *(Save this worksheet for future reporting as we will want to see your quarterly expenditures as the project continues.)* **You are required to submit budget vs. actual with each invoice.**