



Communicating To Financial Officers

November 19, 2003

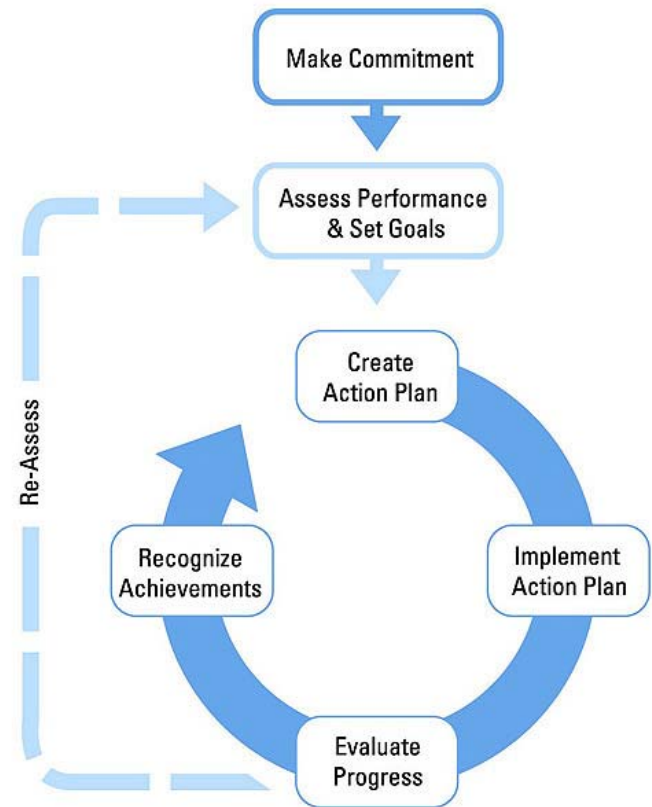


ENERGY STAR

About the Web Conferences

- **Monthly**
- **Topics are structured on a strategic approach to energy management**
- **Help you continually improve energy performance**
- **Opportunity to share ideas with others**
- **Slides are a starting point for discussion**
- **Open & Interactive**

Guidelines for Energy Management





Web Conference Tips

- Mute phone when listening! Improves sound quality for everyone.
- If slides are not advancing, hit refresh or close presentation window and press the re-launch button again.



Today's Web Conference

- Background
- Barry Abramson, Servidyne
- Blaine Collison, ENERGY STAR
- Questions & Discussion



ENERGY STAR

Background

The C-Level Challenge:

Gaining Senior Financial Management support is critical for sustaining continuous improvement.

Yet, many CFO's:

- Think of *strategic* energy management as mostly a supply-side issue
- Not always well informed about operational efficiency opportunities
- Might consider energy management as a “lesser” function within the corporate structure



Background

Overcoming challenges:

- Develop a strong financial message
- Highlight links to company and financial officers objectives
- Offer evidence
- Compare to competitors
- Broadcast results
- Leverage outside resources

Best Practices in Communicating to Financial Officers

Barry Abramson, P.E.

November 19, 2003

Agenda

- Enron's Positive Contributions
- Sector Financial Messaging
- Buzz Words
- Best Practices
- The Attention Span Problem
- Conclusion

Enron's Positive Contributions

- Numbers can say anything you want...for a while
- Making the case: the power of financial messaging

Sector Financial Messaging

- Energy Star Resources
 - Commercial Real Estate
 - Corporate Real Estate
 - Hotel
 - Retail
 - Industry
 - Public Sector

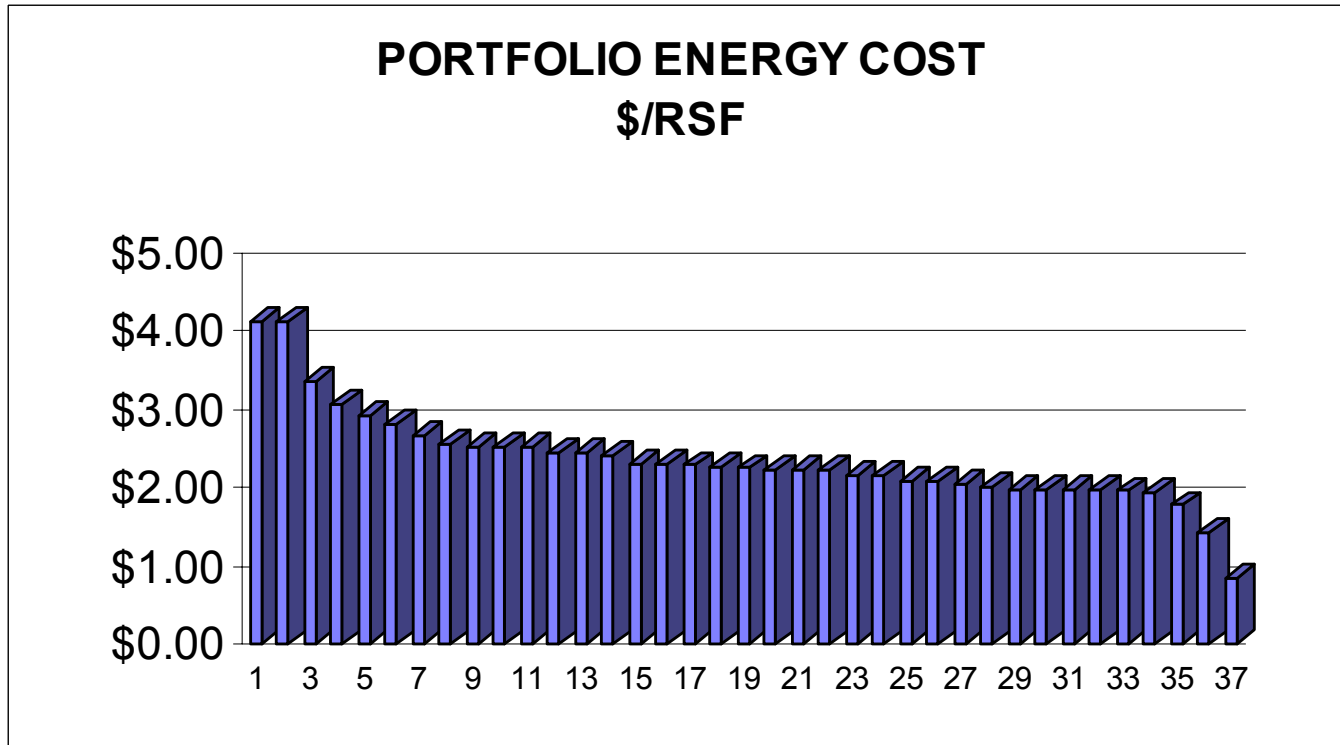
Buzz Words

- Famous Buzz Words in History
 - Reorganization
 - Downsizing
 - Outsourcing
 - Core Competency
 - Diversification
 - Continuous Improvement
- Where Do They Come From?

3 Key Buzz Words

- Benchmarking
- Leveraging
- Best Practices

Benchmarking



Leveraging

- Pilot Projects
- Grants and Rebates
- Easy/Quick Savings

Leveraging

- Recent Energy Audit Results
- 56 Commercial Bldgs; 12 Million Sq Ft
- Average Size: 215,000 Sq Ft

	Audit Fees	Savings Opportunities Identified		
		Immediate Payback Projects Savings/Yr	Under 1-Yr Payback Projects	
			Savings/Yr	Implementation Costs
Average	\$11,600	\$12,400	\$21,200	\$10,900
Per Sq Ft	\$0.054	\$0.058	\$0.098	\$0.051

Best Practices

- The “Green” Organization
- From Piecemeal to Portfolio
- New Perspective on ROI

The Attention Span Problem



Savings Analysis - All Properties

- ▶ Logout
- ▶ All Properties
- ▶ North Region
- ▶ East Region
- ▶ South Region
- ▶ Central Region
- ▶ Contact Us
- ▶ Password

Servidyne Systems, LLC
1350 Spring Street, NW
Suite 200

◀ Savings Analysis - YTD (Jul 2002) ▶						
Property	Net Cost Change	Impact from Price	Impact from Conservation	Project Costs	Savings from Conservation	Savings from Conservation
Providence	\$ 20,515	\$ -80,630	\$ -101,145	\$ 1,440	\$ -102,585	
Boston	\$ -13,218	\$ -79,928	\$ -66,710	\$ 1,440	\$ -68,150	
New York	\$ -633,643	\$ -374,826	\$ 258,817	\$ 1,440	\$ 257,377	
Philadelphia	\$ -103,247	\$ -81,912	\$ 21,335	\$ 1,440	\$ 19,895	
Annapolis	\$ -67,097	\$ -55,040	\$ 12,057	\$ 1,440	\$ 10,617	
Richmond	\$ -260,971	\$ -117,246	\$ 143,725	\$ 1,440	\$ 142,285	
Washington	\$ -322,728	\$ -57,418	\$ 265,310	\$ 1,440	\$ 263,870	
Norfolk	\$ -95,473	\$ -4,996	\$ 90,477	\$ 1,440	\$ 89,037	
Birmingham	\$ 3,539	\$ -1,629	\$ -5,168	\$ 1,440	\$ -6,608	
Charlotte	\$ -54,079	\$ -15,213	\$ 38,866	\$ 1,440	\$ 37,426	
Miami	\$ -187,525	\$ -172,964	\$ 14,561	\$ 1,440	\$ 13,121	
Atlanta	\$ -435,333	\$ 32,792	\$ 468,125	\$ 1,440	\$ 466,685	
Columbus	\$ -10,259	\$ -21,558	\$ -11,299	\$ 1,440	\$ -12,739	
Chicago	\$ -86,671	\$ -104,139	\$ -17,468	\$ 1,440	\$ -18,908	
Milwaukee	\$ -83,659	\$ -73,658	\$ 10,001	\$ 1,440	\$ 8,561	
St. Louis	\$ -7,303	\$ 5,335	\$ 12,638	\$ 1,440	\$ 11,198	
YTD	\$ -2,337,152	\$ -1,203,030	\$ 1,134,122	\$ 23,040	\$ 1,111,082	(-) (+)

Conclusion

**Best Practices in
Communicating to
Financial Officers:**

**Leveraging Resources for
Continuous Improvement**



Financial Value Calculator

Financial Value Calculator

- Easy-to-use, spreadsheet tool.
- Quantifies past and future energy efficiency projects in financial terms.

- Additional Net Income
- Increase in EPS
- Increase in Market Value
- IRR
- Payback
- NPV



Open Discussion



Upcoming Web Conferences

January 21, 2004

**ENERGY STAR
Update**

February 18, 2004

**Communicating To
Financial
Stakeholders**



Partner Meeting

December 3, 2003

**ENERGY STAR Networking Meeting
Washington, DC**

www.energystar.gov/networking



Thank you for participating!