



TEN
 1501 Reedsdale St Ste 401
 Pittsburgh, PA 15233

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January 7, 2020

Patrick Urich
 City Manager
 City of Peoria
 419 Fulton, Suite 207
 Peoria, Illinois 61602

Dear Mr. Urich,

The purpose of this letter is to express the intent of the City of Peoria, Illinois (“PEORIA”) to determine the feasibility of entering into a Guaranteed Energy Savings Contract (“GESC”) with The Efficiency Network, with its principal place of business at 1501 Reedsdale St, Suite 401, Pittsburgh, PA 15233, (hereinafter referred to as "TEN"), to implement a GESC for the City of Peoria, with its principal location at 419 Fulton, Peoria Illinois 61602 for the conversion of the City’s streetlighting system ("System"). In order to determine the feasibility of entering into a GESC, TEN will need to conduct an Investment Grade Audit (“IGA”) of the System. Such an IGA shall detail TEN’s proposed installation of efficiency equipment and provision of other services designed to reduce PEORIA’s energy and maintenance costs related to the System.

This initial IGA proposal effort will focus on addressing the quantities, types, and location of lights as indicated in your RFP. A full inventory audit of the System will be conducted, identifying the location of each light, and correctly cataloging its characteristics (style, wattage, color temp, etc.). Peoria will have the final approval on the exact characteristics collected during the inventory audit. Additionally, TEN will provide the City with complete as-built documentation at the conclusion of the project’s implementation, including full updated GIS data of the converted lighting system.

The expected **quantities** of lights, as defined in the Peoria RFP is as follows:

Owner	# of Fixtures ⁽¹⁾	Watts (HPS) nameplate	Watts (HPS) actual	Watts (LED) initial est. ⁽²⁾	Difference	Hours/year	Assistance with Acquisition
Ameren - Wood Pole	4,705	100	128	39	89	5,000	Yes
City - Ornamental	4,489	100	128	39	89	5,000	Not applicable
City - 250W	750	250	295	106	189	5,000	Not applicable
City - 400W	832	400	455	161	294	5,000	Not applicable

(1) - subject to reconciliation during implementation

(2) - subject to final design during IGA

The System for the purposes of this Letter of Intent and IGA, is defined as two separate component groups of streetlights:

- City-owned lights, currently estimated at 6,071 units (as shown in lines 2-4 above) and,



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- Ameren-owned lights, currently estimated at 4,705 units (as shown in line 1 above) which TEN will assist PEORIA in acquiring from the utility with the intent of converting these lights (along with the lights currently owned by the City) as part of the project.

TEN will perform a detailed technical analysis (i.e., the Investment Grade Energy Audit) of the energy and maintenance costs related to the System. TEN will present its findings in an Investment Grade Audit Report (the “IGA Report”) which specifically identifies the energy and maintenance improvements to the System recommended to be installed or implemented in the conversion of the System. The IGA Report shall contain detailed projections of energy and cost savings (“Savings”) to be obtained as a result of converting the System to LED. The IGA Report shall describe TEN’s plan for installing or implementing the measures as part of the conversion of the System, including all anticipated costs associated with such installation, implementation and measurement and verification of savings. The primary purpose of the IGA Report is to provide the technical and economic basis for moving forward with a GES. The project target goal for the economic basis will be a project that provides an economic return to PEORIA that results in a 10-year or less simple payback. Working in cooperation with PEORIA’s project team, TEN will also evaluate select streetlighting control systems and explore options for various Smart City sensors or similar technologies for possible inclusion in the project. TEN will look to develop all applicable grants and rebates for PEORIA and, suggest options for low-cost project financing such that the project costs will be offset entirely by the savings and incentives on an annual basis resulting in a budget neutral project for PEORIA.

TEN’s **approach** for each major component of the IGA is summarized below:

Ameren - Wood Pole	Legal review, viability and timeline of buyback including a budget to allocate for negotiation of ownership (in phase 1).
City - Ornamental	Unitized design of each type summarizing the light output, luminaire changes, new luminaire selection, costs and savings for each decorative type.
City - 250W	Unitized design summarizing the light output, luminaire changes, new luminaire selection, costs and savings.
City - 400W	Unitized design summarizing the light output, luminaire changes, new luminaire selection, costs and savings.
Capital Projects	Per RFP Attachment E, assessing and providing preliminary, scope, costs and savings for each.
General	Presentation of financing options for City to consider.

Upon completion of the IGA, PEORIA will receive an initial IGA Report “Summary”. PEORIA and TEN will jointly select and refine components of the project to be implemented, and TEN will prepare a final IGA Report from these selected measures. PEORIA acknowledges that TEN is expending significant time and resources on behalf of PEORIA by performing the IGA and preparing the IGA Report and therefore agrees as follows:

- PEORIA shall work exclusively with TEN on this project for the period in which this Letter of Intent is in place.
- PEORIA shall furnish (or cause its utility suppliers to furnish) to TEN, upon its request, accurate and complete data concerning utility usage and costs of the System. PEORIA acknowledges that TEN shall rely exclusively on this data in conducting its IGA.
- PEORIA staff to cooperate fully with TEN personnel as TEN gathers on-site data required to complete its analysis of the System to the extent possible so as not to interfere significantly with day-to-day operation of PEORIA.

TEN shall complete and submit the IGA Report Summary to PEORIA within twelve (12) weeks of the date of execution of this Letter of Intent. PEORIA shall accept the IGA Report Summary if the scopes contained therein are



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feasible, in PEORIA's sole discretion. However, this acceptance is not intended nor shall be construed as an obligation of PEORIA to enter into a GESC with TEN.

The cost of the IGA, \$62,000, will be incorporated into the total project cost of a GESC.

If the GESC is not executed between the Parties within eight (8) weeks of submission of the IGA Report, then PEORIA shall pay a withdrawal fee of \$31,000 (½ of the cost above to show TEN's willingness to share in the risk of developing the project) for the engineering design, cost estimating, and scope development related costs incurred by TEN.

This Letter of Intent shall be effective upon execution hereof by both Parties subject to the other provisions of this Letter. PEORIA may terminate this Letter of Intent if TEN fails to complete the Investment Grade Energy Audit within 6 months of the signing of this Letter. This Letter of Intent shall automatically terminate upon the execution of any other Agreements between the Parties.

By executing this Letter of Intent, PEORIA authorizes TEN to conduct the Investment Grade Audit. In performing the services required of this Letter of Intent, TEN shall act as an independent contractor, and not an employee or agent, of PEORIA.

Notwithstanding anything in this Letter of Intent to the contrary, during the sixty (60) day period immediately following the date that the IGA Report is delivered by TEN to PEORIA, it is the intent of TEN and PEORIA to meet and negotiate in good faith the contractual documents and Agreements related to the GESC.

Except for the restrictions on use of the IGA documentation and payment of the withdrawal fee, the statements of intent or understanding in this "Letter of Intent" are not deemed to constitute any offer, acceptance, or legally binding agreement and do not create any rights or obligations for or on the part of any Party to this "Letter of Intent" or any Third Party. This Letter of Intent constitutes the entire understanding between the Parties. No agent, representative, employee or servant of PEORIA or TEN has the authority to make any statement, agreement, or representation, oral or written, in connection with this Letter of Intent, which in any way modifies or alters the terms of this Letter. No modification, alterations, changes, amendments or waivers to this Letter of Intent shall be valid unless in writing and signed by both parties.

Accepted by City of PEORIA, IL (PEORIA)

Accepted by The Efficiency Network, Inc. (TEN)

 Name

 Robert G. Campbell

 Title

 President
 Title

 Date

 Date