



New Haven Public Schools Proposals

Hannah Pease

Business Development Manager

Hannah.Pease@dalkiasolutions.com

413-885-3568

Kyle Krow

VP of Sales & Business Development

Kyle.Krow@dalkiasolutions.com

413-427-0591

Agenda

- About Cogeneration
- Powerplant vs. Cogeneration Efficiency
- Reduced GHG Emissions
- History of New Haven Public Schools
- Scope of Work & Timeline
- Economics & Benefits





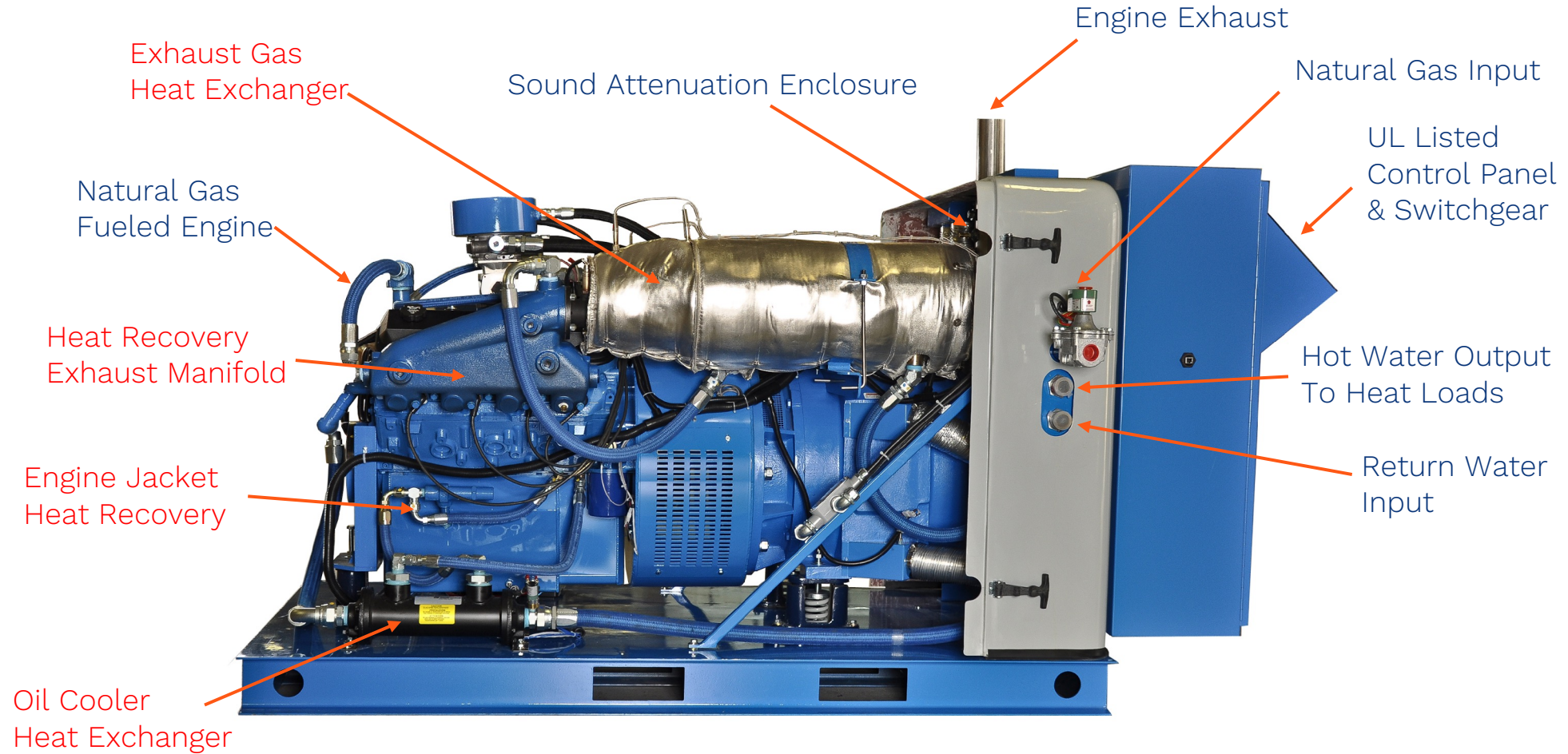
Cogeneration

Simultaneous production of electricity and usable heat from one energy source. Also known as Combined Heat & Power (CHP).

Cogeneration delivers two forms of energy, heat and electricity, from a single fuel source, typically (natural gas).

CHP is a highly-efficient technology that reduces energy costs and harmful emissions as recognized by the US EPA.

Parts of a CHP Module - 75 kW



EPA Certified
70dba @ 20'

Power Plant VS Cogeneration Efficiency

Power Plant Efficiency = **30%**

100 units
of fuel



30%

30 units
of electricity
delivered

70 units
of rejected
heat lost into
rivers & harbors

Cogeneration Efficiency = **85%**

100 units
of fuel



85%

55 units
of heating
delivered

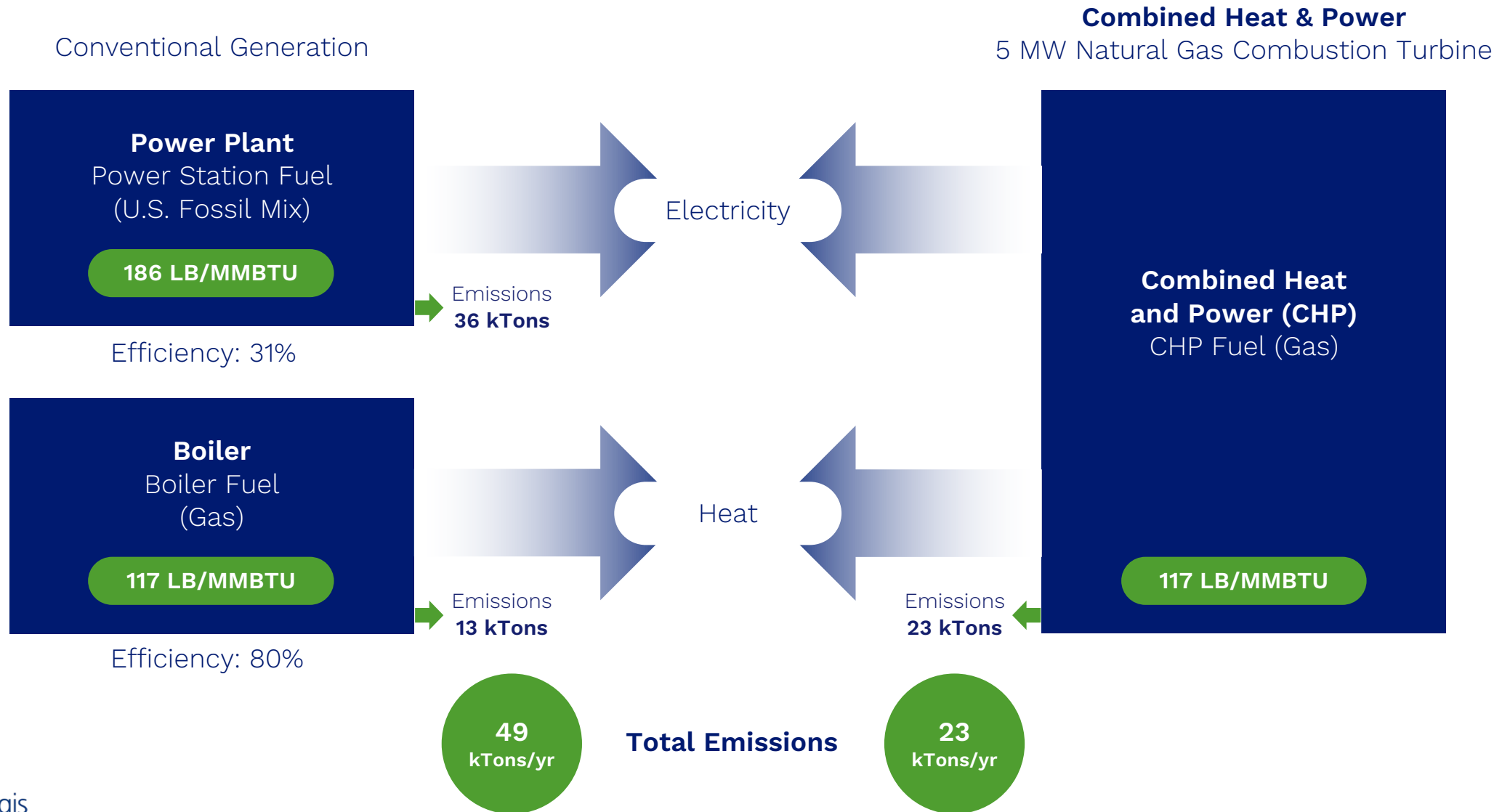
30 units
of electricity
delivered

Your
Building



85 Units Delivered Total

CHP Reduces GHG Emissions



New Haven Public Schools - History

- Six (6) 75kW Induction units were installed in 2008 under our **Shared Savings Program**.
- The units are primarily used to heat the pools at each school and to reduce electricity bought from the grid.
 - Hill Regional Career High School – 140 Legion Avenue
 - Harry A. Conte West Hills Magnet School – 511 Chapel Street
 - James Hillhouse High School – 480 Sherman Parkway
 - John S. Martinez School – 100 James Street
 - The Sound School – 60 South Water Street
 - Wilbur Cross High School – 181 Mitchell Drive
- Current annual savings around \$58,000/year.
- All units are reaching the end-of-life and existing Shared Savings contract is expiring.



Scope of Work & Timeline

- Dalkia Aegis to design, manufacture, and turnkey install six (6) 75kW CHP systems – one in each school (**capital value of \$2,041,705.74 total**).
 - DA to provide and install Dalkia Aegis ancillary equipment (controls, load modules, pump modules, radiator).
 - DA to provide engineering, project management, startup and commissioning.
 - DA to pull permits, handle Dept of Buildings, etc.
 - DA to disassemble and remove old equipment from schools.
 - Pricing includes prevailing wage, although we may not need to utilize.
 - Interconnection by Dalkia Aegis.
- Dalkia Aegis responsible for permitting and associated fees.
- Dalkia Aegis responsible for maintenance costs associated with the CHP plants (**valued at \$377,506 per year**).
- New Haven Schools will have the option to purchase the systems beginning in year six at a depreciated value.
- Timeline: All units replaced by the end of 2024.



Extending Existing Shared Savings Agreement (15 Years)

- No capital cost
- Utilizing the existing CHP infrastructure and modernizing mechanical systems
- New Haven Schools will receive the electricity produced by the CHP systems at a substantially discounted rate **(1st year at \$.1100/kWh)**.
 - This rate represents a **44.5%** discount of New Haven Schools average annual blended rate of **\$.1983/kWh**.
 - Reduced first costs is allowing for significant improvement in Shared Savings economics.
 - Increase savings around \$30,000/year by extending the agreement
 - **NEW Annual Net Savings is \$86,348**
 - **Total Lifetime Savings is \$1,417,528**
- Ensure clean/green power production for New Haven Public Schools for another 15 years (total of 30 years!)

Shared Savings Option	Amount	Net Total
Turnkey six (6) 75kW CHP Systems – New Haven Public Schools	\$2,218,551	
Net Project Total – Dalkia Aegis Pays 100%		\$0.00
Net Savings Provided to New Haven Public Schools	\$86,348/Year	
Annual Comprehensive Maintenance & Monitoring	Dalkia Aegis Pays	
Net Lifetime Savings:		\$1,417,528
<ul style="list-style-type: none"> • New Equipment provides consistent and reliable heating/power for the facility. • Fixes operating expenses by eliminating annual maintenance costs and providing a fixed reduction in utility expenses. 		



Thank you!

SHARED ENERGY SAVINGS AGREEMENT

By and between

POWERVESTORS LLC

AND

New Haven Board of Education

March 5, 2024

SHARED ENERGY SAVINGS AGREEMENT

PROJECT SITE: Six City of New Haven Schools

THIS SHARED ENERGY SAVINGS AGREEMENT (“Agreement”) is made and entered into as of **March 5, 2024** (“Effective Date”), by and between PowerVestors, LLC, a Massachusetts limited liability company with a principal place of business at 59 Jackson Street, Holyoke, MA 01040 (“PowerVestors”), and **New Haven Board of Education** a _____, with a principal place of business at New Haven Board of Education, 54 Meadow Street #3 New Haven CT (“Host”)(each a “Party” and collectively, the “Parties”).

Preliminary Statements

PowerVestors is in the business of installing, servicing, and operating cogeneration systems (each a “System”) that conserve energy and reduce energy costs. Host desires to engage PowerVestors to install and operate a System at the Project Site and share its energy costs savings with PowerVestors. PowerVestors is willing to proceed with the installation and servicing of the System at the Project Site, subject to and in accordance with the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual benefits enumerated herein, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1) Definition of Terms and Incorporation of Schedules

- a) Unless defined in the text of this Agreement, Capitalized terms used herein shall have the meanings ascribed to them herein or on Schedule A attached hereto and incorporated herein.
- b) The System and its component parts (all such component parts being collectively referred to as the “Equipment”) to be installed by PowerVestors at the Project Site are more particularly described on Schedule B attached hereto and incorporated herein. In the event of conflict between Schedule B and other language in this Agreement, Schedule B shall control.
- c) The System shall be installed approximately in the location shown on Schedule C attached hereto and incorporated herein.
- d) Schedule D attached hereto and incorporated herein describes the calculation of purchase price under the Host option to purchase, pursuant to Section 12(b) below.

2) System and Equipment Installation.

- a) PowerVestors shall be responsible for the design, engineering, installation and interconnection of the System. The System and Equipment shall be designed and installed using accepted engineering standards and in accordance with all applicable federal and states laws and manufacturer’s specifications.
- b) PowerVestors shall secure, at its own expense, all permits for construction and operation of the System. Host shall use its best efforts to assist PowerVestors in obtaining all such permits and approvals, including participation in any hearings or appeals to assist in obtaining such permits or approvals.
- c) PowerVestors’ obligation to commence installation of the System is subject to the satisfaction of the following conditions precedent:
 - i) PowerVestors has obtained or caused to be obtained necessary financing for the purchase, installation and operation of the Equipment and the System;
 - ii) PowerVestors has obtained or caused to be obtained, to the satisfaction of PowerVestors, all applicable Financial Incentives for the operation of the System;
 - iii) Upon request of PowerVestors, Host has delivered to PowerVestors the Owner and Secured Party Documents, in form acceptable to PowerVestors and PowerVestors' lender;
 - iv) PowerVestors has entered into the required purchase and construction contracts and subcontracts for the purchase and installation of the System;
 - v) All Equipment necessary for the operation of the System is available to PowerVestors;
 - vi) PowerVestors or owner, as the case may be, has obtained all governmental permits and approvals necessary for the installation and operation of the System;
 - vii) Host has approved all plans for the System presented by PowerVestors to Host for approval; and
 - viii) Host has obtained and provided to PowerVestors all documents required in this Agreement and is otherwise in compliance with Host's obligations hereunder.
- d) Notwithstanding any contrary provisions contained herein, in the event that any of the conditions precedent described in paragraph 2(c) above have not been satisfied, as reasonably determined by PowerVestors, within one hundred eighty (180) days from the date of this Agreement, PowerVestors shall be entitled to terminate this Agreement by delivering written notice of termination to Host.
- e) PowerVestors shall send Host a Notice of Commencement within one hundred twenty (120) days after the satisfaction (or waiver by PowerVestors) of all of the conditions precedent set forth in paragraph 2(c) above.

3) **Operation of the System.**

- a) **Obligations of PowerVestors.** Provided that Host performs its obligations hereunder, PowerVestors shall operate the System in accordance with manufacturer's specifications, all applicable laws, and the additional requirements explicitly stated below.
- i) PowerVestors shall provide all necessary service, repairs and replacement of Equipment, unless: (A) the need for any such service, repair, replacement is caused by the negligence or willful misconduct of Host or any employee, agent, tenant or invitee of Host, or (B) the service, repair or replacement has been provided by PowerVestors at the request of Host in order to fulfill Host's obligations pursuant to Section 3(b) below; and, in the case of either (A) or (B) in this paragraph, Host shall pay PowerVestors for the actual costs incurred by PowerVestors and PowerVestors' customary labor charges.
 - ii) PowerVestors shall maintain operating logs and/or other records applicable to the System.
 - iii) PowerVestors shall furnish to Host, upon request, verifiable data showing total annual production of the System and PowerVestors's cost of energy generated from the System.
- b) **Obligations of Host.** Host shall satisfy the following obligations:
- i) Host shall provide to PowerVestors, in a form acceptable by PowerVestors, Host's most recently third party audited or reviewed financial statements.
 - ii) Host shall ensure that all existing electrical, mechanical, plumbing and structural aspects of the Project Site meet the minimum requirements under all applicable codes and standards prior to commencement of work by PowerVestors. If any such equipment or systems do not meet such minimum standards, Host shall complete all necessary repairs and replacements to make the systems and equipment comply with such codes and standards, at the sole cost of Host, prior to the commencement of installation of the System.
 - iii) Host shall ensure that all thermal loads and systems requiring thermal output are and will be connected to the System so that the System is the provider of all required thermal output unless PowerVestors determines in its sole discretion that the System cannot satisfy a particular system requirement on the Property or it is not economically viable to provide thermal output for a specific system on the Property.
 - iv) Host shall at all times ensure that the equipment it owns and/or is responsible for on its side of the Interconnection Point is properly maintained, and that no activity(s) taken by Host, its agents, tenants or invitees interfere with the proper operation of the System. Host shall maintain operating logs applicable to the equipment on its side of the Interconnection Point and provided access to such logs to PowerVestors within twenty-four (24) hours of a request from PowerVestors.
 - v) Host shall not alter its mechanical, electrical or fuel systems in any way without the prior written approval of PowerVestors, which approval may be withheld in the sole discretion of PowerVestors upon a determination by PowerVestors that any such alteration will materially affect the economic viability of the transactions contemplated by this Agreement or the operation of the System.
 - vi) Host shall not enter into any agreement or scheduled activity that will cause Host's Electrical Requirements or Thermal Requirements to change more than five (5%) percent of its then current Electrical Requirements or Thermal Requirements.
 - vii) Host shall not enter into, without PowerVestors prior written approval, any energy - related contract for products or services, including energy management services, and PowerVestors shall be entitled to withhold any such approval in its sole discretion.
 - viii) Host shall immediately notify PowerVestors upon the discovery of any of the following:
 - (1) a material malfunction in the operation of the System;
 - (2) a material malfunction in the operation of Host's existing heating and electrical equipment or systems; or
 - (3) an interruption or alteration of the energy supply to the Project Site. Such notification shall be made immediately by telephone and shall be confirmed in writing within twenty-four (24) hours of its discovery.
 - ix) Neither Host, nor its agents, tenants or invitees shall service, move, remove, alter or change in any way the System or any Equipment or part thereof. Notwithstanding the foregoing, in a case of emergency, if it is not possible or reasonable to notify PowerVestors before acting, Host shall act reasonably to protect the System from damage or injury.
 - x) Host shall provide PowerVestors with copies of all notices of default from its creditors holding a mortgage covering the Project Site.
 - xi) Host shall provide PowerVestors access to on-site parking during the term of this Agreement and Host shall be responsible for all fees imposed for parking.
 - xii) Host shall provide PowerVestors written notice, with twenty-four (24) hours of Host learning of the same, of any Event of Default of Host, or event which, with the passage of time, would constitute an Event of Default of Host.
 - xiii) Host shall provide internet access, via a Cat6 cable, to the cogeneration system to monitor operation of plant. Internet access location to be determined during engineering phase. Buyer will also provide Seller with a set of 5 Public static IPv4 addresses assigned by an Internet Service Provider (ISP).
 - xiv) Host shall provide and pay for all fuel for the System and be fully responsible to maintain fuel infrastructure to the System.

4) **License to Access the Project Site and System; Memorandum of Contract.**

Host hereby grants to PowerVestors and shall maintain in full force and effect during the Term a license, at no cost to PowerVestors, of adequate exclusive space on the Project Site for the System to reside where it is currently situated along with adequate exclusive surrounding space, as determined by PowerVestors. to permit PowerVestors to own, operate and maintain the System. Host hereby further grants to PowerVestors and shall maintain in full force and effect during the Term a license, at no cost to PowerVestors, to access the Project Site for the purposes of performing PowerVestors' obligations and exercising its rights hereunder including without limitation the right to remove Equipment upon the expiration or termination of this Agreement. Host represents and warrants to PowerVestors that Host has the right and authority to grant such

license rights to PowerVestors, without the consent of any other party and the grant of the licenses does not violate the terms of, or cause a default under, any agreement, mortgage or any other document. The grant of the licenses to PowerVestors hereunder shall be binding upon Host and the owner of the Project Site (if different) and their respective successors and assigns with respect to the Project Site. In the event that PowerVestors or PowerVestors' lender determines that an easement, lease or the consent of any other party is necessary to protect the interests of PowerVestors or its lender, Host shall obtain such documents, in form reasonably acceptable to PowerVestors, at the sole expense of Host. Without limiting the generality of the foregoing, Host agrees to execute and deliver to PowerVestors upon request a Memorandum of Contract to be recorded in the land records in the jurisdiction in which the Project Site is located, which Memorandum of Contract will include a summary description of this Agreement and, in particular, a description of the license granted to PowerVestors pursuant to this paragraph 4.

5) Ownership.

a) Ownership of System and Equipment.

The System and Equipment, including all parts, accessories, replacements and improvements, shall be and shall remain at all times the personal property of PowerVestors. PowerVestors shall also have ownership of the Environmental Attributes, including alternative energy credits. PowerVestors shall be entitled to grant security interests in the System and Equipment to lenders of PowerVestors. Neither Host nor its lenders, if any, shall have any ownership interest or security interest in the System or the Equipment, and upon request of PowerVestors, Host shall provide written confirmation from its lenders that the Equipment is not subject to a security interest applicable to Host's property. Without limiting the generality of the foregoing, under no circumstances shall the System or Equipment constitute fixtures of the Project Site, regardless of any attachment or fastening thereof to the Project Site. PowerVestors may install such signage on the Equipment identifying PowerVestors as owner as PowerVestors reasonably deems to be appropriate and Host agrees not to allow such signage to be disturbed.

b) Ownership of Intellectual Property; Confidential and Proprietary Information.

Host acknowledges that all information and materials provided or disclosed by PowerVestors to Host, including, without limitation, any data, designs, drawings, contracts (including this Agreement), software, patents, trademarks, copyrights and other intellectual property acquired or used in connection with the installment and operation of the System at the Project Site, are owned by PowerVestors and shall constitute confidential and proprietary information of PowerVestors ("Confidential Information"). Host shall have no ownership rights or rights to use such Confidential Information or the results therefrom, except as expressly stated herein. Host shall not disclose, without PowerVestors' prior written approval in each case, any Confidential Information of PowerVestors, provided, however, that Host may disclose Confidential Information to its authorized representatives as long as such representatives are notified in advance of, and agree to be bound by, the confidentiality provisions of this Agreement.

c) Ownership of Financial Incentives.

PowerVestors is and shall be the exclusive and absolute owner of all tax credits and other Financial Incentives accruing on and after PowerVestors takes title to the System resulting from, or related to the manufacture, installation and use of the System. Upon request, Host will execute, at no charge to PowerVestors, documents evidencing the assignment to PowerVestors of its interest (if any) in such credits and other Financial Incentives. In addition, Host shall not take any action that could impair the value of such tax credits or other Financial Incentives without the prior written approval of PowerVestors. PowerVestors shall be responsible for any federal and state income tax liability associated with the ownership of any such Financial Incentives for periods on and after the commencement of operation of the System.

d) Ownership of Energy Produced by the System.

Title to and full responsibility and liability for all electrical and thermal energy generated by the System up to the extent of Host's on-site requirements will pass to Host at the Interconnection Points.

6) System Upgrades and Alterations.

PowerVestors shall be entitled, in its sole discretion, to replace, remove, upgrade or alter any component of the Equipment or the System or install any additional component to the System (collectively, "System Alterations"); provided, however, any alteration that would materially increase the electric production capacity of the System shall require the consent of the Host. The costs associated with the System Alterations shall be included in the computation of the value of the System, and shall increase the Buyback Price of the System (as described in Section 12(b) below). Notwithstanding the foregoing, if any System Alterations are required to accommodate Host's alterations to the Project Site or to its electrical or thermal system, Host shall be responsible for all costs of such System Alterations as and when such costs are incurred.

7) Metering.

a) Metering Devices.

PowerVestors shall provide, own and maintain, at its sole expense, all necessary meters and equipment required to adequately monitor the electrical and thermal energy output of the System for purposes of this Agreement (collectively, the "Metering Devices").

b) Access, Inspections, and Testing.

- i) The Metering Devices shall be sealed. The Metering Device seal may be broken only by PowerVestors; provided, however, that Host shall have prior notice of the right to be present when the seal is broken by PowerVestors. Host shall not, at any time, break a Metering Device seal.
- ii) Host may request testing of the Metering Device at reasonable times and upon reasonable prior notice; provided, however, that PowerVestors shall have no obligation to perform a test of a Metering Device more often than once every five (5) years. The

reasonable cost of such tests shall be paid by Host, unless the percentage of error of the Metering Device is found to be greater than three (3.00%) percent of the measured energy output, in which event PowerVestors shall bear the cost of such test.

c) **Adjustments for Inaccuracies.**

If a Metering Device fails to register, or if the measurement by a Metering Device is found upon testing to be inaccurate, an adjustment will be made for the actual period during which inaccurate measurements were made. The amount of the adjustment will be determined by calibration, tests, or mathematical calculations, or if such correction is impracticable, then by estimating on the basis of data during periods of similar conditions when the Metering Device was registering accurately. Adjustments will also be applicable for billing miscalculations. Host will pay PowerVestors the amount of any underpayment, or PowerVestors will refund to Host the amount of any overpayment, within thirty (30) days of the determination of the necessary adjustment.

8) Shared Savings.

a) **Energy Savings Produced by System.**

Savings generated by the System includes electric energy and thermal energy produced which is capable of being delivered for use by Host's electrical system, space heating, domestic hot water and other Host using thermal systems. Each month, Host agrees to accept and pay for all electrical energy delivered by the System and to also pay for electric energy which the System was capable of producing and delivering but Host did not elect to receive. Host shall pay for all fuel consumed by the System and receive all the thermal energy produced by the System at no cost to the Host.

b) **Shared Savings from Electrical Energy.**

Host agrees to use each month all electrical and thermal energy (heat) delivered by the System and to pay for electric energy delivered and to also pay for electric energy which the System was capable of producing and delivering but Host did not elect to receive. Each month the savings will be computed based on the summation of (i) the electrical energy produced, (ii) the electric energy which was capable of being produced by the System but which Host failed to accept for delivery, and (iii) additional electric energy that could have been produced but was not produced as a result of Host's failure to make fuel available to the System and with such aggregate quantity priced at a rate of \$0.1125 per kWh, which rate shall increase automatically by three percent (3%) on each anniversary of the Effective Date during the Term. The quantity of electric energy for which Host will be responsible to pay as a result of either (i) Host's failure to accept delivery of electric energy that the System was capable of producing, or (ii) the amount of electricity that the System could not produce as a result of Host's failure to make fuel available to the System shall be based on PowerVestors' reasonable estimate of the System's production capability during the prior year for periods when the System was operating.

c) **Other Uses of Energy.**

PowerVestors, at its option, may also produce electrical energy for use by Host without the utilization of heat. PowerVestors, and at its option, may also supply electrical energy to the utility via the Host's interconnection point or via other arrangements with the host utility.

9) Monthly Billing and Payment.

Each month during the Term of this Agreement following the commencement of operation of the System, PowerVestors shall read the Metering Devices and issue an invoice to Host for the payments due to PowerVestors. The monthly invoices shall include a schedule showing the volume of electric energy delivered, the volume of electric energy that could have been delivered but which Host declined to accept and the amount of electric energy that PowerVestors was unable to deliver as a result of Host's failure to supply fuel for the System and the total volume of electric energy for which Host is obligated to pay along with the price and the total cost for electric energy and other payments due. If desired by Host, Host (or its agent) may be present for the monthly reading of the Metering Devices by PowerVestors. Host shall make all payments to PowerVestors no later than ten (10) days after the date of invoice to Host. Payments received by PowerVestors later than ten (10) days after the date of the invoice shall result in a one-time late fee equal to twelve (12%) percent of total amount due to PowerVestors. In addition, late payments shall accrue interest from the due date at a rate equal to one and one-half percent (1.50%) per month or the maximum rate permitted by law, whichever is less. Payments shall be applied first to all outstanding costs of collection, late fees and finance charges, then to the invoiced amount.

10) Parallel and Standby Energy and Continuity of Service.

The System shall operate in conjunction with Host's existing utility, building heating system or backup heating equipment. If the System shall fail to provide electric or thermal energy, then Host shall, at Host's sole cost and expense, buy any and all required parallel, standby or backup energy and services. PowerVestors shall use reasonable commercial efforts to provide thermal energy and electrical energy to Host pursuant to this Agreement, but shall not be liable to Host for damages, consequential or otherwise, for its failure or inability to provide such energy to Host.

11) Term; Termination.

a) This Agreement shall be in effect as of the Effective Date set forth on the cover page of this Agreement. Unless earlier terminated in accordance with this Agreement, the term of this Agreement (the "Term") shall expire fifteen (15) years from the Notice of Commencement from PowerVestors or the commencement of operation of the System, whichever is later. The Term may be extended upon the agreement of both PowerVestors and Host.

b) Host or PowerVestors may terminate this Agreement prior to the expiration of the Term after the occurrence of any of the following Events of Default of the other Party:

- i) The other Party fails to perform any of its material obligations hereunder or otherwise breaches this Agreement, and such failure to perform or breach continues for sixty (60) days following the delivery of written notice to the party failing to perform or committing the breach of agreement; or
 - ii) Any representation or warranty contained herein and made by the other party was false or misleading in any material respect when made unless it can be corrected without adverse effect on the other Party and is corrected within thirty (30) days of notice of the other Party.
- c) PowerVestors may terminate this Agreement at any time by delivering written notice of termination after the occurrence of the following additional Events of Default of Host:
- i) Host fails to make any payment to PowerVestors under this Agreement when due and fails to cure such payment default within five (5) days of receipt of notice that payment is due and has not been paid; or
 - ii) The Host makes any assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or files or has filed against it any petition under the bankruptcy or insolvency laws of any jurisdiction, county or place, or shall have or suffer a receiver or trustee to be appointed for its business or property, or be adjudicated a bankruptcy or insolvent, and if any such filing is not voluntary, the filing is not dismissed within sixty (60) days.
 - iii) Host fails supply fuel to the System for a period in excess of thirty (30) days.
- d) In addition, PowerVestors shall be entitled to terminate this Agreement on thirty (30) days' prior written notice to Host if there occurs any change in applicable laws, regulations or policy, that, in the sole discretion of PowerVestors, materially affects the economic viability of operating and maintaining the System.
- e) In the event that PowerVestors is entitled to terminate this Agreement based upon an Event of Default by Host, PowerVestors shall be entitled to suspend operation of the System without terminating the Agreement. In the event that PowerVestors does terminate this Agreement following an Event of Default, Host shall pay PowerVestors all amounts due and owing under the Agreement as of the date of termination, plus, additionally to other remedies that may be available at law or in equity, Host shall pay to PowerVestors damages in the amount of one hundred ten (110) percent of the the Purchase Price of the System, forfeiture of all Financial Incentive values, and payment of reasonable attorney's fees and expenses, and costs associated with the de-commissioning and removal of the System from the Project Site. Host shall be liable for any applicable sales and use taxes, including any sales and/or use taxes levied against PowerVestors arising from this agreement.

12) Termination or Expiration and Option to Purchase.

a) Removal of System Upon Expiration of the Term.

Upon the expiration or earlier termination of this Agreement, unless Host has exercised its option to purchase the System pursuant to Section 12(b) below, PowerVestors shall have the option at its sole discretion to either (i) remove the System and all Equipment from the Project Site, and, upon completion of removal, PowerVestors shall restore all affected portions of the Project Site to their prior condition, normal wear and tear excepted and with disconnection and removal of the System at the sole cost of PowerVestors (except following an Event of Default by Host), and PowerVestors shall make reasonable efforts to avoid interference with Host's operations during the course of such removal or (ii) after giving notice to Host, abandon the System in place with title to the System reverting to Host with such transfer on an as-is where-is basis and without any warranty, all of which PowerVestors disclaims

b) Option to Purchase.

Host may elect to purchase the System starting in Year 6, by delivering ninety (90) days prior written notice of its election to PowerVestors. The purchase price for the System (the "Buyback Price"), if Host elects to purchase the System, shall be based upon the greater of the (i) residual percentage of the Purchase Price of the System, as detailed on Schedule D attached hereto and incorporated herein and (ii) the fair market value of the System based on a negotiated price of PowerVestors and Host; provided, however, if the Parties do not reach an agreement within twenty-one (21) days on fair market value, the Parties shall select a mutually acceptable appraiser to set the fair market value. In calculating the Buyback Price if based on the residual percentage of the Purchase Price, System Alterations will be included and residual calculations for such System Alterations will begin in the first year of installation of System Alterations. All Environmental Attributes, including alternate energy credits and other Financial Incentives shall remain with PowerVestors. Payment of the entire Buyback Price shall be due and payable to PowerVestors, by cash or bank check, on that date which is ninety (90) days following the delivery of written notice to PowerVestors of Host's election to so purchase the System. Host shall be liable for any applicable sales and use taxes, including any sales and/or use taxes levied against PowerVestors arising from this Agreement. The delivery of the System under a purchase under this section shall be on an as-is where-is basis with no representations or warranties, all of which PowerVestors disclaims.

13) No Warranties; Limitations of Remedies.

PowerVestors makes no guaranties or warranties regarding the performance of the System or the amount of cost savings to be enjoyed by Host pursuant to this Agreement. Neither by inspection nor non-rejection, nor by giving approval or consents, nor in any other way, does PowerVestors give any warranty, express or implied, as to the adequacy, safety or other characteristics of any structures, equipment, wires, mains, pipes, appliances or devices owned, leased, installed or maintained by Host or assume any obligation as to the design, operation or maintenance of Host's facilities. NOTWITHSTANDING ANY CONTRARY PROVISIONS CONTAINED HEREIN IN NO EVENT SHALL POWERVESTORS, ITS PARENT COMPANIES, OR AFFILIATES BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE LOSSES OR DAMAGES (INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION, LOST REVENUE OR PROFITS, FEES OR FINES) IN CONNECTION WITH OR RESULTING FROM PERFORMANCE

OR NON-PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, EVEN IF POWERVESTORS, ITS PARENT COMPANIES, OR AFFILIATES HAVE BEEN ADVISED OR MADE AWARE OF THE POSSIBILITY OF ANY SUCH LOSSES OR DAMAGES AND REGARDLESS OF WHETHER THE CLAIM IS BASED ON CONTRACT, TORT, NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY OF LIABILITY, WITH THE EXCEPTION OF INTENTIONAL MISCONDUCT.

14) Indemnification; Insurance.

- a) Subject to the limitations contained herein, each of PowerVestors and Host (as applicable, the "Indemnifying Party") shall indemnify and hold the other party (including their affiliates and their officers, directors and employees, including those of their affiliates and their respective successors and assigns, collectively the "Indemnified Party") harmless from and against any and all costs, claims, and expenses incurred by the Indemnified Party for physical damage to or physical destruction of property, or death of or bodily injury to any Person, but only to the extent caused by the negligence or willful misconduct of the Indemnifying Party or its agents or employees or others under its control; provided, however, that: (i) Indemnifying Party's obligations shall not extend to claims, demands, lawsuit or actions for liability to the extent attributable to the negligence or willful misconduct of the Indemnified Party; and (ii) Indemnifying Party's obligation to indemnify Indemnified Party for damage or destruction of Indemnified Party's property (including the System) shall not exceed \$10,000,000 per occurrence.
- b) At all times during the Term of this Agreement, the Parties shall carry the insurance prescribed in Section c) for PowerVestors and Section d) for Host. All insurance policies shall state that they shall not be changed or canceled without thirty (30) days prior written notification to both Host and PowerVestors. Each Party (i) shall be named as an additional insured under the insurance policies required to be maintained by the other Party, (ii) shall secure a waiver of subrogation in favor of the other Party under its respective policies of insurance and be responsible for deductibles thereunder, and (iii) shall provide the other with insurance certificates certifying that such policies are in full force and effect upon request.
- c) PowerVestors shall maintain the following insurance during the Term of this Agreement:

A. Commercial General Liability:	
Bodily Injury & Property Damage	\$1,000,000. each occurrence
Products & Completed Operations	\$2,000,000. general aggregate
Personal & Advertising Injury	\$2,000,000. aggregate
	\$1,000,000. each occurrence
B. Vehicle Liability:	
Bodily Injury & Property Damage	Combined single limit of \$1,000,000.
C. Worker's Compensation:	
Worker's Compensation Coverage A	Provide Statutory Minimum
Employer's Liability Coverage B	\$500,000. each accident
\$500,000. disease policy	\$500,000. disease per employee
D. Umbrella	
Bodily Injury	\$10,000,000 each occurrence
Property Damage	\$10,000,000 aggregate

- d) Host shall maintain the following insurance during the Term of this Agreement:

A. Commercial General Liability:	
Bodily Injury & Property Damage	\$1,000,000. each occurrence
Products & Completed Operations	\$2,000,000. general aggregate
Personal & Advertising Injury	\$2,000,000. aggregate
	\$1,000,000. each occurrence
B. Vehicle Liability:	
Bodily Injury & Property Damage	Combined single limit of \$1,000,000.
C. Worker's Compensation:	
Worker's Compensation	

Coverage A	Provide Statutory Minimum
Employer’s Liability	\$500,000. each accident
Coverage B	\$500,000. disease per employee
\$500,000. disease policy	
D. Umbrella	
Bodily Injury	\$10,000,000 each occurrence
Property Damage	\$10,000,000 aggregate

e) Property Insurance in an amount to fully cover all damages and destruction to Host’s facilities and improvements.

15) Damage To or Destruction or Loss of Equipment.

Without limiting the generality of the indemnification provisions contained in Section 14 above, if the System or any part thereof is damaged or destroyed due to the negligence or willful misconduct of Host and/or the owner of the Project Site, or any of their agents, tenants or invitees, or if any of the Equipment is stolen, then Host shall be liable for costs of repairs or replacements caused by such damage or theft and any additional costs and expenses incurred by PowerVestors. Alternatively, if PowerVestors deems the destruction renders the System to be inoperative, PowerVestors may treat such action as an Event of Default hereunder and shall be entitled to terminate this Agreement in its sole discretion following any such damage or theft and claim the remedies available for a Host Event of Default.

16) Force Majeure.

Neither Party shall be liable for any failure of performance under this Agreement due to a Force Majeure; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party within 48 hours after the Force Majeure event or occurrence. The Party claiming a Force Majeure delay must take all reasonable steps to remedy the cause of the Force Majeure event with all reasonable dispatch. During the period of any such delay or failure to perform by PowerVestors, Host shall purchase its electricity from its alternative source at the then applicable tariffs and no cost to PowerVestors. The ability of either party to obtain a better price shall not constitute an event of Force Majeure hereunder. In no event will Force Majeure extend this Agreement beyond its Term.

17) Notices.

Except as otherwise specifically provided for in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, or on the date delivered if a nationally recognized express mail service is utilized, charges prepaid, receipt obtained, and in any case addressed as follows:

If to PowerVestors	PowerVestors Energy Services, LLC 59 Jackson Street Holyoke, MA 01040 Attention: Diane Damour- Duteil_____	If to Host:	At the address set forth on page 1 of this Agreement Attn: Property Manager
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or to such other person or address as the addressee may have specified in a Notice duly given as provided herein.

18) Change of Control: Assignment.

- a) Host shall notify PowerVestors at least forty-five (45) days prior to any change of ownership or control of the Project Site. Such notice shall include the name and contact information for the new owner of the Project Site. Host shall use its best efforts to cause any new owner of the Project Site to assume all of Hosts obligations under this Agreement. For avoidance of doubt, absent an express written agreement from PowerVestors, the transfer of ownership of the Project Site by the Host shall not relieve the Host of its payment and other obligations under this Agreement.
- b) Except as provided in this Section 18, neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which the other party may withhold in its sole discretion, with respect to any assignment in connection with a transfer of ownership of the Project Site, PowerVestors shall not unreasonably withhold its consent. Notwithstanding the foregoing, PowerVestors may assign its rights and obligations under this Agreement without Host’s consent to (i) an entity controlling, controlled by or under common control with PowerVestors, (ii) to any person or entity succeeding to all or substantially all of the assets of PowerVestors, or (iii) as security in connection with any financing transaction entered into by PowerVestors or its assignee (assignments described in clauses (i), (ii) and (iii) being hereafter referred to as "Permitted Assignments"). In the event of a Permitted Assignment, Host shall provide reasonable cooperation, including executing reasonable documentation confirming that such assignment is a Permitted Assignment.

19) Independent Parties.

Nothing contained in the Agreement shall be deemed or construed for any purpose to establish, between Host and PowerVestors, a partnership or joint venture, a principal-agent relationship, or any relationship other than a service contract between property owner and independent contractor.

20) Injunctive Relief.

Each of the Parties acknowledges that its failure to perform its obligations under this Agreement shall result in immediate and irreparable damage to the other party. The Parties each also acknowledge that there may be no adequate remedy at law for such failures and that, in the event thereof, the other party shall be entitled to equitable relief in the nature of an injunction, and to all other available remedies or relief at law or in equity.

21) Complete Agreement.

This Agreement is the complete and exclusive expression of the understanding between the parties, and supersedes any prior or contemporaneous agreement or representation, oral or written, by either of them, and can be modified or altered or amended only by a writing signed by both Parties.

22) Severability.

If any provision of this Agreement is declared invalid, void or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of the Agreement.

23) Waiver.

No waiver, discharge, or modification of any provision of this Agreement shall be valid and effective unless written and signed by the party against whom the waiver, discharge or modification is sought to be enforced. No delay in enforcing any provisions of this Agreement shall constitute a waiver of the right to enforce such provision.

24) Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. The parties agree that any dispute arising under this Agreement will be resolved in the state or federal courts within the Massachusetts and federal court district including Springfield, Massachusetts, and the Parties consent to such jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a sealed instrument by their fully authorized officers as of the day and year first written above written.

POWERVESTORS, LLC
BY POWERVESTORS ENERGY SERVICES LLC, ITS SOLE
MEMBER

HOST: **New Haven Board of Education**

By: _____

By: _____

Name:

Name:

Title:

Title:

SCHEDULE A

DEFINITIONS

1. **Electrical Requirements** – means all of the electrical power required by the Project Site.
2. **Environmental Financial Incentives or Financial Incentives** – means all rights, credits (including tax credits), rebates, benefits, and entitlements of any kind, howsoever entitled or named, whether arising under federal, state or local law, international treaty, trade association membership or the like, arising from the System or otherwise from the development, installation, or ownership of the System or the production, consumption or use of the energy produced by the System.
3. **Equipment** – means the component parts of the System described on Schedule B to this Agreement.
4. **Events of Default** – means the events set forth in Paragraphs 11(b) and 11(c) of this Agreement.
5. **Force Majeure** – means causes beyond the reasonable control of a party, the occurrence of which could not have been prevented by the exercise of reasonable care by such party, such as Acts of God, acts of civil or military authority, earthquakes, fires, floods, explosions, natural disasters and statutes, regulations or court orders not in effect on the date of this Agreement.
6. **Interconnection Point(s)** – means the point at which electrical or thermal energy passes from the System to the Host’s mechanical systems at the Project Site.
7. **Notice of Commencement** – the notice delivered by PowerVestors to Host stating that PowerVestors is prepared to start the operation of the System.
8. **Owner and Secured Party Documents** – means documents signed by the owner of the Project Site and/or any holder of a mortgage or security interest in the Project Site or the assets located at the Project Site, which documents shall provide that: (A) PowerVestors and its successors and assigns have the right to use the Project Site under a license, easement, lease or otherwise, to the extent necessary to perform their obligations and exercise their rights hereunder, at no cost to PowerVestors and its successors and assigns, (B) the owner of the Project Site and any such mortgage holder or secured party recognize that PowerVestors is the owner of the System and any Equipment, free of any liens or rights of the mortgage holders or secured parties; and (C) that, in the discretion of PowerVestors, the mortgage holder or secured party will permit PowerVestors to maintain the System at the Project Site following any foreclosure sale or change in ownership as the result of a default of the underlying loans.
9. **Project Site** – means the property owned by Host and known as _____. The Project Site is more particularly described in the deed into Host recorded in the land records for the county of _____, Book _____, Page _____.
10. **System** – means the cogeneration system described on Schedule B to this Agreement.
11. **Thermal Requirements** – means all of the space heating, domestic hot water and other thermal energy requirements at the Project Site.

SCHEDULE B**EQUIPMENT TO BE INSTALLED BY POWERVESTORS****Items included in this Agreement:**

Six (6) 75kW Tecogen, non black start CHP Modules

One (1) unit per school, replacing existing

Provide and install PowerVestors ancillary equipment (Controls, load modules, pump modules, radiator)

Dalkia PowerVestors to provide engineering, project management, startup and commissioning

Dalkia PowerVestors to pull permits, handle Department of Buildings, etc.

Disassemble and remove old equipment from each school

Pricing includes prevailing wage, although we may not need to utilize

Interconnection by PowerVestors

The following items are not included in proposal unless otherwise noted:

- *Construction of walls/doors to house the CHP system.*
- *Any remediation of existing hazardous materials on-site including asbestos.*
- *Insurance coverage beyond what is specified in the Insurance section 14.*
- *Sales tax and property tax, if any.*
- *Any redundant equipment beyond what is specified in the project description.*
- *Temporary generators or boilers (not normally needed).*
- *Any repairs and alterations to existing site equipment either due to code issues or pre-existing damage. Any repairs and alterations beyond what are required to interface with the CHP system.*
- *“Before-the-meter” gas line work. Assumes current gas pressure, capacity, and service are all adequate for interconnection. No service upgrades included unless noted.*
- *Any additional work needed on the existing electrical switchgear.*
- *Utility Requested or required work to electric panel.*

SCHEDULE C**SYSTEM LOCATION WITHIN PROJECT SITE**

<i>Project Site</i>	<i>System Location</i>
Harry A. Conte West Hills Magnet School, 511 Chapel Street, New Haven, CT	In place of current CHP Module to be removed
Hill Regional Career High School, 140 Legion Avenue, New Haven, CT	In place of current CHP Module to be removed
James Hillhouse High School, 480 Sherman Parkway, New Haven, CT	In place of current CHP Module to be removed
John S. Martinez School, 100 James Street, New Haven, CT	In place of current CHP Module to be removed
Sound School, 60 South Water Street, New Haven, CT	In place of current CHP Module to be removed
Wilbur Cross High School, 181 Mitchell Drive, New Haven, CT	In place of current CHP Module to be removed

SCHEDULE D

CALCULATION OF BUYBACK PRICE
UNDER HOST OPTION TO PURCHASE SYSTEM

\$2,218,551

The Buyback Price shall be the greater of (i) the fair market value derived under Section 12(b) or (ii) the Purchase Price after adjustment based on residual percentages described below and other additions described in this Agreement.

<u>During</u>	<u>Residual</u> <u>Percentage</u>	<u>During</u>	<u>Residual</u> <u>Percentage</u>	<u>During</u>	
Year (1) One	No Buyout	Year (6) Six	80%	Year (11) Eleven	55%
Year (2) Two	No Buyout	Year (7) Seven	75%	Year (12) Twelve	50%
Year (3) Three	No Buyout	Year (8) Eight	70%	Year (13) Thirteen	45%
Year (4) Four	No Buyout	Year (9) Nine	65%	Year (14) Fourteen	40%
Year (5) Five	No Buyout	Year (10) Ten	60%	Year (15) Fifteen	35%