



Report Highlights

Energy Efficiency Contracts 2016 Monitoring and Cost Savings

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Why We Conducted This Audit

We conducted this audit because state law [Louisiana Revised Statute 39:1622(E)(2)] requires the Louisiana Legislative Auditor to conduct periodic performance audits on each performance-based energy efficiency contract entered into by a state agency and in effect on and after January 1, 2010. The purpose of this audit was to determine if the energy service companies conducted their monitoring activities and achieved the cost savings required by their contracts as of June 30, 2016.

What We Found

We found that as of June 30, 2016, there were three energy efficiency contracts in effect. The following table provides a summary of the contracts for the Louisiana School for the Deaf and Visually Impaired (LSDVI), Southeastern Louisiana University (SELU), and the Louisiana Department of Corrections (LADOC).

State Agency	Energy Service Company	Contract Initiation	Contract Length	Performance Commencement Date*	Total Cost	Total Guaranteed/Projected Savings	Projected Net Savings
LSDVI	Johnson Controls, Inc.	May 19, 2004	15 Years	September 1, 2005	\$4,385,684	\$4,421,960	\$36,276
SELU	Honeywell International, Inc.	December 19, 2001	20 Years	November 1, 2003	\$12,141,954	\$12,581,651	\$439,697
LADOC	Johnson Controls, Inc.	September 22, 2011	16 Years	July 1, 2013	\$39,631,903	\$39,741,809	\$109,907

*The first day of the month after the month in which all energy savings equipment is installed and operating per each contract, and the date that the first guarantee year and calculation of savings commences.

Source: Prepared by legislative auditor’s staff using information from the LSDVI –Johnson Controls, SELU-Honeywell, and LADOC-Johnson Controls contracts.

Monitoring

- Johnson Controls, Inc. and Honeywell International, Inc. are conducting all monitoring activities required by their contracts.

Cost Savings

- Johnson Controls, Inc. exceeded the annual savings guarantee for Year 11 of the LSDVI contract through June 2016.
- Honeywell International, Inc. exceeded the annual savings guarantee for Year 12 and Year 13 of the SELU contract through October 2016.
- Johnson Controls, Inc. exceeded the annual savings guarantee for Year 3 of the LADOC contract through June 2016.

View the full report at www.la.gov.