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Environmental Report Says Maryland Energy Contracts Are Paying Off
Leonardo Academy Cites Reduced Energy Usage and Savings for Maryland Taxpayers

BALTIMORE (February 5, 2002) – According to a recent report issued by the Leonardo Academy, a nonprofit environmental organization, energy performance contracts implemented by the State of Maryland will significantly reduce energy usage, lower utility costs and positively impact the global environment. The report states the operational efficiencies and building system improvements to 14 government buildings will produce \$82.4 million in energy savings for the State over the next 12 years – roughly \$6.87 million every year.

“Maryland is taking advantage of guaranteed energy-performance contracting to improve the energy efficiency of its building operations in order to save energy, save money, and have a positive impact on the environment,” explains DGS Secretary Peta N. Richkus, Chair of the Maryland Green Buildings Council. “The State has used these energy performance contracts to create a cost-effective way to limit exposure to price changes which are evident in energy markets.”

Reductions in electricity usage account for 70 percent of the annual savings of \$6.87 million and reductions in natural gas usage account for 30 percent of the savings. Contracts for nine of the 14 buildings are through DGS.

“By taking an energy efficiency approach to the national energy crisis,” explains Michael Arny, president of the Leonardo Academy, “Maryland is doing a tremendous amount of good for its residents and businesses. By reducing energy demands to avoid the problems facing other states, it’s positively impacting the future of our environment, helping its citizens live healthier lives and, is freeing up millions of dollars previously used to pay for energy.”

(more)

Electricity reductions for the 12-year span of the energy performance contracts have been estimated at more than 960,000 megawatt hours with a load demand reduction of 12.2 megawatts. Reducing the demand for electricity increases the reliability of the power supply to Maryland residents and businesses. In addition, investments in cost-effective energy efficiency measures have been shown to deliver local employment and income benefits. The State of Maryland is able to spend less on imported fuels and electricity, which lowers the overall cost of government.

The Leonardo Academy report says there is an important environmental side to these energy reductions, as well. Since these government buildings are reducing their energy usage, they are having a positive effect on greenhouse gas emissions generated by electricity power plants.

The analysis estimates the cumulative decrease in carbon dioxide emissions for the next 12 years of all 14 projects to be 1.2 millions tons, which is the equivalent of planting 3.7 million trees or removing the emissions of 240,000 mid-sized automobiles. Other pollutants, including nitrogen oxides, sulfur dioxides, particulates and various toxic metals, will be reduced by more than 11,000 tons, cumulatively.

In addition to reducing pollution and helping prevent global warming, emissions reductions also positively impact the overall general health of the public. Environmental emissions cause significant health problems among children, the elderly and people with compromised immune systems. Air pollution has also been linked to increased incidence of asthma in children. Cutting energy consumption reduces the emissions that heighten these health problems.

The Department of General Services (www.dgs.state.md.us) serves Maryland and its citizens by supporting other State agencies in achieving their missions. DGS manages 54 state-owned buildings with 6.5 million square feet of space.

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