

# CaseStudy: State of Maryland

Maryland

## Sustaining Maryland's Future

The State of Maryland has a long-standing commitment to the preservation and enhancement of its precious natural resources, particularly the Chesapeake Bay, for the enjoyment of future generations. The State's government believes that its economy and the health and quality of life of its citizens are dependent on the careful stewardship of its environmental resources. It is this commitment and belief that prompted the State to enlist the help of Johnson Controls, Inc. in efforts that will produce nearly \$29 million in energy savings, greatly reduce carbon dioxide emissions, enable necessary capital improvements, and reduce the impact of government building operations on the environment.



Old State House, Annapolis, Maryland

Efforts such as those made by the State of Maryland are the result of government legislation, which dates back to the early 1990's. This legislation mandated that all state agencies reduce energy consumption by 15 percent by 1996, and 25 percent by 2001. More recently, in 2001, Maryland Governor Parris N. Glendening established additional energy efficiency goals. Among them is the goal to reduce energy

consumption per gross square foot of its facilities by 10 percent by 2005, and 15 percent by 2010.

"These goals are representative of Maryland's reputation for leadership in energy efficiency initiatives," indicates Fred Hoover, director, Maryland Energy Administration (MEA). "The performance contracts first initiated in 1994 with Johnson Controls aid in achieving these goals by generating necessary funds and avoiding capital expenditure." Contracts implemented through 2001 will continue to produce energy and emission savings over the next 15 to 20 years. "In addition, increased people comfort, equipment reliability, positive environmental impact, and Johnson Controls accountability is built in because of the contracts' guarantees," adds Hoover.

"Chesapeake Bay is one of the finest inland estuaries in the country. The State is dedicated to the preservation of it and all natural resources," explains Rick Pecora, secretary of the environment for the state of Maryland. "By taking advantage of performance contracting with Johnson Controls, we improve our indoor environments, the efficiency of our building

operations, save energy, save money, and have a positive impact on the environment in keeping with the State's goals."

### Partnership Facilitates State's Initiatives

Three Executive Orders set the stage for ongoing statewide conservation and efficiency initiatives throughout Maryland's government facilities. Collectively these orders establish goals for clean energy procurement, energy efficiency, and water conservation, and initiate a green buildings program along with a task force on energy conservation and efficiency. Although the State of Maryland had already made great strides along these lines, the mandates are designed to ensure continued efforts.

"These mandates require getting the best bang for our buck," says Pecora, who indicates that capital improvements, cost avoidance, and energy savings are proven results of the existing relationship with Johnson Controls. To date, eight Johnson Controls performance contracts ranging from 6 to 15 years in length affect more than 118 government facilities. Services include construction, replacement of various electrical, mechanical, plumbing, and HVAC equipment, lighting retrofits, water conservation measures, installation of energy management systems, electrical sub-metering, and Metasys® building automation systems, and provide training support services.

Through the useful lives of these contracts, 1994-2010, total benefits will include energy cost savings of nearly \$29 million, electric energy savings of nearly 339,000 megawatt hours, and reduced carbon dioxide emissions of nearly 650,000 tons.

Through Planned Service Agreements (PSA), Johnson Controls is responsible for repair and maintenance of all equipment installed under the contracts. Under the PSA's, Johnson Controls technicians ensure optimal equipment performance and provide assistance in developing additional energy conservation and efficiency measures.

"With the performance contracts, multiple facilities are consolidated under one vendor, which lessens the management responsibilities of individual state agencies who previously dealt with multiple service contracts," says Hoover. "Performance contracting upgrades infrastructure through freed capital, allowing expenditures on other hidden problems that need attention," adds Pecora.

### In it for the Long Haul

"Continued performance contracting with Johnson Controls was a natural consequence of these government mandates," says Pecora, who explained that while Johnson Controls is a major player in the State's performance contracting relationships, it must still take part in competitive bid processes where selection is primarily quality based.

"Johnson Controls was selected because they are technically competent, financially secure, and stand behind their promise and product – they are in it for the long haul," says Pecora. "Johnson Controls doesn't just market the program – they own the goals," adds Hoover. "They are attuned to our unique demands and equipped to address them."

### Taking the "LEED"

Maryland first initiated a Green Buildings Program in 1997 along with Governor

Glendening's Smart Growth initiatives. While the Smart Growth initiatives focused on expanding where there is existing infrastructure rather than in green space, the Green Buildings Program's goal was to increase the awareness and use of environmentally friendly building practices. Under the recent Executive Order, Maryland will again take a leadership role with its High Efficiency Green Buildings Program. The new program requires that eligible buildings constructed by the State meet or exceed the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) rating of Silver.

As another first, with the assistance of Johnson Controls, Maryland is the first state



On behalf of Maryland's Department of General Services, Secretary, Peta Richkus receives the Public Service Energy Leadership Award at the Energy Efficiency Forum.

government to sign up for and be accepted into the LEED for Existing Buildings pilot program. The program sets performance standards for the sustainable design of existing buildings including, building operations and upgrades of systems that do not significantly change the interior or exterior surfaces of the building. The objective of the pilot is to ensure the new rating system is practical for application in real buildings.

"Johnson Controls was the first energy service company to really promote green buildings and offer themselves as a



The District Court of Maryland, Centerville, is one of more than 118 government facilities affected by the performance contracts.

knowledgeable resource to the state," says Hoover. "Johnson Controls expertise has made them a key player in all of our LEED initiatives and the only player for the Existing Buildings pilot," indicates Pecora. "They have helped us better understand what the LEED programs are all about and by visiting their Bregel Technology Center in Milwaukee, WI we were able to see it first-hand."

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**"The state is committed to preserving its environment. Because of the fact that Johnson Controls has been in the forefront of energy conservation, I know that what they bring to the table is based on good research and a corporate commitment that I can rely on."**

**Secretary, Peta Richkus**  
Department of General Services

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