The New Hampshire Municipal Energy Assistance Program

Decision Grade Audit Report

Fremont Town Hall
295 Main St., Fremont, NH 03044

Prepared for:

Town of Fremont, NH

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The following report was generated as part of the NH Municipal Energy Assistance Program (MEAP). MEAP is made possible through the New Hampshire Public Utilities Commission and the Greenhouse Gas Emissions Reductions Fund. The program is a collaborative effort to carry out a sequence of greenhouse gas emissions inventories and energy audits for between 24 and 48 geographically diverse communities in New Hampshire, setting the stage for these communities to perform renovations to selected buildings that would reduce energy consumption and greenhouse gas emissions. This report has been generated as a result of the Town of Fremont being selected to participate in this program.

To follow MEAP updates and activities please visit www.nhenergy.org.

Additionally, this report would not be possible without the assistance and input provided by municipal employees and volunteers. We are grateful for the time provided to us by the Town of Fremont.

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Introduction:

MEAP partners are pleased to provide this Decision-Grade Audit Report for the Town of Fremont and the Town Hall (hereinafter "the building"). This report discusses the findings and subsequent recommendations for energy efficiency and occupant health and safety improvements at the building. Included within this report are details regarding the inspection of the building, and examples that illustrate recommended building alterations and improvements that can reduce energy costs, occupancy health risks, and the building's natural resource footprint. In this report we will provide a set of options that can help achieve real energy savings and carbon dioxide reductions. These recommendations should be viewed as initial avenues to making capital investments, and participating in Federal and State level funding opportunities for municipal energy projects.

Prior to receiving an energy audit, each selected municipality must carry out the MEAP Energy Inventory process. The Energy Inventory, and subsequent energy audit, reports relied on data provided to the MEAP team by municipally appointed /authorized elected officials, employees, or community volunteers. These initial findings, along with a further review by SDES staff, helped determine the most appropriate building to provide an energy audit. The intent of the building selection process is to maximizing the potential energy savings, while at the same time catering to municipal goals and objectives. Any municipally owned building that has received any level energy audit or energy assessment prior to this program will be considered ineligible to receive a MEAP energy audit.

The Audit

It is important to know that there a few types, or levels, of energy audit. This audit, described by SDES Group as a Decision Grade Audit (DGA) is a first step towards making investments in the examined building. It is entrenched within the SDES method to begin with this baseline understanding of how and why a given building is performing, and state some of the many approaches to reducing energy consumption, while increasing occupancy health and comfort. This, along with the Town's goals, objectives and project funding capabilities are the foundation of sorting through the many available technologies to form a solid Level II audit.

We have found that this approach eliminates wasted time estimating energy savings and project implementation costs for energy efficiency measures and/or alternative energy systems that may never fall within the objectives of the investor. This DGA serves to aid in deciding, or sorting through, potential projects to be further examined for investment consideration.

Two examples of the many benefits to taking this approach are these: The classic case of a building owner funding a very expensive window replacement project under the mislead assumption that it will save a substantial amount of money in heating costs. The fact is, window replacement projects most often fall quite low on a prioritized list of recommended energy efficiency measures as they usually have high cost and low savings (unfavorable ROI). The benefit in this case is the basic guidance towards long term upgrades with a staged approach. The second example is the time (hourly rate) of an energy auditor to examine the cost benefit of replacing an inefficient oil-fired heating system with *all* the available options. Some of the

options may include (but not limited to) a high-efficiency LP gas boiler or furnace, a geothermal system, a biomass systems (pellet vs. cordwood vs. woodchip) an integrated solar thermal storage system, a cogeneration system of varying fuel types, etc. The distribution system could vary for all of these systems as well. A cost:benefit ratio can be determined for burning any of these fuels with a forced air system, a radiant floor system, hydro-air, baseboard radiators or various other heating systems. Any of these heating plants, fuel types, and distribution system combinations will have a varying cost in installation, fuel price, efficiency, and maintenance. The benefit here is avoided consulting costs by using the DGA as a tool to hone in, or help define, the objectives needed to carry out intended goals.

A community's goals and objectives may be environmentally or economically based. Regardless of motivation, both goals can be reached in tandem by implementing any set of objectives aimed to reduce energy usage. Given that these are public buildings and facilities, comfort and safety are primary concerns that help guide our analysis and recommendations.

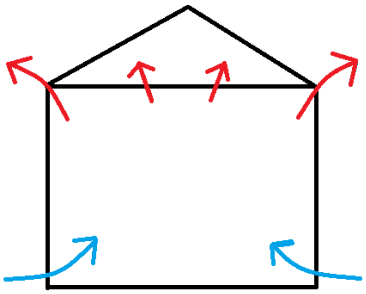
This DGA involves a quantification of energy consumption (electrical and heating fuel), a description of existing heating/cooling and distribution systems, thermal barrier inefficiencies, potential electric savings through lighting/appliances upgrades and behavior change, occupancy health and safety concerns, a prioritized list of recommended improvements, and a look at current 15 year projected energy expenses vs. a 30% annual energy usage reduction for the examined building.

Many of an energy auditor's recommendations will be based on their knowledge and experience with particular products, techniques, and technologies. SDES has worked with all major forms of conventional, alternative and renewable high-efficiency heating and cooling systems, has designed and constructed many types of different high-performance (super-insulated) building envelope systems in an effort to create some of the most healthy, comfortable and efficient private and public spaces in NH. Our prioritized list of recommendations is based on our "what works" experience. Our list will not include detailed specification information on how exactly each item should be carried out, nor will it include estimated energy savings. This type of detail would be presented in an IGA (Level II equivalent) in order to receive estimates for the cost of implementation, and return on investment. These details will be needed to participate and many of the State and Federal loan and incentive programs.

Basics of Heat Loss:

Though we are typically used to measuring heat in temperature, it can be measured in a variety of other units. For the purpose of measuring how much heat is produced to condition a space, and how we measure the rate at which heat leaves a structure, we measure in British Thermal Units (BTUs). One BTU is roughly the same amount of heat produced from a kitchen match. Another good reference to have is that there are about 138,500 potential BTUs in 1 gallon of heating oil. During the winter months, we cannot keep BTUs from leaving our buildings. Hot always goes to cold, or, areas of high pressure are always trying to go to areas of low pressure. What we can do is try to slow the process. We do this by using an **air barrier** and **insulation** at the building envelope to create a thermal barrier.

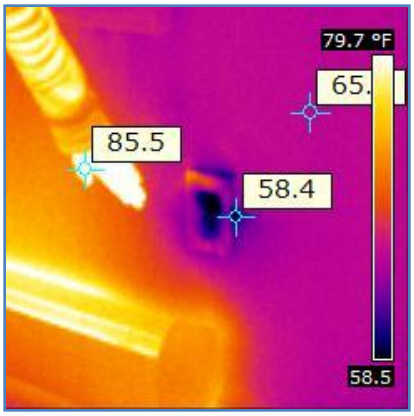
Heat moves through and leaves a building by three different means: *convection, conduction, and radiation*. One way to think of **convective** heat loss is by air movement into and out of a structure. One of the forces causing this to happen is the "stack effect".



The stack effect describes, on a macro level, the natural way in which air moves through a building. As warmed air leaves through the upper levels of a building, cold air infiltrates through the lower sections. In most cases, this pulls air from less than desirable areas of a building, such as basements, crawl spaces and mechanical rooms, which are often damp and unmaintained. These spaces can be the source of exhaust fumes from heating equipment, mold and mildew, as well as a number of other air contaminants, such as radon. Without an effective air barrier between the conditioned (heated and/or cooled) space and the attic, warm air will exit the building. For every 1 cubic foot of air that leaves a building, 1 cubic foot of air will infiltrate at a different location. Gaining control of the air movement through a building not only has a positive effect on efficiency, but also contributes to increased comfort and improved indoor air quality.

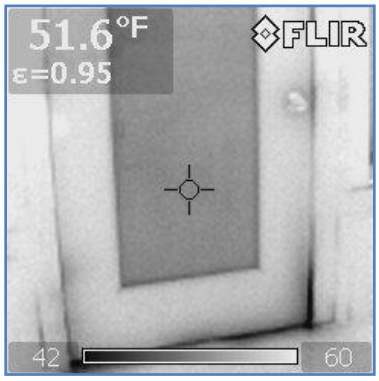
Conduction is the foremost way in which heat travels through a solid building material. R-value is one way to describe a given materials resistance to transfer heat. Materials with a high R-value, such as foams, cellulose, or fiberglass batts are used for insulation. At any location in the building envelope where there is solid building material and no insulation, "**thermal bridging**" will occur. For example, a 2x6 inch wood stud in an exterior wall has an R-value, or insulative value, of about R-7, while the 5-½ inch fiberglass insulation in the wall cavity is rated at R-19. Solid material in the exterior wall of a typical structure built with 2-inch stock, 16 inches on center (O.C.), will usually make up 20-25% of the wall surface area. This, in combination with any doors and windows, means that a significant percentage of the building envelope has an R-value of less than 10. Even a wall with a high R-value cavity insulation, such as spray foam, is subject to these weak points in the thermal boundary. Employing methods to reduce or eliminate thermal bridging in our built

environment will dramatically reduce energy costs and emissions over the long term as we move towards a new generation of energy and environmental challenges.



Radiant heat loss describes how heat waves, or infrared radiation, pass through space from one surface to another. For example, the heat from a hot copper pipe will radiate towards cooler surfaces around it, like an exterior wall. The heat can then conduct through building materials to the exterior.

With regards to the building envelope, **gaining control of convective heat loss is the main priority, and usually the easiest to address through air sealing**. After this is done, increasing insulation levels, or R-value, of the building envelope is the next step to gain better control of conductive heat loss. In many cases, a significant amount of a structure's radiant heat loss will be addressed with added insulation, either to ceilings, floors, walls, ductwork or piping. Treating the whole building as a system, and addressing all the issues of heat loss, will produce optimum savings and comfort.



<u>Basics of Moisture Control:</u>

The issue of moisture control in buildings is very complex and essential to maintaining structural durability and occupant health. The mismanagement of moisture can lead to a multitude of negative effects. Some of these include mold growth, poor indoor air quality, and the early degradation of building materials and equipment. It can also contribute to potentially serious health issues for the people who live and work in our buildings.

The two basic forms of moisture in need of managing are bulk moisture (fluid) and water vapor. Two ways to manage bulk moisture are to keep rain and ground water from entering the building and to quickly fix any water leaks from sources within the building, such as leaking pipes.

Managing relative humidity and water vapor is a challenge. At some points of the year, occupants want more humidity in the air to maintain comfort and less at other times. For example, in the winter months we want more humidity indoors because it helps occupants experience greater comfort. In many situations, we increase the relative humidity mechanically with humidifiers. When indoor air is too dry during the winter, we feel colder, develop dry skin and our upper respiratory system can become dry causing discomfort.

Conversely, in the summer we want the air to be dry. Just as hot goes to cold, wet goes to dry. We cool ourselves by perspiring. As we produce this moisture on our skin, it evaporates into the air, drawing heat away from our bodies. The temperature of a room may not be very high, but if the relative humidity is high, we will feel hot because our perspiration is evaporating at a slower

rate. Much of the comfort we achieve from using an air conditioning system (AC) is by removing the moisture from the air, allowing our skin to dry more quickly.

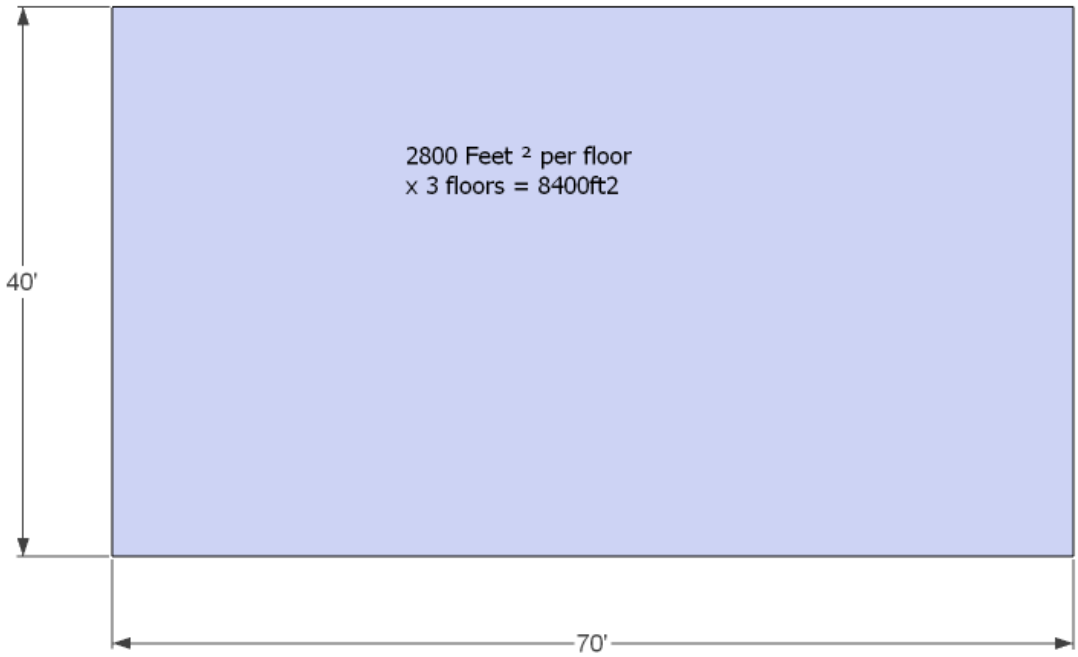
In the winter, there will always be some level of moisture in a heated and occupied space. We want this moisture, or water vapor, to stay within the occupied space for many reasons. Two of the most important reasons are to help occupants feel more comfortable and to keep the water vapor from causing damage within the building envelope.

Just as BTUs conduct through solid materials, water vapor diffuses through solid materials. Some materials are more resistant to vapor diffusion, such as polyethylene, and we use these to form a vapor barrier on the inside of the thermal boundary in an attempt to slow the amount of vapor diffusion. Small amounts of vapor traveling through a properly constructed building envelope will diffuse all the way to the exterior, and not cause any damage**. If a large amount of vapor is allowed to enter a wall cavity, the molecules will condense on the nearest cold surface.** When this happens, moisture can build up on the inside of the exterior wall sheathing or on other surfaces. This will cause a number of problems including long-term damage to insulation and structural components, as well as the promotion of mold growth.

It is important to identify any current moisture problems and address them appropriately. This is always done by first finding and controlling the source of the moisture. Sometimes it can be quite difficult to see moisture damage, as it may be buried inside of wall cavities. It is also important to know that by making changes to a structure and its envelope, we can change the way in which moisture can negatively affect the building.

Building Description:

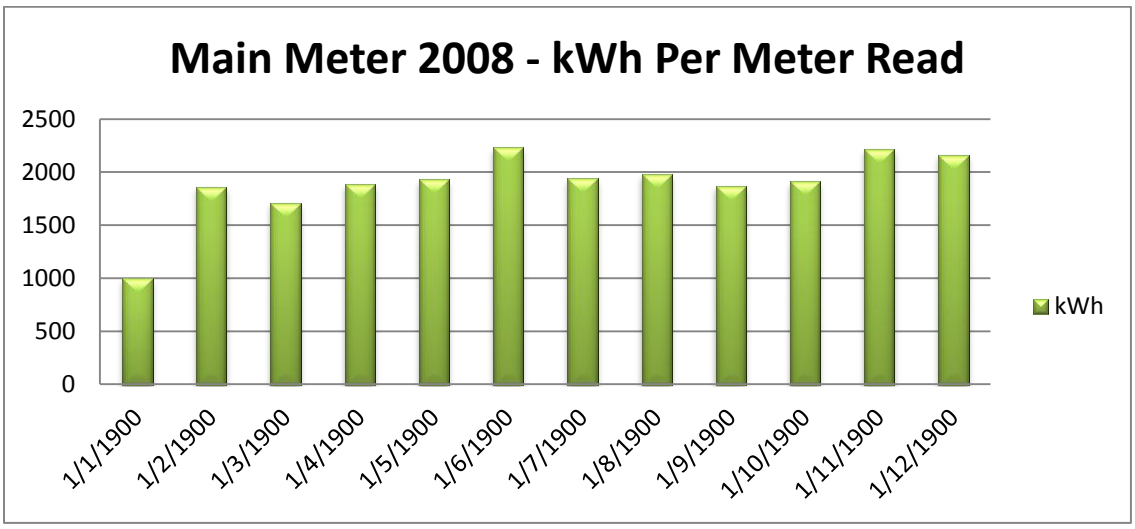
The Fremont Town Hall is a 3 story wooden structure, which was built in 1910. All 3 floors are heated, though only the basement (1st floor) and 2nd floor are used for regular business and kept at normal temperatures. The 3rd floor is a large meeting space with 2 smaller rooms used for storage. The temperature of this space is kept lower in the winter when not in use.



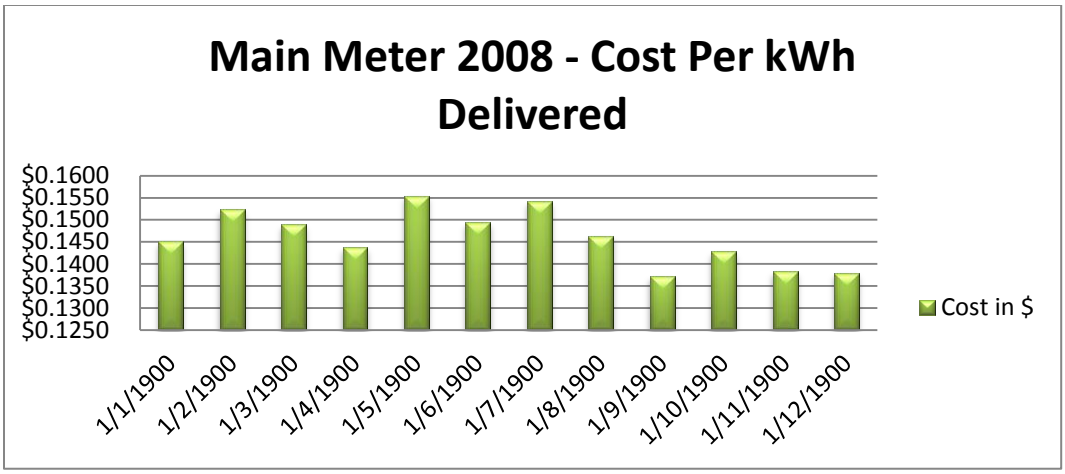
Energy Data Collection:
Analysis from provided utility bills for 2008 produced the following snapshot of electricity consumption. Monthly consumption is designated low to high, red being the lowest and green being the highest consumption months in the table below.

Electric -Main Meter			
Date	**KWH**	**Total $/Mo**	**Cost Per kWh**
12/16/2008	997	$144.73	$0.1452
11/18/2008	1,861	$283.56	$0.1524
10/20/2008	1,710	$254.85	$0.1490
9/18/2008	1,880	$270.16	$0.1437
9/1/2008	1,930	$299.89	$0.1554
8/1/2008	2,230	$333.28	$0.1495
7/1/2008	1,940	$299.17	$0.1542
6/1/2008	1,980	$289.67	$0.1463
5/1/2008	1,870	$256.56	$0.1372
4/1/2008	1,910	$272.85	$0.1429
3/1/2008	2,220	$306.82	$0.1382
2/1/2008	2,160	$297.98	$0.1380
1/1/2008	2,040	$277.69	$0.1361

Total kWh This Year =	**22688**
Total Paid For Year=	**$3,309.52**
Ave Cost Per kWh =	**$0.1460**



Annual electricity consumption for the Freemont Town Hall



Cost of delivered electricity for the Freemont Town Hall

Heat Source 1 - 2 Furnaces			
#2 Oil			
Date	**Fuel Units**	**$**	**Cost Per Unit**
12/3/2008	139	$320.02	$2.302
11/5/2008	155	$355.66	$2.295
8/1/2008	94	$229.47	$2.441
3/28/2008	124	$528.15	$4.259
3/11/2008	100	$219.94	$2.199
2/11/2008	243	$532.73	$2.192
1/16/2008	221	$484.44	$2.192
1/1/2008	289	$635.23	$2.198

Total Units Used =	**1365**
Total Paid For Year =	**$ 3,305.64**
Ave Cost Per Gal =	**$ 2.42**

Hot Water - Stand Alone Water Heater			
LP Gas			
Date	**Fuel Units**	**$**	**Cost Per Unit**
3/24/2008	22	$111.47	$5.067
1/1/2008	42	$203.76	$4.851

Total Units Used =	**64**
Total Paid For Year =	**$ 315.23**
Ave Cost Per Gal =	**$ 4.93**

Blower Door Test Results:

A blower door test was not performed on this building because of one or more of the following reasons.

- Hazardous building materials were found on site. SDES staff did not want to risk disturbing this material and potentially spreading it to occupied areas of the building.
- Mold was discovered in the building. SDES staff did not want to risk disturbing the mold or spreading spores to occupied areas of the building.
- Though lead paint tests were not performed, SDES felt there may be a threat of disturbing lead paint dust with the potential of spreading it to occupied areas of the building.
- Excessive amounts of bat and/or rodent droppings were discovered. SDES staff did not want to encourage the migration of hazardous gases and associated diseases to occupied areas of the building.
- The risk of spreading materials which are not considered to be hazardous such as fiberglass insulation, dust, etc., was too high. Exposure to such materials can cause respiratory, skin, eye and other irritations to individuals working in or conducting business in this building.
- For security purposes, it was logistically not possible during our building inspection to open all interior doors of the building in order to get accurate test readings.
- Business hours at this building conflicted with the scheduled SDES building inspection, rendering it not possible to keep exterior doors closed during the test.
- It was not possible to shut down heating equipment during the SDES building inspection.

Foundation and Basement:

This building sits on a double wythe brick wall foundation. Beneath this brick wall is likely granite slabs, but this could not be confirmed during our inspections. This photo shows how rain water has been splashing off the ground onto the bottom of the brick wall. The same thing is happening on the other sides of the building. It is important to the life of this foundation to try and keep bulk water away from the brick. Fixing this might first start by installing gutters along the eves. Installing a drainage system along the edges of the foundation would also be beneficial and would lend the opportunity to insulate the below grade portions of the foundation with rigid foam board.

Insulating the entire foundation would be very beneficial, and would require installing an exterior insulation and finish system (EIFS). This would include a minimum of two inches of foam with a durable stucco-like finish.

The band joist along the top of the foundation is not air sealed or insulated. What's more, there are several supply air ducts that are not sealed or insulated which are directly next to this weak point. The entire band joist of the building should be insulated with closed-cell spray foam insulation.

Exterior Walls:

The exterior walls have been sided with pieces of metal, which are molded like carved blocks as seen in this photo to the right. Air is able to infiltrate at the bottom of this siding where it meets the foundation, and though each seam of the metal does have a fairly tight fit, the accumulated leakage could be substantial.

Most of the wall cavities that we were able to inspect did have cellulose insulation blown into them, though we did discover some cavities that did not.

This picture shows some shallow shelving located in the exterior wall of the building in the basement stairwell. The boards at the back of this shelf are actually the exterior sheathing boards.

Some minor work can be done to better air seal and insulate the walls of this building, but making a large improvement to the thermal performance of the exterior walls would require a substantial investment. The best way to do this would likely be by insulating the building from the exterior in a similar way as described for the basement walls. With at least 2 inches of foam on the exterior of the building, either a stucco type finish could be applied or strapping could be fastened through the foam to the structure and clap board type sidings could be used. Doing this would dramatically reduce long term costs for heating and cooling this building.

Ceilings and Attic:

The ceilings above the 2nd floor have been insulated with loose-fill cellulose. As this photo indicates, the insulation has been moved aside in various areas when electrical work was done, and the insulation was not replaced. Furthermore, each time this is done a new air passage around the new wiring is created. Any holes from wiring or other mechanical work should be air sealed.

This photo shows the how wall cavities from interior partitions can be open to the attic space. All of these wall cavities essentially act as individual chimneys, dumping heat from the conditioned space below into the attic. Not only an inefficiency with respect to heat loss, these unsealed cavities may mean the difference between losing an entire building or not in the unfortunate case of a fire. After all air passage ways into the attic have been sealed, it would be beneficial to add more loose-fill cellulose to what is there already. The goal should be to achieve R-60 or better.

This photo shows a large chase way around this unsealed/uninsulated ductwork. This chase way, which runs all the way from the basement to the 3rd floor, also acts like a chimney. This large contributor to the stack effect helps air to infiltrate the building in lower areas, collects heat from the intentionally conditioned basement and 1st floor, and deposits it into the 3rd floor.

Doors and Windows:

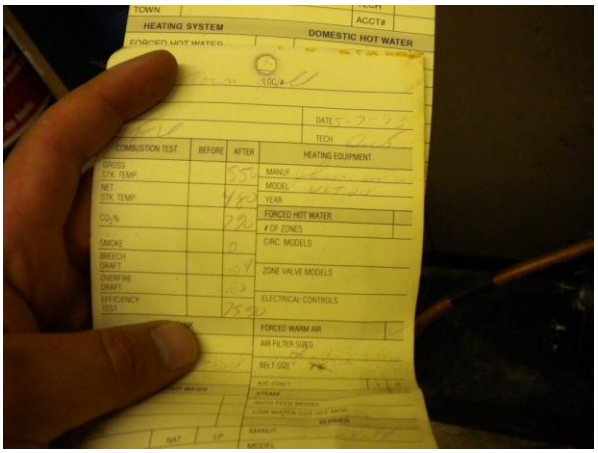
The windows in the this building have been replaced. Our only recommendation is to ensure that they are well sealed between the units and the frame and/or trim of the exterior walls.

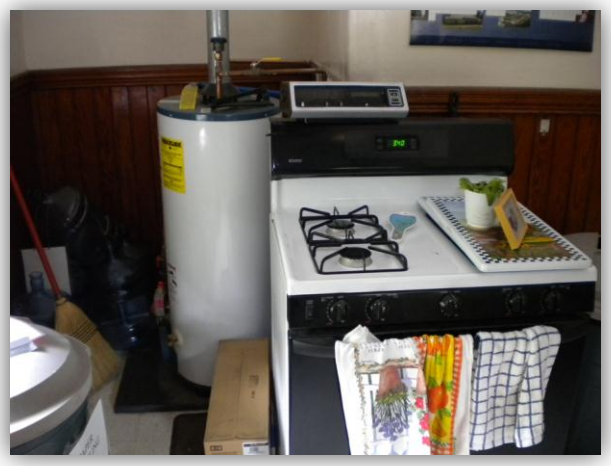
This photo shows the cracks and gaps around the trim and replacement windows in the basement. Without a good air seal, the effectiveness of having replaced these windows is reduced to merely improved operability.

To the right is a picture of the 3rd floor exterior door. As one can see, daylight is clearly visible from around the edges. Furthermore, there are major air leaks from the door itself. Replacing this door with a high efficiency/insulated unit would be beneficial. In the interim, any cracks or holes in this door should be sealed and weather stripping should be installed in order to stop the air flow.

Mechanical:

This building is heated with the 2 oil-fired furnaces seen in the photos below. These are old inefficient units that are at the end of their useful life. There are many system and fuel options for replacing these units, which can be discussed during the presentation of this report. Regardless of fuel type, if a forced air system is to remain in place, all of the ductwork in this building should be cleaned, air sealed, and insulated. Also, heat or energy recovery ventilation systems should be incorporated into each return plenum. More about the ventilation systems is discussed later in this report.





The hot water for this building is provided by the gas-fired hot water heater seen in this photo. Relative to other technologies, this is an inefficient unit. If gas is to be the preferred fuel for heating hot water, we recommend installing a high efficiency, wall mounted, on demand gas water heater. Also, all of the piping should be well-insulated.

Electrical:

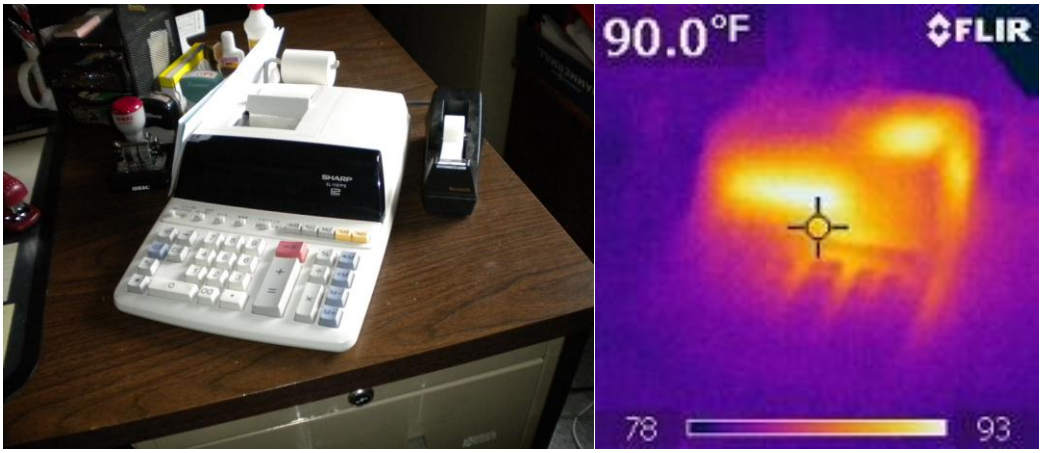
Most of the electric usage in the building appears to be "baseline" usage. That is, there are not large spikes, at least in the measured year, of electric usage in the winter or summer. Other than standard office equipment and lighting, there are a few pieces of equipment that are likely making up a substantial portion of monthly electric bills. The photos below show a chest freezer and combination refrigerator/freezer located in the basement. Neither of these units had much food in them, and the food that was there was, for the most part, long past expiration dates. These units should be replaced with the highest efficiency models available. Furthermore, if there are long periods when not much food is needed to be stored, the contents should be consolidated into one, and the other should be unplugged. Make sure that the doors are left ajar if a unit is unplugged as to not encourage mold growth within.

There is certainly opportunity for upgrading the lighting in this building. Updating florescent tube fixtures while using T8 tubes instead of T12 and replacing any incandescent bulbs with compact florescent (CFL) or LED units is a great first step towards addressing electric tied to lighting needs. Also, invest in outdoor LED options for safety lights that are left on during the night year round. The more a light fixture is used, the more important it is to use the most efficient source available.

As part of a new heating system, cooling coils could be installed forced air system in conjunction with high efficiency outdoor condensing units. Only the highest efficiency condensing units should be considered. Some new models have a seasonal energy efficiency rating of 20 or greater. These new models can operate 40% to 60% more efficiently than most types installed even just 6 years ago and would certainly be more efficient that running several smaller inefficient window AC units.

Consider unplugging the water bubbler seen here in this photo. As the IR image shows, this unit is constantly keeping the water cold and hot, even though this office may only be occupied for 12 out of 24 hours daily. If hot water is needed for a hot beverage, consider purchasing an electric tea pot, which will only be heating water when need be. Furthermore, unless the tap water at this location is contaminated, it likely is just as clean as the water from these large bottles, making this total expense unnecessary.

Most modern electronic equipment draws a small amount of electricity even when powered down, which can equal a sizable amount in cost at the end of the year. Using power strips and fully cutting the power to electronics will reduce this unintended electric usage.



Health, Safety and Comfort:

Any gasoline equipment or fuel cans should be kept in a location outside of this building.

Though we did not test for lead paint, this building , given its age, should be assumed to contain lead paint unless otherwise proven. Information about the risks of lead paint can be found at the EPA's website: http://www.epa.gov/lead/

Make sure that there are an appropriate number of well-placed carbon monoxide and smoke alarms placed throughout this building.

Though we did not test for mold, there were no obvious signs of mold growth in this building. Any moisture issues that should occur need to be addressed right away, always beginning by eliminating the source of the moisture

There were some signs of rodents found in this building. Such animals like mice and bats can emit harmful gases from their droppings and are common in a building like this. It is important to address such issues immediately should they arise. The first line of defense is always to eliminate access points into the building.

Any building, whether a residence or a place of business, needs to offer regular fresh air to the people living and working in these structures. The standards for how much fresh air to introduce vary depending on the use, size, and number of occupants in the structure. In some cases, this means introducing a continuous amount of air measured in cubic feet per minute (CFM). Other cases require a measured number of times per hour that the total volume of air is changed. If air-sealing and insulation work is completed on an existing building, it may leave the building providing inadequate amounts of fresh air. If an existing fresh air supply system was designed and installed well, meeting the requirements for the particular building based on square feet, use type, and number of occupants, than air-sealing projects should only serve to eliminate excessive ventilation. A blower door test would determine how tight the building is as a result of the efficiency upgrades, if there is a need for additional fresh air, and how much air to introduce.

Whether installing a fresh air supply system for the first time in a building, or wanting to make an existing system more energy efficient, the most effective way to provide fresh air in either case would be with a heat recovery ventilator (HRV) or an energy recovery ventilator

(ERV). These units can be installed in a few different ways which vary where they pull stale air from, and where the fresh air is introduced to. In the case of integrating HRVs or ERVs into an existing forced-air distribution system, they will function by removing a percentage of the stale air from the return plenum, and then introducing charged, fresh air to the return plenum right before the air-handler. In the winter, warm/stale air being removed from the building will charge the incoming fresh air with a heat exchanger located inside the device. Conversely, in the summer months the exhausted cool/stale air from the interior will cool down the hot/humid air from the exterior before entering the air-handler. An ERV has a desiccant wheel as well. This allows for the transfer of moisture and recovery of some of the latent energy otherwise lost by expelling the moisture in the air. In the winter months, some of the moisture in the exhaust air will be transferred to the incoming dry air to help maintain occupancy comfort. In the summer, dry/conditioned air from the interior will remove, at least a portion of, the moisture from the humid incoming air - see Figure 1. Typically, the benefits of an ERV are best realized in areas of high summertime humidity such as in the Southern and Southeastern regions of the US. Subsequently, HRVs are usually installed in the Northeast where humidity levels are generally lower. There are however conditions that may warrant an ERV such as in cold climates if there are few occupants (sources of humidity) in a large drafty building. The ERV may help to maintain more comfortable humidity levels.

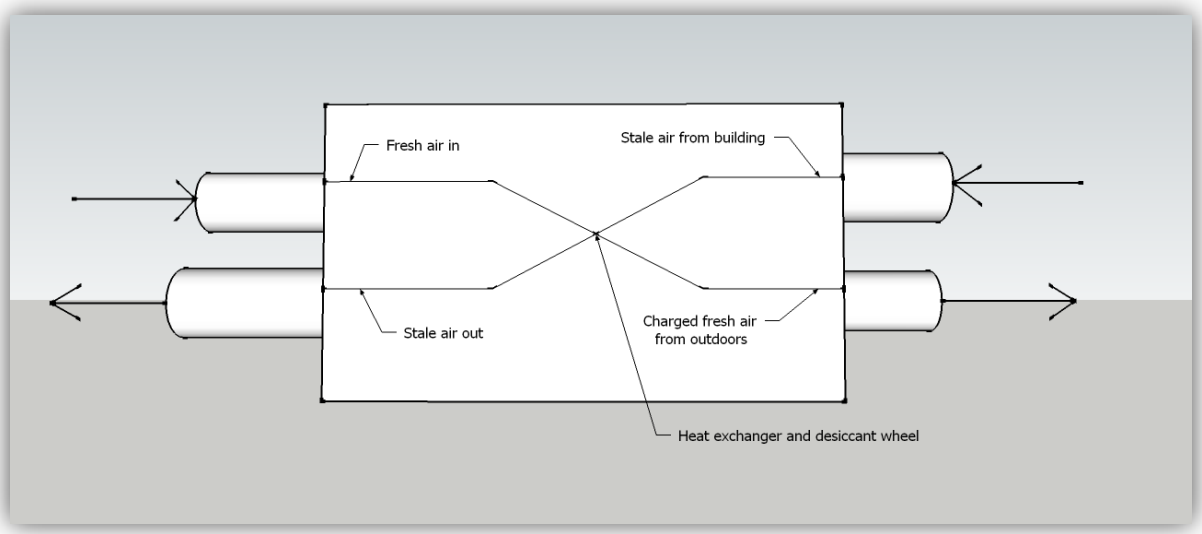


Figure 1

Recommendations:

The following list of recommendations will include steps for improving the performance of this building. Though further analysis is needed to give reasonable estimates of the effectiveness for the energy improvement recommendations, the health and safety concerns should be addressed regardless of whether or not they will reduce energy consumption. Some may in fact increase energy consumption.

This list will focus on each part of the building. Some sections may list the highest impact items first (large initial investment/large energy savings), others may be lower impact improvements that have a low implementation cost (may only require behavior change). These lists will be well explained during the presentation of this report.

Our prioritization is based on our "what works" experience. This list will not include detailed "spec" information on how exactly each item should be carried out. This type of detail would be presented in an IGA (Level II equivalent) in order to receive estimates for the cost of implementation, and return on investment.

Foundation and Basement:

- Apply an exterior insulation and finish system (EIFS) to the brick foundation. This should be done with a minimum of 2 inches of foam insulation. Where possible, excavate along the perimeter of the building and run the foam insulation as far below grade as possible.
- Insulating the floor of the basement would also be quite beneficial, and if done should incorporate a well-sealed/durable vapor barrier.
- Spray the entire band joist with closed-cell spray foam insulation.

Exterior Walls:

- Seal any air passage ways in the interior wall finish. This should also be done for interior partitions that may help to transport conditioned air from the 2nd floor to the 3rd.
- Consider extending the recommended EIFS of the foundation all the way to the top of the exterior walls.

Ceilings and Attic:

- Air seal any penetrations from the 3rd floor space to the attic area. Add more loose-fill cellulose with the goal of achieving R-60 or greater.

Doors and Windows:

- Ensure that all windows and doors provide a good are seal when closed. Attention should also be paid to the trim around each unit, both inside and out.

Mechanical:

- We can discuss the various heating system replacement options during the presentation of this report.
- If the forced air system is to remain, all the ductwork should be air sealed with mastic, and wrapped in duct insulation.
- Integrate cooling coils into the forced air system to be serviced by outdoor condenser units. Only install outdoor condensing units with the highest SEER available.
- Integrate energy recovery ventilation systems into the return side of each forced air system.
- Install digital/programmable thermostats and keep them set at an appropriate schedule for each zone.
- Replace the current hot water heater with a high efficiency, wall mounted, on demand gas water heater. Also, ensure all of the piping is well-insulated.

Electrical:

- Make use of smart power strips, and be sure to cut the power to any equipment when it is not in use.
- Consolidate the contents of the refrigerator and freezer in the basement, and unplug one of the units when it is not in use. Replace all refrigeration systems with the highest efficiency models when funds become available.
- Updating florescent tube fixtures while using T8 tubes instead of T12, and replacing any incandescent bulbs with compact florescent (CFL) or LED units is a great first step towards addressing electric tied to lighting needs. Also, invest in outdoor LED options for safety lights that are left on during the night year round. The more a light is used, the more important it is to use the most efficient source available.
- Be sure to invest in the highest efficiency, Energy Star rated equipment when buying new items or replacing the old.
- Installing a photovoltaic solar system on site, either to meet the needs, or supplement the costs of electricity is always recommended. Options for funded such a project are given in the "Financial Considerations and Options" section of this report.

Health and Safety:

- Address any pest or moisture issues that may arise, always by first eliminating the source or access of such unwanted problems.
- Install ERV units to ensure an adequate number of air exchanges per hour.
- Ensure that there are an appropriate number of well-place carbon monoxide and smoke alarms installed throughout this building.
- Ensure that any open combustion appliance have an adequate supply of combustion air.

Financial Considerations and Options:

A common occurrence across many communities within New Hampshire is the challenge of obtaining the necessary capital funds to carry out the recommended retrofits found within the audit. The following information is an attempt to provide some assistance with understanding some concepts and pathways to acquiring public or private funds to carry out an energy efficiency or generation project. Also, portions of the following information have been taken from the New Hampshire Handbook on Energy Efficiency and Climate Change – Volume II.

New Hampshire Energy Technical Assistance and Planning (ETAP):

ETAP is a NH specific program funded by the American Recovery and Reinvestment Act (ARRA). This federally funded program is being administered by the NH Office of Energy and Planning, and is designed specifically to aid NH municipalities as they plan for and implement measures to reduce municipal energy costs.

The highly experienced ETAP team is eager to provide this assistance to your community, but you must sign into the program before mid-2012. Your community will not be required to write a proposal, and there are not charges for these services. It is important to remember that participating in any program will require time from municipal staff. The hours needed would likely run parallel to the size and complexity of the project your community wants to endeavor.

For inquiries on how your community can receive assistance from this valuable program, you will need to contact the ETAP Technical Assistance Coordinator, Eric Halter, at 603.225.3060. You can also get started by directly contacting your Regional Planning Commission (RPC). A full list of NH RPC's is provided below.

Central New Hampshire RPC - 603.226.6020

Lakes RPC - 603.279.8171

Nashua RPC - 603.424.2240

North Country Council - 603.444.6303

Rockingham RPC - 603.778.0885

Southern New Hampshire RPC - 603.669.4664

Southwest RPC - 603.357.0557

Strafford RPC - 603.742.2523

Upper Valley Lake Sunapee RPC - 603.448.1680

NH Community Development Finance Authority (CDFA) – Municipal Energy Reduction Fund:

The NH CDFA was awarded $1.5 million through the Regional Greenhouse Gas Initiative (RGGI) to establish a revolving loan program in order to aid NH municipalities wishing to make their building stock more energy efficient. These loans are structured based on the amount of energy a given project will reduce, and terms/rates are flexible.

Municipalities can register and apply online at:
www.nhcdfa.org/web/erp/merf/merf_overview.html

For questions regarding this program, contact Cassandra Bradley at 603.717.9114 – cbradley@nhcdfa.org

NH PUC – Commercial and Industrial Renewable Energy Rebate Program:

The NH Public Utilities Commission has created a rebate program for renewable energy systems that is available to Local Governments. Participants will need to have a "Level II" audit performed, and some of the energy efficiency measures implemented prior to being eligible for receiving the final rebate. This is a great opportunity for municipalities who are interested in installing a renewable energy system to receive a similar type of aid previously only available in residential and commercial applications.
There is a maximum incentive, and funding is limited, which means that municipalities will have to carry much of the cost. Participants need to fully understand and follow the project guidelines.

For questions regarding this program contact:
Kate Epsen
NH PUC
603.271.2431
kate.epsen@puc.nh.gov

More information can be found online at:
http://www.puc.nh.gov/Sustainable%20Energy/RenewableEnergyRebates-CI.html

Utility Programs:

NH utilities may provide technical and financial assistance for various types of efficiency measures that can be carried out at the Town's municipal facilities. Some programs offer the opportunity for municipalities to go forward with the installation of approved measures at no up-front cost to the municipality. A town simply pays for the energy improvements with the savings from reduced energy usage until the project is paid off. Contact your utility provider to discover ways in which they can assist your municipality in reaching its energy efficiency goals.

For National Grid Customers:

- Call - 1.800.843.3636
- Visit - https://www.powerofaction.com/newhampshirecigasnaturalgasheating/

For Unitil electric and/or gas Customers:

- For natural gas customers – 866.933.3820
- For electric customers – 800.582.7276
- Visit - http://www.unitil.com/energy-efficiency/commercial-industrial-programs-rebates-assistance

For PSNH Customers - contact the PSNH representative for your region:

- Seacoast/Northern Region, Kathleen Lewis, 603.436.7708 ext. 5628 lewiskx@nu.com
- Southern Region, Elizabeth Larocca, 603.634.2380 larocel@nu.com
- Western/Central Region, Sue Blothenburg, 603.357.7309 ext. 5115 blothse@nu.com
- Visit - http://www.psnh.com/SaveEnergyMoney/For-Business/Municipal-Smart-Start-Program.aspx

For NH Electric Coop Customers:

- Contact Member Solutions at 1.800.698.2007
- Visit - www.nhec.com/energy_efficiency_programs.php

For PSNH Customers - contact the PSNH representative for your region:

- Seacoast/Northern Region, Kathleen Lewis, 603.436.7708 ext. 5628 lewiskx@nu.com
- Southern Region, Elizabeth Larocca, 603.634.2380 larocel@nu.com
- Western/Central Region, Sue Blothenburg, 603.357.7309 ext. 5115 blothse@nu.com
- Visit - http://www.psnh.com/SaveEnergyMoney/For-Business/Municipal-Smart-Start-Program.aspx

Additionally, a terrific resource for monitoring and understand what type of incentives are available for both energy efficiency and generation is the "Database of State Incentives for Renewables & Efficiency", or DSIRE. This site, funded by the US Department of Energy, provides a list of the potential financial incentives found within New Hampshire and the Federal Government. To see what is available within New Hampshire go to www.dsireusa.org and click on New Hampshire.

Third-Party Financing Options:

The most important part to understanding the potential in third-party is the ability to address up front capital costs and access tax benefits. Additional benefits are potential operations and maintenance savings where the implementation is owned by a third-party. In the three-party model, new businesses create an income stream and take over the insurance, performance assurance, and maintenance of the renewable energy system. New jobs and local investment follow. The business secures stable and long-term funding enabling expansion to other facilities for similar projects.

There are several benefits that appear for the municipality that is considering a third-party financing strategy.

Ability to Monetize Federal Tax Incentives. Federal tax incentives for some projects can equal 30% of the installed capital cost. Under the current law, this 30% is payable in the form of a grant from the Department of Treasury. In addition, businesses can accelerate the depreciation of the cost of some systems and installations using a five-year schedule. Together, these two incentives can have a tremendous impact on both the cost of and the financial returns on a project. Local governments, however, cannot directly benefit from these incentives. The third-party ownership model introduces a taxable entity into the structure that can benefit from the federal tax incentives, lowering the overall cost to the non-taxable entity.

*Low/No Up-front Cost*s. Even with programs to provide support to municipalities, such as rebates and grants, the need to reduce this amount, the up-front cost is significant. Given the current economy and budget constraints, a large initial investment is difficult to achieve regardless of the return on the investment. A third-party structure places the responsibility of the increased initial cost on to the investor/developer of the project.

Predetermined Energy Pricing. In a project that involves efficiency or distributed generation, the portion of conservation or generation that is met by the project can be considered "fixed" at a particular price in the terms of the contract. This can be in the form of a fixed-priced power purchase agreement (with a predetermined escalation rate). This predictability offers stable pricing for the portion of the entity's load served by the project. In most cases, the price of electricity in power purchase agreement is usually set at or below the customer's current retail rate for the first year, and then escalates annually for term of the contract (in a solar PPA, these terms are usually 20 – 25 years). For solar projects, an annual price escalator of 3-3.5% is common.

Operations and Maintenance. Another attractive feature of the third-party ownership structure is the fact that new equipment can result in lower operation and maintenance expenses and in the case of some systems, the entire cost and responsibility can shift to the project developer.

Eventual Ownership. As a final issue, third-party structures can be pre-crafted to permit and even encourage local government buyout provisions. This allows the municipality to consider advanced purchase options if circumstances change in a way that makes this pathway more beneficial. If for instance a grant program becomes available, such funds can be used to accelerate the ownership path and provide for a more immediate "vesting" of full savings opportunities.

Otherwise, these arrangements usually provide for a number of options at the end of the term, the three likely scenarios for the host would be to: 1) extend the arrangement, 2) purchase the facility, or 3) ask that the improvements be removed.

Energy Price Stability:

The second most important concern about energy costs is the volatility. Municipalities budget on a yearly cycle and must predict energy costs over the year – sometimes over pricing the cost in the case of high lock in prices or subjecting the municipality to risk where a cost (+ some percentage) contract is used for the year. When prices go up budgets go up, when the go down, budgets tend to go down. Changes result is wide variation in predictability and thus lead to fund shortages or balances, and general frustration on all sides of the discussion.

The concept of stability in the context of energy prices is achieved through on-site distributed generation with effective predictive modeling and most importantly, efficiency. The cheapest energy available is the energy you don't need. The less you buy the less amount of appropriations are subject to the price swings.

The follow Table and three Graphs were retrieved from the U.S Energy Information Administration website, were included in the 2010 Annual Energy Outlook, and are a clear indications of the fact that energy costs will continue to rise over the long term. It is extremely difficult to predict how quickly the cost of energy will escalate as there are too many economic, political, resources, etc. variables that influence these prices. Some years energy cost may be much lower than predicted, and some years may be much higher. The one thing that appears to be certain is that the cost of energy in the decades to come will pose great financial burdens on NH municipalities and their tax payers if no steps are taken to prepare for this forecast.

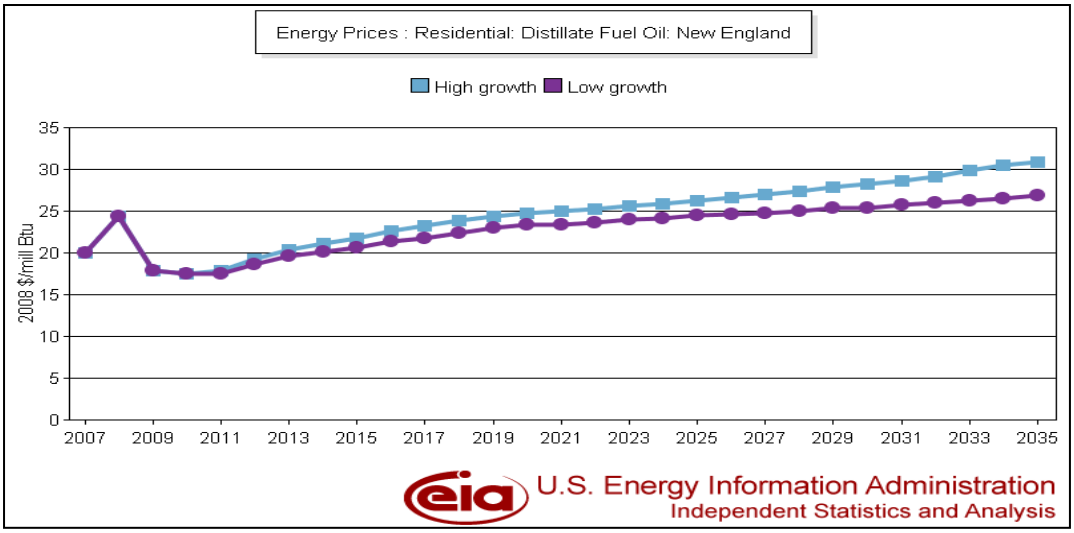
For more information on the history of energy prices and how energy cost projections are calculated, please visit: http://www.eia.doe.gov/analysis/

Price Summary

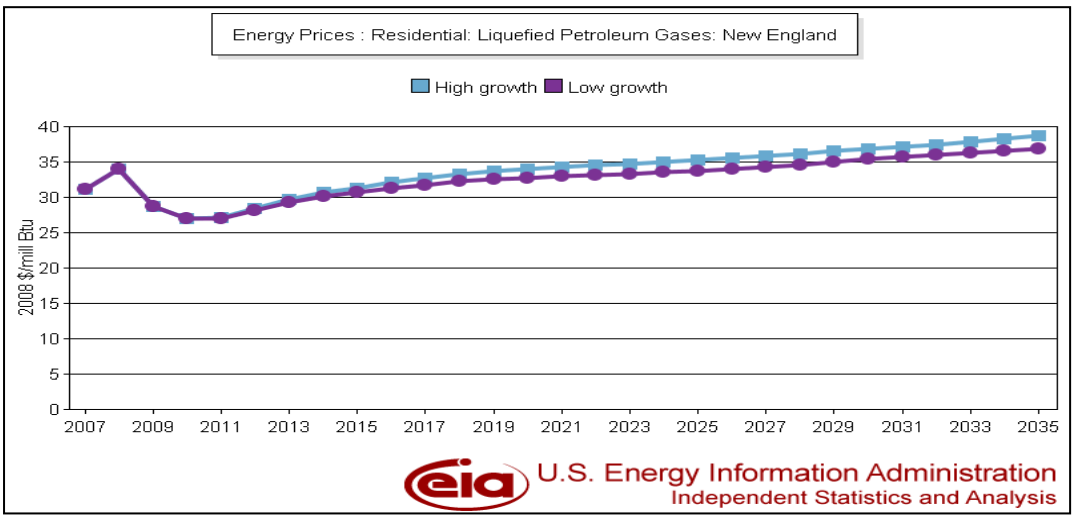
	Year				Percent Change		
	2009	2010	2011	2012	09-10	10-11	11-12
WTI Crude[a] ($/barrel)	61.65	79.40	93.26	97.50	28.8	17.5	4.5
Gasoline[b] ($/gal)	2.35	2.78	3.15	3.30	18.4	13.4	4.8
Diesel[c] ($/gal)	2.46	2.99	3.43	3.51	21.5	14.7	2.4
Heating Oil[d] ($/gal)	2.52	2.97	3.41	3.55	17.5	14.8	4.3
Natural Gas[d] ($/mcf)	12.12	11.17	11.29	12.01	-7.8	1.1	6.3
Electricity[d] (cents/kwh)	11.51	11.58	11.65	11.74	0.7	0.6	0.7

[a] West Texas Intermediate. [b] Average regular pump price.
[c] On-highway retail. [d] U.S. Residential average.

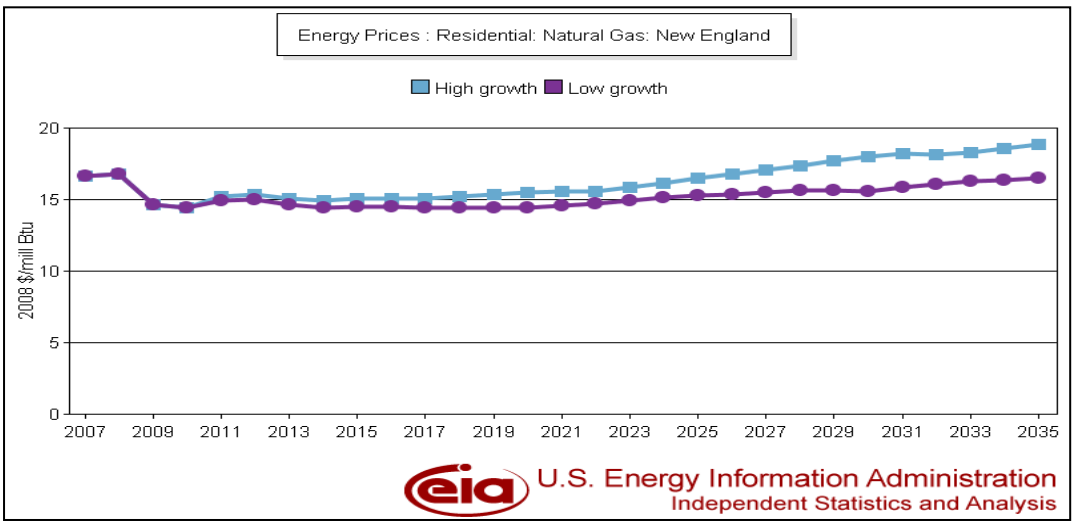
Table 1 – Retrieved from US EIA website



Graph 1 - Retrieved from US EIA website



Graph 2 - Retrieved from US EIA website



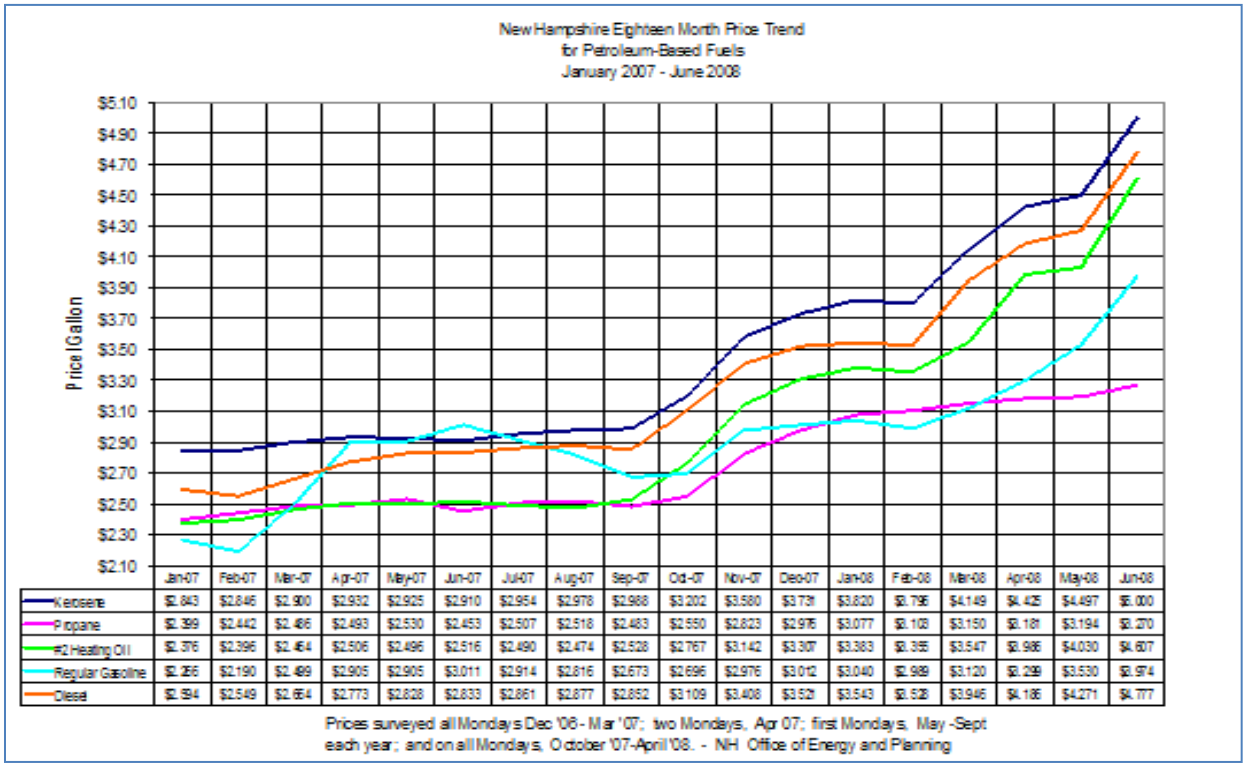
Graph 3 - Retrieved from US EIA website

The following three Graphs (retrieved from the NH OEP website) show average prices in NH for liquid fuels beginning in January of 2007 and end in December 2010. These graphs help to illustrate just how volatile the cost of energy is, and the steady rise of price regardless of occasional "spikes" or "dips" in the market. As unfortunate as the 2008 energy prices were, these types of events only serve to shorted the Return on Investment for those who implemented energy efficiency measure prior to their occurrence.

When considering the type of energy reduction project to implement, it is very important for Local Governments to look far into the future of energy costs, as municipalities will own and operate most of their building stock for as long as they may stand.

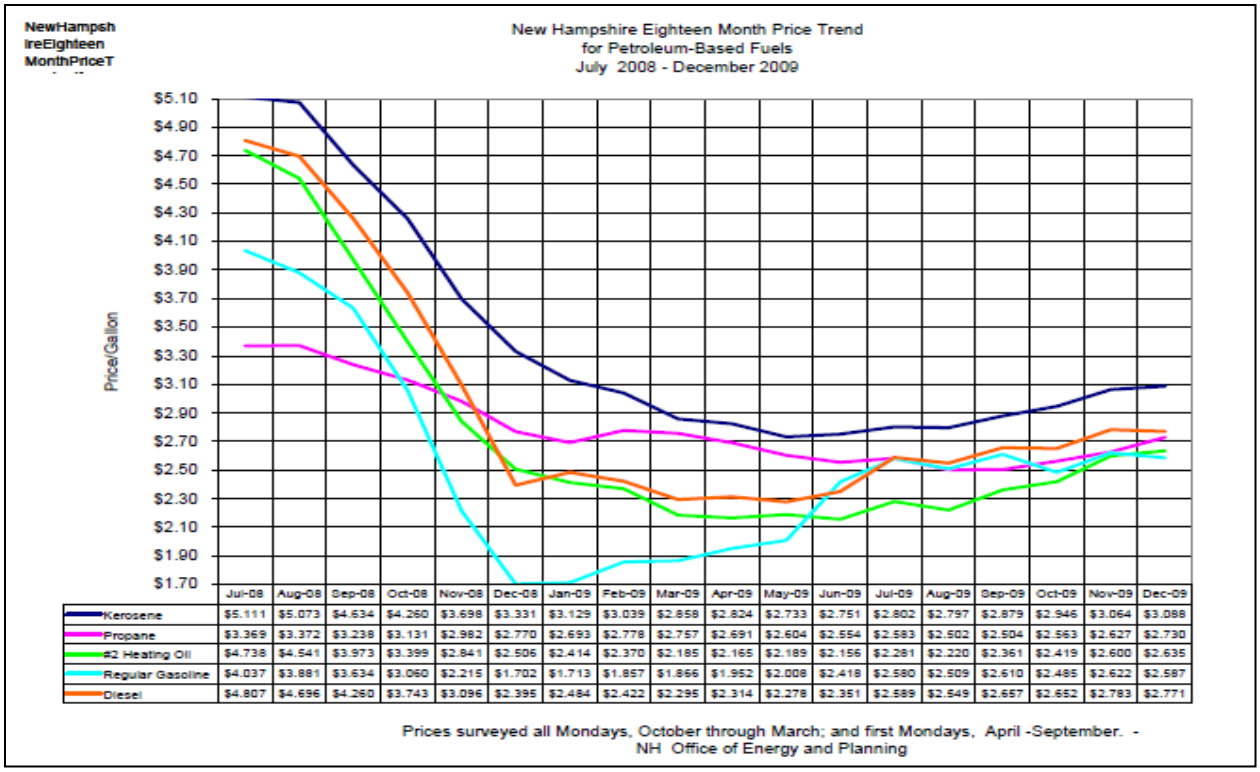
Projects such as air-sealing and insulating can be thought of as a different species of project and investment when compared to items like heat systems, appliances, and alternative energy systems. In the case of the latter, these types of energy investments have a shelf life. A boiler and a PV system may only last 30 years before it is time to replace them, even with careful maintenance and care. This is an important consideration when factoring in the true life cycle cost of the implemented solution.

Insulation and other building envelope projects are investments that are permanent, require little or no active maintenance, and will stand with the building during its lifetime. These investments secure baseline improvements that in turn provide a foundation for other investments. Lowering the amount of heat needed for a building is the best way to insure that a new and efficient heating plant is as small as it can be, providing the most savings.



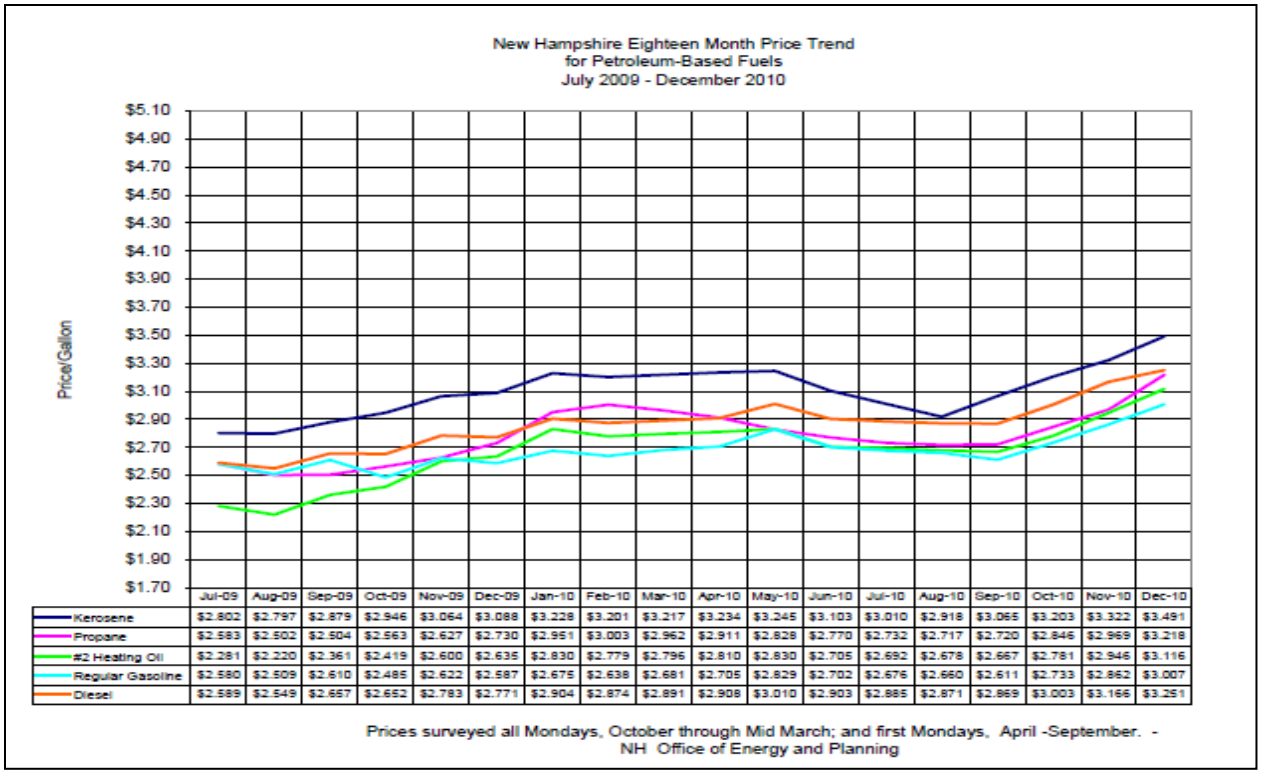
	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Kerosene	$2.843	$2.846	$2.900	$2.932	$2.925	$2.910	$2.954	$2.978	$2.988	$3.202	$3.580	$3.731	$3.820	$3.796	$4.149	$4.425	$4.497	$5.000
Propane	$2.399	$2.442	$2.466	$2.493	$2.530	$2.453	$2.507	$2.518	$2.483	$2.550	$2.823	$2.975	$3.077	$3.103	$3.150	$3.181	$3.194	$3.270
#2 Heating Oil	$2.376	$2.396	$2.464	$2.506	$2.496	$2.516	$2.490	$2.474	$2.528	$2.767	$3.142	$3.307	$3.383	$3.355	$3.547	$3.986	$4.030	$4.607
Regular Gasoline	$2.266	$2.190	$2.499	$2.905	$2.905	$3.011	$2.914	$2.816	$2.673	$2.696	$2.976	$3.012	$3.040	$2.989	$3.120	$3.299	$3.530	$3.974
Diesel	$2.594	$2.549	$2.664	$2.773	$2.828	$2.833	$2.861	$2.877	$2.852	$3.109	$3.408	$3.521	$3.543	$3.528	$3.946	$4.186	$4.271	$4.777

Figure 2 - Retrieved from NH OEP website



	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Kerosene	$5.111	$5.073	$4.634	$4.260	$3.698	$3.331	$3.129	$3.039	$2.858	$2.824	$2.733	$2.751	$2.802	$2.797	$2.879	$2.946	$3.064	$3.088
Propane	$3.369	$3.372	$3.238	$3.131	$2.982	$2.770	$2.693	$2.778	$2.757	$2.691	$2.604	$2.554	$2.583	$2.502	$2.504	$2.563	$2.627	$2.730
#2 Heating Oil	$4.738	$4.541	$3.973	$3.399	$2.841	$2.506	$2.414	$2.370	$2.185	$2.165	$2.189	$2.156	$2.281	$2.220	$2.361	$2.419	$2.600	$2.635
Regular Gasoline	$4.037	$3.881	$3.634	$3.060	$2.215	$1.702	$1.713	$1.857	$1.866	$1.952	$2.008	$2.418	$2.580	$2.509	$2.610	$2.485	$2.622	$2.587
Diesel	$4.807	$4.696	$4.260	$3.743	$3.096	$2.395	$2.484	$2.422	$2.295	$2.314	$2.278	$2.351	$2.589	$2.549	$2.657	$2.652	$2.783	$2.771

Graph 4 – Retrieved from NH OEP website



	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Kerosene	$2.802	$2.797	$2.879	$2.946	$3.064	$3.088	$3.228	$3.201	$3.217	$3.234	$3.245	$3.103	$3.010	$2.918	$3.065	$3.203	$3.322	$3.491
Propane	$2.583	$2.502	$2.504	$2.563	$2.627	$2.730	$2.951	$3.003	$2.962	$2.911	$2.828	$2.770	$2.732	$2.717	$2.720	$2.846	$2.969	$3.218
#2 Heating Oil	$2.281	$2.220	$2.361	$2.419	$2.600	$2.635	$2.830	$2.779	$2.796	$2.810	$2.830	$2.705	$2.692	$2.678	$2.667	$2.781	$2.946	$3.116
Regular Gasoline	$2.580	$2.509	$2.610	$2.485	$2.622	$2.587	$2.675	$2.638	$2.681	$2.705	$2.829	$2.702	$2.676	$2.660	$2.611	$2.733	$2.862	$3.007
Diesel	$2.589	$2.549	$2.657	$2.652	$2.783	$2.771	$2.904	$2.874	$2.891	$2.908	$3.010	$2.903	$2.885	$2.871	$2.869	$3.003	$3.166	$3.251

Graph 5 – Retrieved from NH OEP website

Potential for Savings:

The following tables and graph are provided to illustrate the potential savings for the Town if recommendations are carried out in the near future. The tables provide an assumed fuel escalation rate that is built into the savings model to show a fifteen year potential savings for the 30% reduced energy costs today as compared to the escalation of costs over fifteen years. (The following numbers are not meant to be accurate estimates. Such estimates are only provided in an Investment Grade Audit (IGA). Instead, these numbers are only meant to give a rough idea of what potential for savings there may be in regards to the current energy expenditures given a 30% reduction).

Average cost of various energy types in NH
Date - January 31st 2011

Heating Oil, credit	$3.463 per Gallon
Propane, credit	$3.549 per Gallon[1]
Kerosene, credit	$3.841 per Gallon
Electricity	$0.14260 per kilowatt-hour[2]
Natural Gas, first tier	$1.1305 per therm[3]
Natural Gas, second tier	$1.0622 per therm[4]

Figure 3 – Retrieved from NH OEP website

The table below estimates the cost of liquid fuel for this facility over a 15 year period. This is only an estimate, and is based on current yearly usage, NH price averages for January 31st 2011, with a 5% cost increase per year.

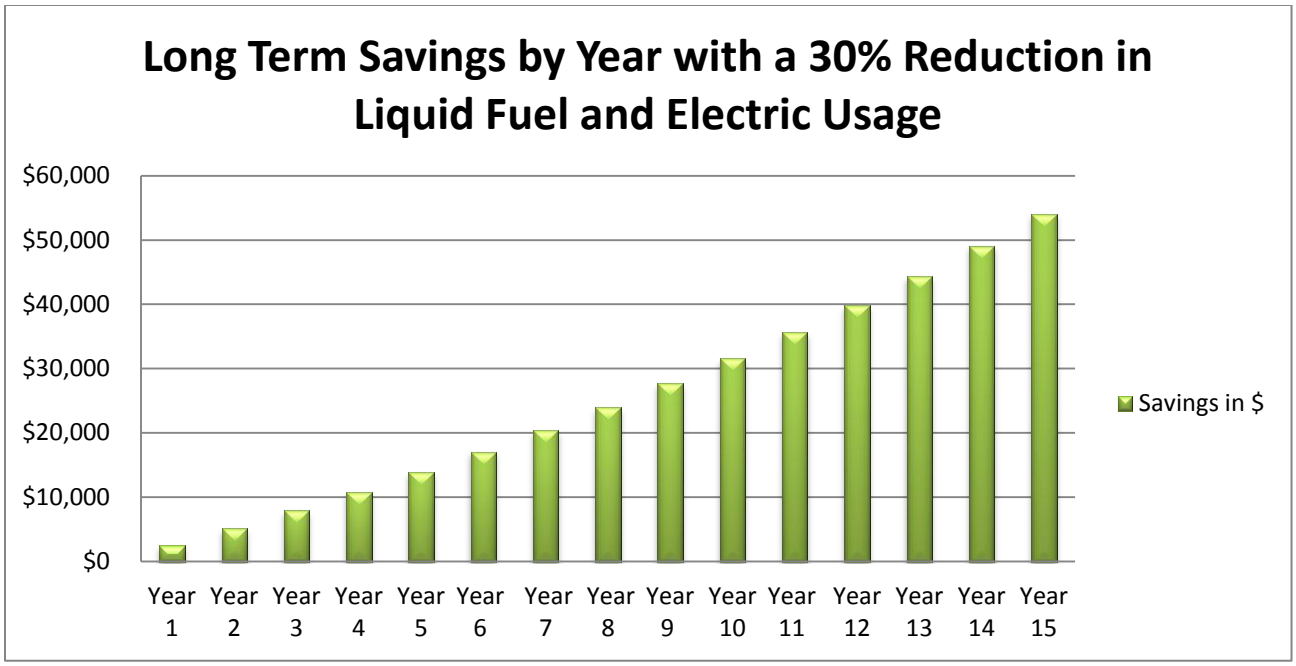
Current Fuel Usage - Oil and LP				
Year	Energy Cost By Year	Yearly Increase	Total Accumulated Cost by Year	
		Escalation Rate	5.00%	
Year 1	$5,042	$252.11		$5,042
Year 2	$5,294	$264.72		$10,337
Year 3	$5,559	$277.95		$15,896
Year 4	$5,837	$291.85		$21,733
Year 5	$6,129	$306.44		$27,861
Year 6	$6,435	$321.76		$34,297
Year 7	$6,757	$337.85		$41,054
Year 8	$7,095	$354.75		$48,149
Year 9	$7,450	$372.48		$55,598
Year 10	$7,822	$391.11		$63,421
Year 11	$8,213	$410.66		$71,634
Year 12	$8,624	$431.20		$80,258
Year 13	$9,055	$452.76		$89,313
Year 14	$9,508	$475.39		$98,821
Year 15	$9,983	$499.16		**$108,804**

The table below estimates the cost of electricity for this facility over a 15 year period. This is only an estimate, and is based on current yearly usage and cost, with a 2% cost increase per year.

Electric Use - Current Usage				
Year	**Energy Cost By Year**	**Yearly Increase**	**Total Accumulated Cost by Year**	
		Escalation Rate	**2.00%**	
Year 1	$3,309.52	$66.19		$3,310
Year 2	$3,376	$67.51		$6,685
Year 3	$3,443	$68.86		$10,128
Year 4	$3,512	$70.24		$13,641
Year 5	$3,582	$71.65		$17,223
Year 6	$3,654	$73.08		$20,877
Year 7	$3,727	$74.54		$24,604
Year 8	$3,802	$76.03		$28,406
Year 9	$3,878	$77.55		$32,283
Year 10	$3,955	$79.10		$36,238
Year 11	$4,034	$80.69		$40,273
Year 12	$4,115	$82.30		$44,388
Year 13	$4,197	$83.95		$48,585
Year 14	$4,281	$85.62		$52,866
Year 15	$4,367	$87.34		**$57,233**

The table below and graph are based on the previous two tables, and estimates the savings over a 15 year period if both fuel and electric usage is reduced by 30%.

Long Term Cost Avoidance - Liquid Fuels and Electricity				
Percent of Cost Reduction =			**30.00%**	
Year	**Avoided Cost By Year**	**Savings Gain By Year**	**Total Savings Over 15 Years**	
		Escalation Rate	**5.00%**	
Year 1	$2,506	$125.28		$2,506
Year 2	$2,631	$131.54		$5,136
Year 3	$2,762	$138.12		$7,899
Year 4	$2,900	$145.02		$10,799
Year 5	$3,045	$152.27		$13,845
Year 6	$3,198	$159.89		$17,042
Year 7	$3,358	$167.88		$20,400
Year 8	$3,526	$176.28		$23,926
Year 9	$3,702	$185.09		$27,627
Year 10	$3,887	$194.34		$31,514
Year 11	$4,081	$204.06		$35,595
Year 12	$4,285	$214.26		$39,881
Year 13	$4,500	$224.98		$44,380
Year 14	$4,725	$236.23		$49,105
Year 15	$4,961	$248.04		**$54,066**



As you can see, the potential savings are significant and can provide supplemental funds to carry out further energy savings within this facility, or another Town facility. While these are assumed savings, current market trends indicate the potential for significantly more savings as a result of the increasing energy costs currently being seen within the region and country as a whole.

Conclusion:

As a result of this audit, the Town has several options available to increase the efficiency of the Town Hall. Achieving 30% savings in energy cost for this building is well within reach, and as the above graph helps to illustrate, the initial investment for energy improvement projects can have an attractive return. Considering that this building will likely be owned and operated by the Town for a period much longer than the next 15 years, we highly encourage that the Town pursue these recommendations described in this report. More detail about our findings and recommendations can be given during the presentation of this report.