



Performance Contracting

Holistic Energy Savings To Build Better Tomorrows



Facilities Hold Hidden Potential for Enhanced Energy Efficiency

Too often, that potential remains untapped due to strained budgets, deferred maintenance, and pressing infrastructure and organizational needs that divert resources.

As a NAESCO-accredited Energy Services Provider, Trane delivers solutions tailored to your facility's unique organizational and infrastructure improvement goals. Our team collaborates with you as a single-source provider to conceptualize, design, and implement solutions that meet the organizational, energy, and infrastructure goals that enable you to better meet your core mission.



Energy Savings Performance Contract (ESPC)

One powerful solution we offer to help you meet your goals is an Energy Savings Performance Contract (ESPC), also called a "Performance Contract". This integrated funding and project implementation approach focuses on producing future energy savings through high impact energy efficiency and infrastructure projects, potentially eliminating the need for upfront capital costs. Instead, your organization can utilize the projected energy cost savings to fund the improvements over time.

Trane is a leading energy service company (ESCO) and single-source provider of customized infrastructure and energy solutions in North America. **Our energy savings performance contracts are already delivering over \$3.6 billion¹ in guaranteed savings.** ESPCs are used in the public and institutional sectors, including federal, state, and local facilities, K-12 schools, universities, and hospitals, and can also be used in the private sector when contract timeframes are satisfactory. We enable accelerated timelines and eliminate procurement costs and waste, thereby expanding project possibilities and creating unanticipated value for your building and business.

¹ Energy Savings under a ESPC are determined on an aggregate basis and are subject to Trane's standard terms and conditions. Savings are calculated in accordance with the International Performance Measurements and Verification Protocol (IPMVP) 2016. In certain cases, the parties may mutually agree to recognize non-measured (stipulated) savings, as permitted under the contract. Actual results may vary depending on facility operations, maintenance practices, and other external factors.

Achieving Energy Savings Through Efficient Facilities

Energy Savings Performance Contracting (ESPC) can offer a budget-neutral path to achieving comprehensive energy-saving facility improvements. The cost of these upgrades can be recovered over time from savings generated from improved energy efficiency throughout the contract's duration. At the end of the ESPC, your organization continues to benefit from any ongoing savings. In an ESPC, if the verified savings fall short of the energy savings guarantee, Trane covers the difference, mitigating financial risk to make your facilities more efficient and sustainable.

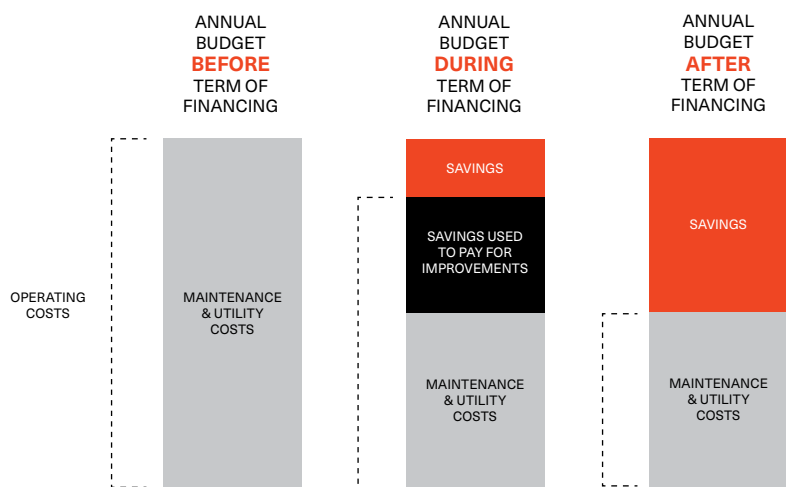
How Does An ESPC Work?

- 1 Trane evaluates, audits, and analyzes facilities to **understand current energy usage and identify areas for improvement**
- 2 We identify and quantify **energy efficiency opportunities**
- 3 We collaborate with you to customize and prioritize opportunities to **balance your financial and organizational goals**
- 4 We help you **identify funding and financing options** and execute projects using customized solutions that meet your facility's unique needs
- 5 Our teams track, measure, and verify the energy conservation measures to **validate savings**

ESPC Advantages

Streamlined process managed by a single provider – the ESCO, managing all aspects of an improvement program.

- ✓ Achieve desired results, potentially without upfront cash and with savings to support debt financing
- ✓ Enable accelerated timelines for facility upgrades and energy savings
- ✓ Streamline the procurement process through collaboration with trusted experts
- ✓ Transfer performance risk to the ESCO, ensuring that your energy-saving goals are met without uncertainty
- ✓ Enjoy ongoing financial benefits from any future energy savings beyond the terms of the ESPC



Institutions can pay for **today's building upgrades** with **tomorrow's guaranteed energy savings** with ESPC.

Cash vs Energy Savings Performance Contract

| | Cash | ESPC |
|--|--------------------------|--|
| Ownership of Project Assets | Customer | Customer/Lessor |
| Cash Upfront | Yes | Contingent; may be structured without upfront cash |
| Credit Neutral | No | No |
| Terms (Years) | N/A | 5-20 or statutory limit |
| Operation & Maintenance | Flexible | Flexible |
| Able to Monetize Tax Benefits | Depending on legislation | Depending on legislation |
| Payment Contingent on Performance | Flexible | Flexible |

Explore A Few Of Our Success Stories Using ESPCs



Norton Healthcare

In six years, Norton Healthcare reduced CO₂e emissions, lowered utility expenses by \$8.3M, and decreased total energy consumption by 846M kBTUs, supporting sustainability goals.



Powhatan County Public Schools

Reported enhanced indoor air quality and comfort; reduced energy costs by more than 20% and cut CO₂ emissions by over 3.3 million pounds. Improved classroom learning environment, with noted improvements in test scores following the upgrades.



State of New Mexico

Conserving 5.2 million gallons of water and offsetting over 7,400 metric tons of greenhouse gas emissions annually, equivalent to eliminating emissions from burning over 8 million pounds of coal².



Our experts are ready to help you explore a range of contracting and implementation options, ensuring alignment with your budget and priorities.
Contract Trane to unlock the hidden potential of your facility.



² Greenhouse Gas Equivalencies Calculator | US EPA Everything from "Greenhouse" through "EPA"



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Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit trane.com or tranetechnologies.com.