THROUGH ENERGY SAVINGS PERFORMANCE CONTRACTS (ESPC), STEAM OPTIMIZATION PROJECTS CAN GARNER LONG-TERM ENERGY SAVINGS WITHOUT A LARGE, UPFRONT INVESTMENT.

Commercial and industrial facilities with aging central steam plants—including colleges, universities, and hospitals—face leaky distribution systems, high maintenance costs, and low thermal efficiencies. It is important to replace these inefficient steam generation, distribution, and condensate return systems with locally optimized, high-efficiency solutions that maximize heat recovery and control strategies. However, energy-efficient upgrades to these plants and systems can be a significant capital expense that may be difficult to justify.

Leidos’ steam optimization approach replaces these aging systems while providing the ability to finance the upgrades through a cash-flow-positive ESPC. With project costs offset by savings on operating and maintenance costs, facilities can benefit from complete system upgrades with a zero net total investment. Additionally, this project approach allows facilities to include non-energy measures, which can further reduce costs and enhance project payback.

Long-term ESPCs can fund solutions beyond steam optimization, including other advanced energy-efficient and clean energy technologies. These investments will modernize equipment to optimize uptime and performance.
Traditional performance contracts tend to emphasize “low hanging fruit”—only implementing technologies that offer short-term paybacks on upgrades such as lighting, motor replacements, and variable frequency drive controls. Leidos delivers ESPCs that can fund quick payback projects as well as major steam optimization solutions and other advanced and clean energy technologies. We specialize in executing projects with performance guarantees and can manage the risks related to a specific project, including complex project engineering, procurement, construction, and ongoing operation. At the end of the contract period, the facility will own the installed equipment and receive the full benefit of cost savings for the useful life of the improvements.

ESPC COST SAVINGS AND PAYMENTS

With Leidos’ ESPC, there is no need for a costly, up-front capital investment from the client—we work with our clients to achieve an acceptable return by combining all savings opportunities into one project. The monthly payments are covered by savings on operating and maintenance expenses over the contract term.

Steam optimization ESPCs delivered through Leidos have served facilities covering more than 27.6 million square feet and are achieving:

- Contract-duration energy savings in excess of $41 million
- Annual operation and maintenance savings in excess of $2.4 million
- Annual electric savings of nearly 16 million kilowatt-hours
- Annual natural gas savings of nearly 12 million therms
- Aggregate reductions in greenhouse gas emissions of 72,290 metric tons

FOR MORE INFORMATION
energy@leidos.com

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energy.leidos.com