



CCIES completes its first natural gas conversion in N.Y.C.

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CCI Energy Solutions (CCIES), an efficient energy solutions provider that offers comprehensive consulting and implementation services related to natural gas conversion and other energy efficiency measures, has completed its first conversion project in New York City by partnering with Services for the UnderServed (SUS), a N.Y.-based human services non-profit organization that provides housing and support services. The project converted an 8,400 s/f SUS residence in Bedford-Stuyvesant that provides supportive housing to 40 adults with developmental disabilities from No. 2 heating oil to natural gas. The conversion to natural gas is expected to reduce annual energy costs by more than 40% annually at no upfront cost to SUS.

CCIES is a joint venture between Castleton Commodities International LLC (CCI), a global commodities merchant, and Chesapeake Energy Corp., the second-largest producer of natural gas in the U.S. The joint venture was formed to offer real estate developers, commercial property owners and residential cooperatives an expert means to adopt and implement clean and efficient energy measures, particularly in light of new regulations and legislation focused on reducing toxic air emissions and decreasing associated adverse health risks.

"We are very excited to have completed our first natural gas conversion project in New York City," said Richard Rapp, president and CEO of CCIES. "It is even more rewarding that our first project supports an outstanding organization like SUS by helping them reduce energy costs - cost savings that can be used to make a difference in the lives of many people."

In addition to supportive housing, SUS provides employment, health and wellness services to veterans and other individuals faced with challenging life circumstances, including mental illness, intellectual/developmental disabilities, and HIV/AIDS.

"Every dollar our organization saves is a dollar we can apply to vital support services for individuals and families facing difficult life situations," said Michael Whelan, CFO for SUS. "This has been a true partnership with CCIES. We are so pleased by the results of the work done at the residence that we are in the process of converting and implementing energy conservation measures with CCIES at more SUS programs."

The two-month conversion project involved a variety of implementation services, including replacing the residence's existing burner, lining the chimney with stainless steel materials, decommissioning and removing the fuel oil tank and fuel oil lines, and installing a new gas line. CCIES managed the project on behalf of SUS by coordinating with NationalGrid to determine new equipment needs, obtain the necessary licenses and permits, and provide other consulting/administrative support.

The project did not require any upfront investment by SUS. CCIES's unique model permits financing the cost of a natural gas conversion, combined heat and power (CHP) project or other energy conservation measure (ECM), such as equipment upgrades and retrofitting, installation of new

equipment, or project management services, without an upfront investment or initial out-of-pocket cost to the customer. CCIES offers customers flexible payment options to recover conversion costs.

"The cost-savings and environmental benefits of converting to natural gas are well established," said Rapp. "However, many organizations cannot afford to make the investment to convert to natural gas because they lack the funds to undertake such a process. CCIES's model allows building owners to convert heating systems to natural gas, install natural gas-fired CHP units for electric self-generation or implement other energy efficiency measures with no upfront investment. CCIES believes in the cost savings of natural gas, its importance in reducing air emissions for a safer environment, and its long-term feasibility as a replacement for foreign oil as an energy source."

The SUS project is the first CCIES-led conversion in New York City. The company is committed to helping New York City's building owners, developers, co-op boards and managing agents capitalize on the long-term financial, environmental and health benefits of natural gas. CCIES has several additional projects in the early stages of development at other SUS programs.

Natural Gas: A Smarter Energy Choice for New York

CCIES's energy efficiency solutions and services are designed to advance New York City's clean heat laws and initiatives, which require more than 10,000 residential and commercial buildings to convert to cleaner-burning fuel alternatives over the next two decades. Under the legislation, known as Local Law 43, buildings must discontinue using the dirtiest heating oil - No. 6 - and switch to No. 4 or No. 2 oil or natural gas by 2015; and they must convert to natural gas or No. 2 oil by 2030.

In September 2013, the New York City Department of Health and Mental Hygiene announced that the city's air quality has reached its cleanest levels in more than five decades, with the city's clean heat programs being the most significant contributor to improvements. Since 2008, the levels of sulfur dioxide (SO_x) in the air have dropped by 69 percent and the level of soot pollution (PM_{2.5}) has dropped by 23 percent since 2007, according to city officials. These reductions in air pollution have prevented 800 deaths and 2,000 emergency room visits and hospitalizations from lung and cardiovascular diseases annually, as compared to 2008 levels, according to a news release from the City of New York.

"Natural gas is not only one of the most affordable energy sources for New York, it's also one the cleanest and most accessible," said Mr. Rapp. "CCIES looks forward to working with building owners, developers, co-op boards and managing agents across the tri-state area to convert energy systems to cleaner and more cost-efficient natural gas."