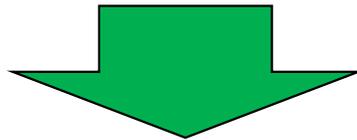


BUILDINGS ARE “MISSION CRITICAL” AND ESPC IS KEY

Kathleen McGinty
Vice President, Global Government Relations
Johnson Controls



- **An Energy Revolution**
- **Money Proves the Point**
- **A Megatrend Supercharges the Change**



- **“Bricks and Mortar” Isn’t Good Enough Anymore**
- **ESPC is key ... but your old ESPC won’t do...**

TALKING ABOUT A REVOLUTION...

Shale plus a Housing Bust plus a Stimulus Package plus China

- Net natural gas importer (arrow) Net natural gas exporter
- 80-fold increase in installed solar capacity
- 300 percent increase in installed wind
- 90 percent drop in battery costs
- US GDP up 25%; Total energy use up just 6.6%

*BCSE 2020 Energy Factbook

FOLLOW THE MONEY

2019 Global Energy Efficiency Indicator Survey

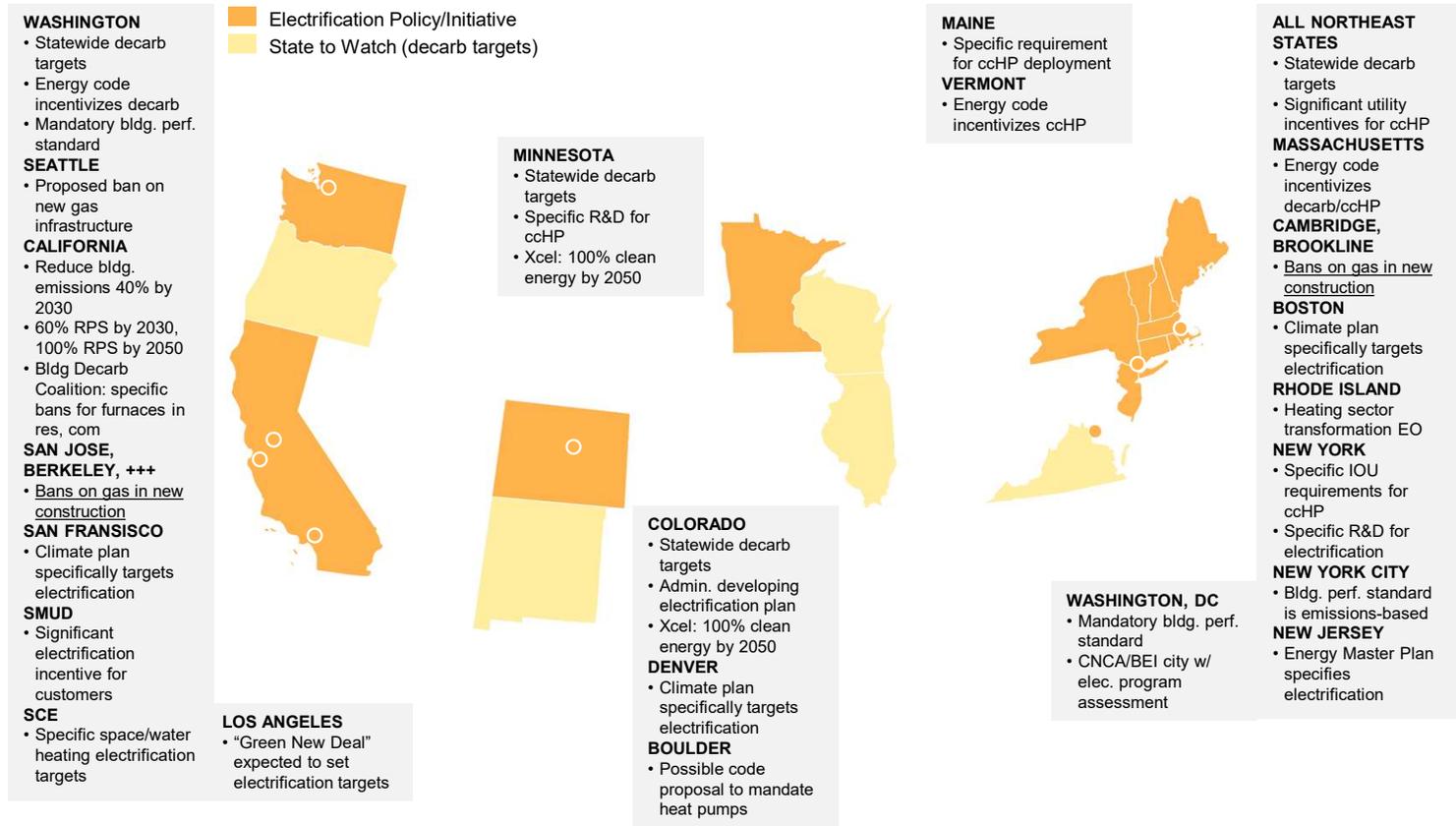
- 75% investing in efficiency, renewables, smart buildings (16% jump)
- 87% investing in resilience (19% jump)
- 71% investing in building controls; over half in enterprise BMS
- 69% investing to cut fossil fuel use
- 63% investing to get off the grid

THE MEGATREND SUPERCHARGING THE CHANGE

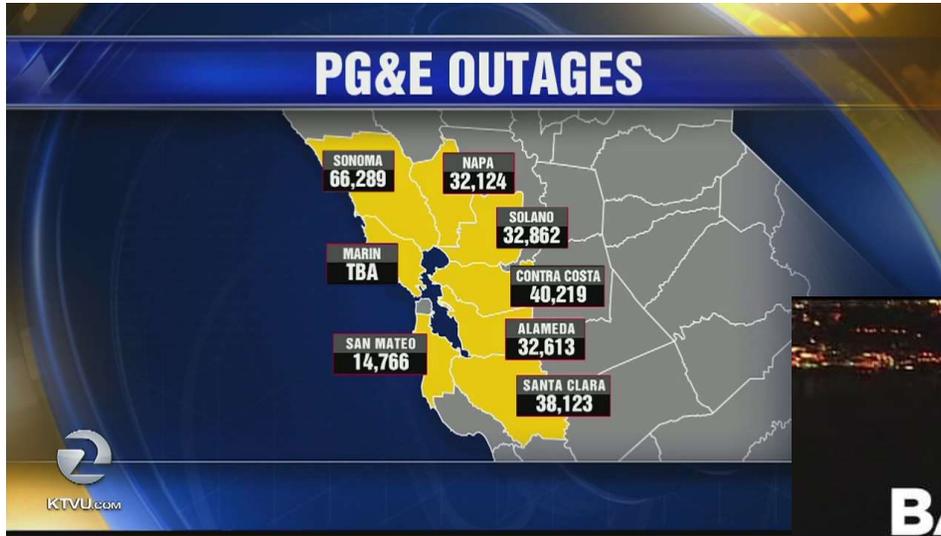
Decarbonization → Electrification → Efficiency → Digitalization

From Berkeley → Britain → Beijing

BUILDING ELECTRIFICATION MOVEMENT AT THE STATE AND LOCAL LEVEL



EFFICIENCY & DIGITALIZATION ARE A MUST



FROM “BRICKS AND MORTAR” TO “MISSION CRITICAL”

- Conserving Cash
- Saving the Planet
- Training the Troops
- Securing the Country
- Curing People

HUMBER HOSPITAL



STANFORD UNIVERSITY CENTRAL ENERGY FACILITY



USMC RECRUIT DEPOT PARRIS ISLAND



KWAJALEIN 1 ESPC SOLAR ARRAY



ESPC IS KEY...

LEADING REASONS INVESTMENTS NOT MADE

- Lack of Technical Expertise to Evaluate
- Lack of Capital
- Insufficient Payback / ROI

BUT YOUR OLD ESPC WON'T DO...

- System Level Efficiency
- Fully Integrated Supply and Demand
- “SMART” Systems
- EaaS
- “Performance”