



MANAGEMENT SERVICES COMPANY

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Dear Rick:

Reference your letter of March 11th regarding a user perspective on energy management systems. A few points come to mind which I will discuss in the following paragraphs.

In general, hardware and software tend to be similar, and although there may be some reasons to use a particular package, these two factors are not as important as systems suppliers would normally have you to believe. There are other factors which will be discussed that, in my mind, are of more significance. In general, a consultant who has the ability to evaluate the need versus the capability of various systems can better serve a client than a particular manufacturer who must adapt his system to the need. It is important that this independent consultant keep abreast of the developments by the various manufacturers or he tends to become tied to a system or systems that he is familiar with.

Probably the most important factor from a user standpoint is that an energy management consultant have the ability to analyze and understand the existing lighting and HVAC systems and to be able to evaluate their condition and ability to respond to the energy management system controls. Speaking particularly to older or existing facilities, the cost of an energy management project may well include significant expenditures on the existing plant to bring it to a serviceability standard that matches the energy management sophistication. It is paramount that the consultant be able to properly make the evaluation and properly represent the total cost of the project.

The user must recognize that although you will get savings immediately upon activation of an energy management system, it will take at least a year of trial and error to bring the controls to the proper compromise between savings and comfort (in the HVAC area). There will be a certain shakeout time in the light control area as well, but probably will be a shorter increment.

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The consultant must have the knowledge and expertise to recognize the value judgments of reasonable returns for reasonable investments. In general, you will spend disproportionate amounts to get small incremental savings as you approach the higher level of theoretical savings.

The user must recognize the need to support an energy management system on an ongoing basis; specifically, the requirement to either retain the consultant in an ongoing capacity, or to hire staff to support the system long term.

A user should be very sensitive to the history of consultants and systems in the energy management industry. Since the oil embargo, it has gotten a lot of media coverage and public attention. There have been enterprising people and firms that have seen an opportunity for profit, some legitimate and many not. It is difficult to go wrong by selecting a "name" manufacturer such as Honeywell or Johnson, but there are recorded circumstances where even these giants have failed to produce acceptable results. When choosing a consultant, a user must balance the expertise and knowledge discussed above of an independent versus the reliability and performance of the major manufacturers. In general, a user must be extremely careful about selecting a system or consultant with a very brief or questionable history.

I believe the points I have covered above are the major issues which I see facing a user in the selection and implementation of an energy management system. It would be fair to say that COMSE has represented, to me at least, the ability to meet the requirements of a knowledgeable, competent, independent consultant.

Yours truly,



David G. Edmonds
Vice President
& Properties Manager

DGE/arm