

Middletown plans citywide program that could save millions in energy costs



Middletown's Paramount Theatre is among the city buildings slated for some energy-saving upgrades covered in a contract signed recently with ESG, an Indiana based company. TIMES HERALD-RECORD FILE PHOTO/RICHARD J. BAYNE

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MIDDLETOWN - The City of Middletown will sign a \$12.7 million contract with an Indiana-based company that will result in millions of dollars in expected savings for the city, according to city officials. The city Common Council unanimously approved the contract with Energy Systems Group, LLC out of Newburgh, Indiana, on Tuesday night.

Contractors say they will implement an array of different energy-saving measures throughout Middletown to bring down its energy bill and reduce water consumption, according to ESG and city officials who spoke at the meeting Tuesday.

Savings include the city buying more than 1,400 street lamps from Orange & Rockland Utilities and changing their lights to more energy-efficient LED bulbs, at a saving of more than \$300,000. The city will replace all bulbs with LED lights, replace pool motors, install a solar array at the water plant, weather-proof buildings and put shut-off timers on city equipment like copy machines and printers.

The contract also includes replacing water meters throughout the city to ones that can be read by radio signal, called smart meters. That will allow the city to collect up-to-date, more detailed data on how much water is being used by any customer, better detect leaks and make it unnecessary to personally visit every home.

City Hall's roof will also be replaced at a cost of \$250,000. City buildings - including the Paramount Theatre - will get more-efficient heating, ventilating and air conditioning systems, and new boilers.

"This project for the City of Middletown is going to be a showpiece," said Tony Prelec of ESG. "We're going to make this thing shine and bring it in on time and under budget."

In total, the changes are supposed to save the city \$18.6 million over the course of 15 years. If the energy savings aren't met, the contract says that ESG will cut a check for the difference. The whole project is supposed to be completed within 12 to 18 months.

According to company filings from ESG's parent corporation, Vectren Corporation, ESG is a fast-growing company. It generated revenues of approximately \$200 million in 2015, compared to \$130 million in 2014 and \$91 million in 2013.

Middletown Mayor Joe DeStefano said the savings from the changes will pay for the debt service payments on the \$12.7 million. If they don't, DeStefano says the contract with ESG guarantees that ESG will pay the difference, not the city.

"There's no burden to the taxpayer," DeStefano said.

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