

# City of Las Cruces Extends Performance Contracting Program with Johnson Controls to Achieve Renewable Energy Goals



Contract Term  
**20 years**

Construction Period  
**Under construction**

Guaranteed Project Benefits  
**\$28.4 million**

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The City of Las Cruces is home to more than 95,000 residents, making it the second largest city in the State of New Mexico.

In March 2018, the City executed an Energy Performance Contracting (EPC) agreement with Johnson Controls to implement an Advanced Metering Infrastructure (AMI) program for 81,000 water and gas meters and deploy an automatic leak detection system.

Due to the success of the Phase 1 project, the City partnered with Johnson Controls to implement two more phases of infrastructure improvements.

**The challenge:** *Assist the City with exceeding their challenging renewable energy goals*

In January 2019, the City Council amended Resolution 18-117 that established the City's commitment to clean energy solutions by setting the following goals:

Year	Renewable Energy Goal
2022	25%
2030	50%
2050	100%

**The solution:** *A comprehensive program of renewable energy projects and self-funded infrastructure improvements*

The first step was to complete an Investment Grade Audit (IGA) to identify the recommended improvements. Johnson Controls develops solutions *with* its customer, not *for* its customer. This partnership approach ensured that the City of Las Cruces' concerns and requirements were identified at each step along the performance contracting process.

Once the IGA was completed, the City Council unanimously supported the decision to move forward with the implementation of the Phase 2 and Phase 3 projects.



The Phase 2 project includes energy efficiency and renewable energy improvements at the Las Cruces Utilities water and wastewater facilities:

- Energy efficiency improvements at three wastewater plants
- Wastewater SCADA system
- Lighting, HVAC & DDC system upgrades
- Cogeneration plant improvements
- El Paso Electric accounts – rate conversion



The Phase 3 project includes energy efficiency improvements at 112 facilities and parks totaling more than 800,000 square feet:

- Lighting improvements
- HVAC upgrades
- Energy management system
- El Paso Electric accounts – rate conversion
- Ongoing training programs

To pay for these projects without increasing tax rates or utility rates, Johnson Controls helped the City obtain low interest revenue bonds.



**Results and Benefits:**

<b>Renewable Energy Goal</b>	
Pre-Project	Post-Project
12%	34%

The infrastructure improvements will reduce operating costs by more than \$1,000,000 per year. Johnson Controls is guaranteeing \$28.4 million in benefits over the 20-year term. The City also accelerated the implementation by using State Pricing Agreement 90-000-18-00017AC with the General Services Department.

The City of Las Cruces leadership has identified a truly sustainable solution that will have a positive impact on the community, the economy, and the environment.

