



Equity Office

Redefining the workplace. Together.



EQUITY OFFICE PROPERTIES TRUST
Combined Heat and Power
Workshop
30 North LaSalle, Chicago

July, 2002

Thomas W. Smith
VP – Energy Operations

Equity Office National Portfolio



Buildings: 766
Locations: 34 markets
Submarkets: 147
Portfolio: 127.4 MM sf
Employees: 2,625
Businesses: 9,400
Customers: 512,000
Total Cap: \$26.8 billion



10 & 30 S. Wacker
Chicago



The Towers
Los Angeles



Park Avenue Tower
New York



Reston Town Center
Washington, D.C.



Rows Wharf
Boston

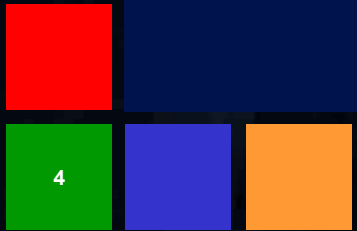
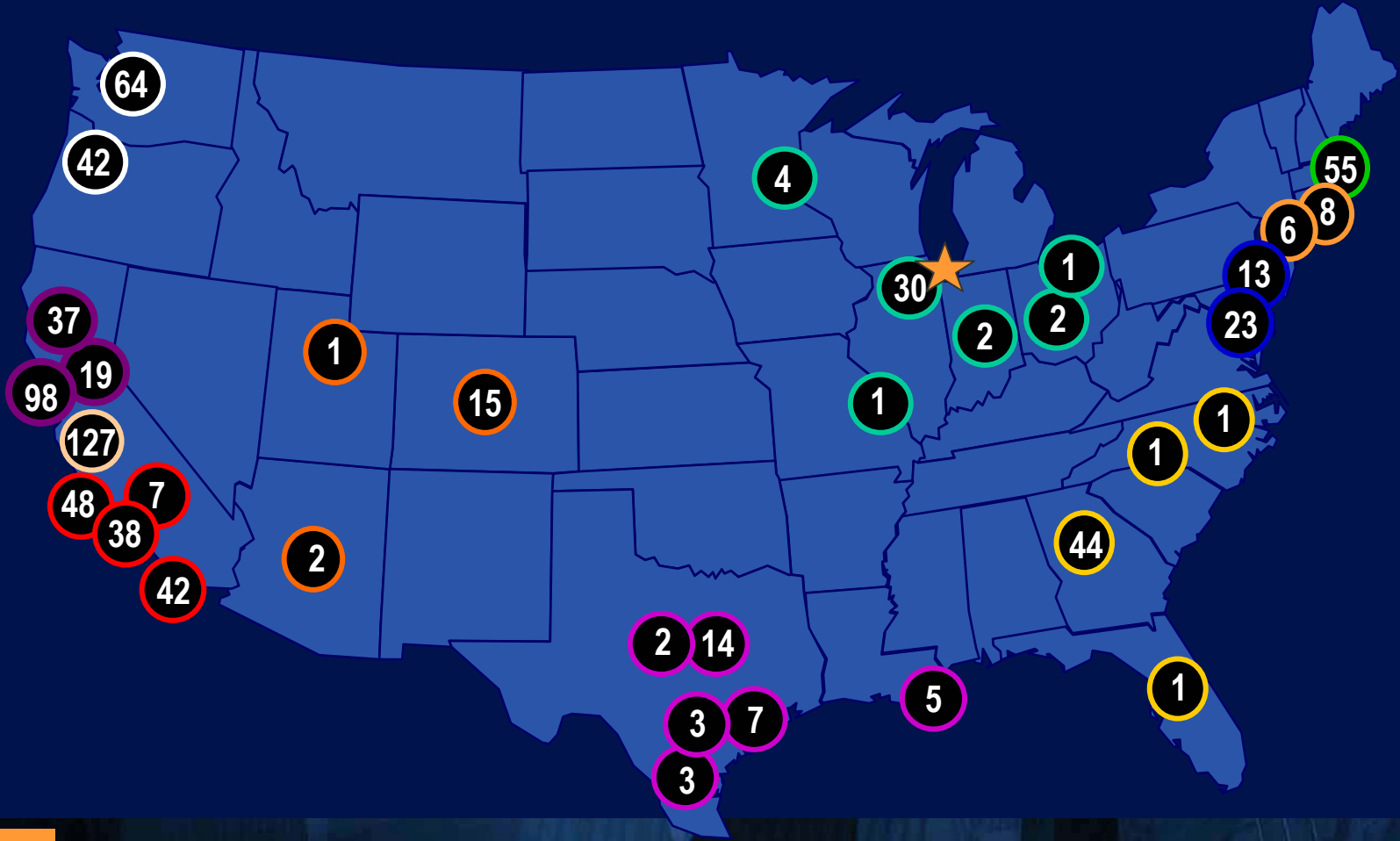


Metro Center Tower
San Francisco

EOP National Platform



766 BUILDINGS 34 MSAs



Data as of 5-29-02



On-Site Energy Providers

As part of Equity Office's focus on efficiencies and working smarter, we have formed a business unit to concentrate on energy.



Four Focus Areas of OSEP



- Energy Procurement
- Energy Auditing and Bill Processing
- Enterprise Energy Report
- Energy Retrofit Services
 - Demand-Side Management
 - Distributed Generation





Distributed Generation

Where to
Start?

Distributed Generation Criteria



Economic

Load

Standby Potential

Thermal Need

Gas

Electrical Feed

Space

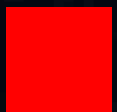
Utility

Incentives

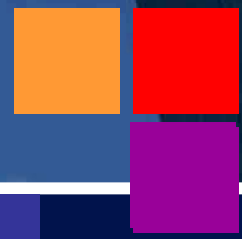
Environmental

Exhaust

Cooling



Regions Selected



Based on the economic evaluation of our portfolio,
OSEP selected these regions to start our focus:



Why 30 North LaSalle?

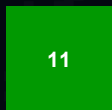
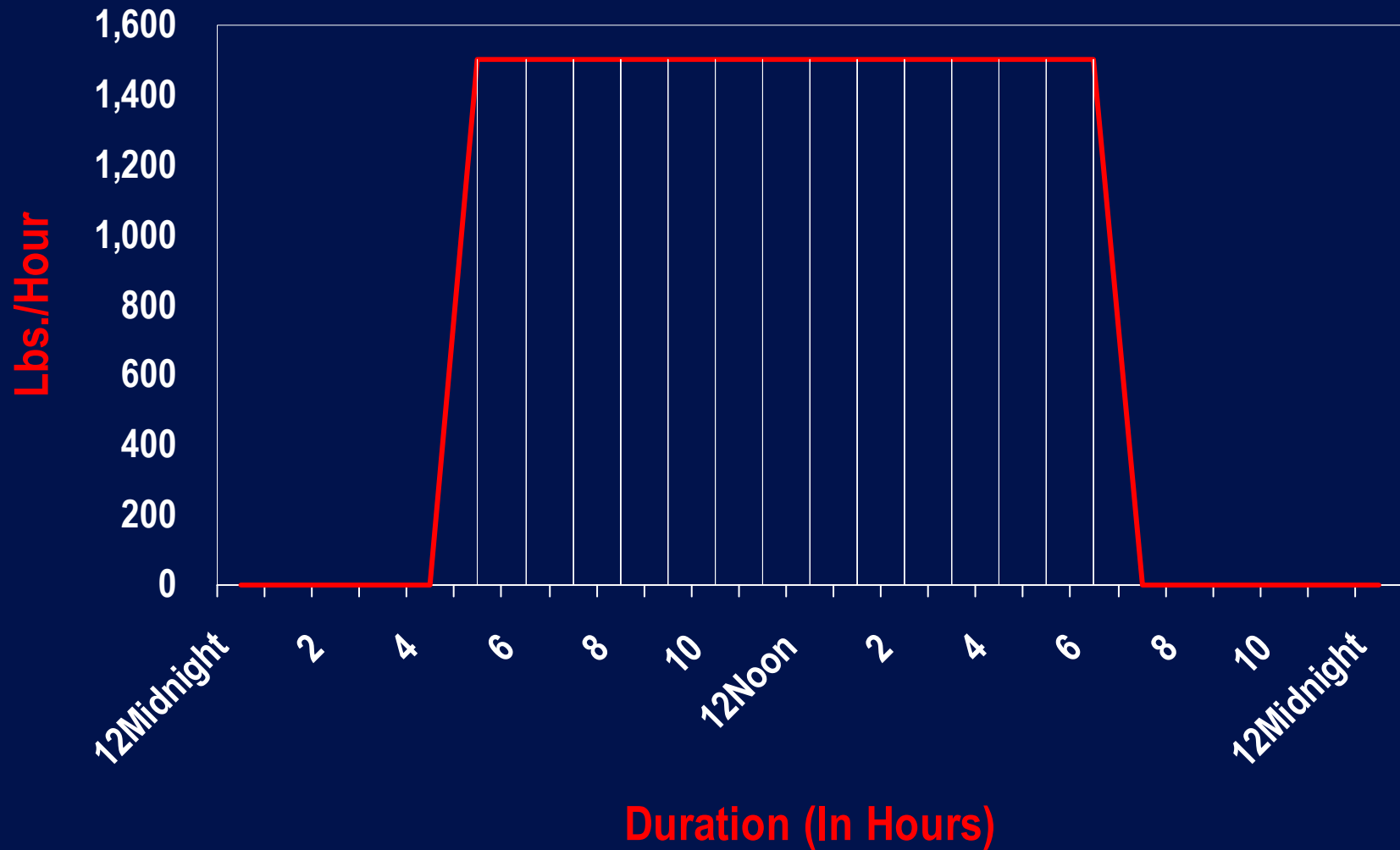


Economically Viable Region

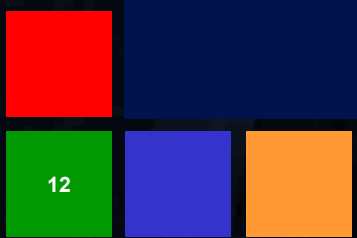
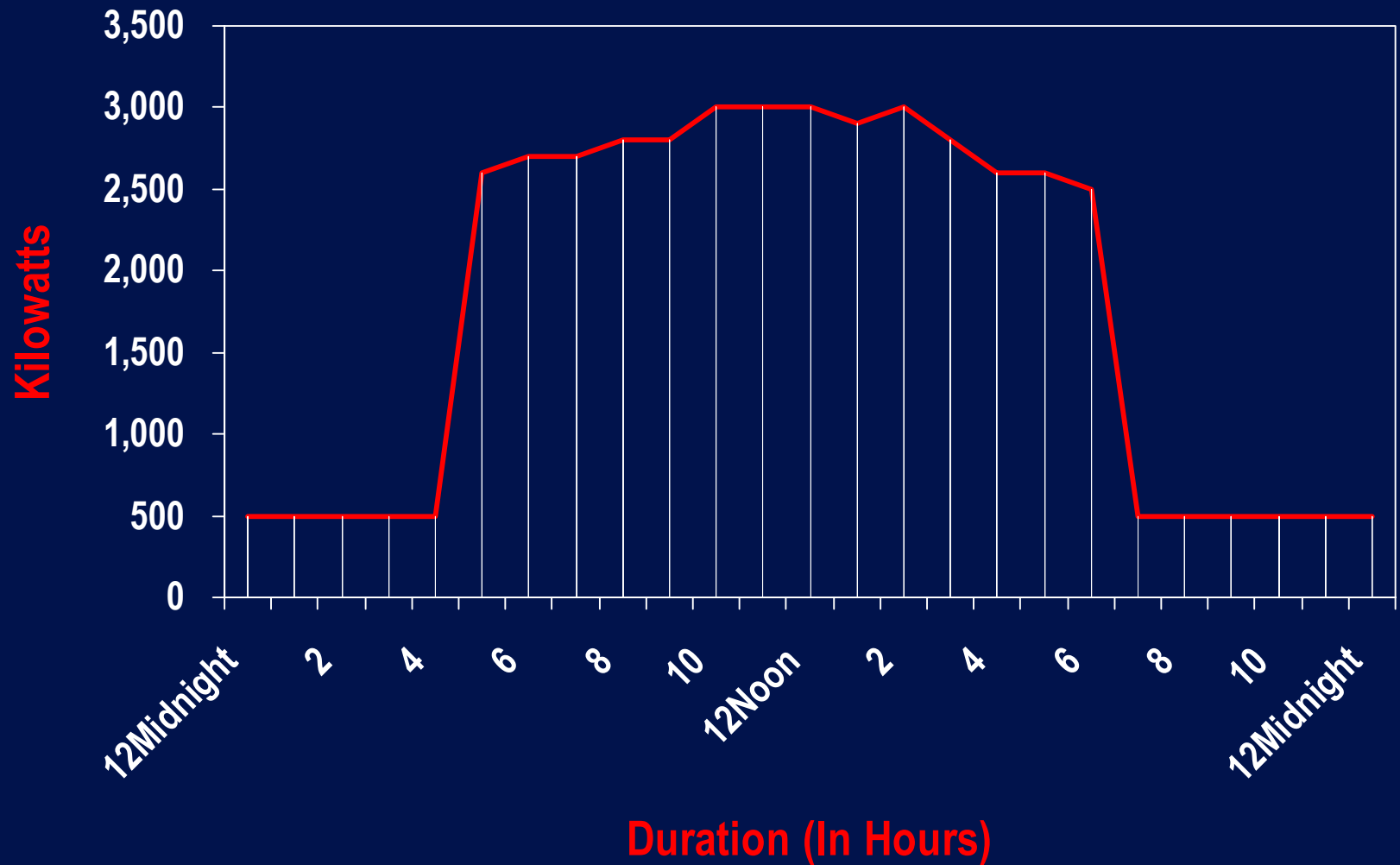
Electric Load

**Most Important:
Customer With a Need**

Typical Summer Day: Steam



Typical Summer Day: Electric



The Challenge

CT&T Needed 1,000 kw of Standby “Yesterday”

Limited Space

Fuel Supply Issues

Lack of Support Systems

Operational and Maintenance Issues

Capital Constraints



Equity Office

The Deal

Basic Structure

- EOP would coordinate the design, construction and installation of a 1,100 kw CoGen system
 - 1,100 kw Engine GenSet
 - 2,255 lbs / hour 15 psig heat recovery steam generator
 - All ancillary equipment
- In normal operation, the system would provide the building electric power and steam
- In event of power failure, the Engine GenSet would be 100% dedicated to backup power requirements of CT&T

The Deal

General Financial Structure

- CT&T: Capital for standby generation **\$1,300,000**
- EOP: Capital for CoGen **\$360,000**
(\$410,000–\$50,000 Peoples Energy Incentive)
- Estimated annual net cash flows:
(revenues – expenses) **\$260,000**
- Payback on incremental capital spend
for CoGen **1.38 Years**
- CT&T / Equity Office share net cash flow (win / win)

The Project



Engine GenSet

1,100 kw Cummins Q SV-81
Lean Burn Gas Engine

Heat Recovery

2,255 lbs/hour at 15 psig
Steam, Vapor Phase ECXS-5210
Base Fire Tube Exhaust
Waste Heat Recovery/Silencer

Cooling

Existing Building Cooling Towers

Exhaust

Existing Build Stack

Electrical

8 GE Zenith Automatic Transfer Switches (ComEd Network
Distribution System)

Gas Compression

Redundant 7.5 hp Spencer Gas Boosters with Battery Backup

Conrtrols

Upgraded Building Andover Energy Management System for Plant
Operation Added an Invensys UNC 600-21 Network Controller for
Billing and Monitoring

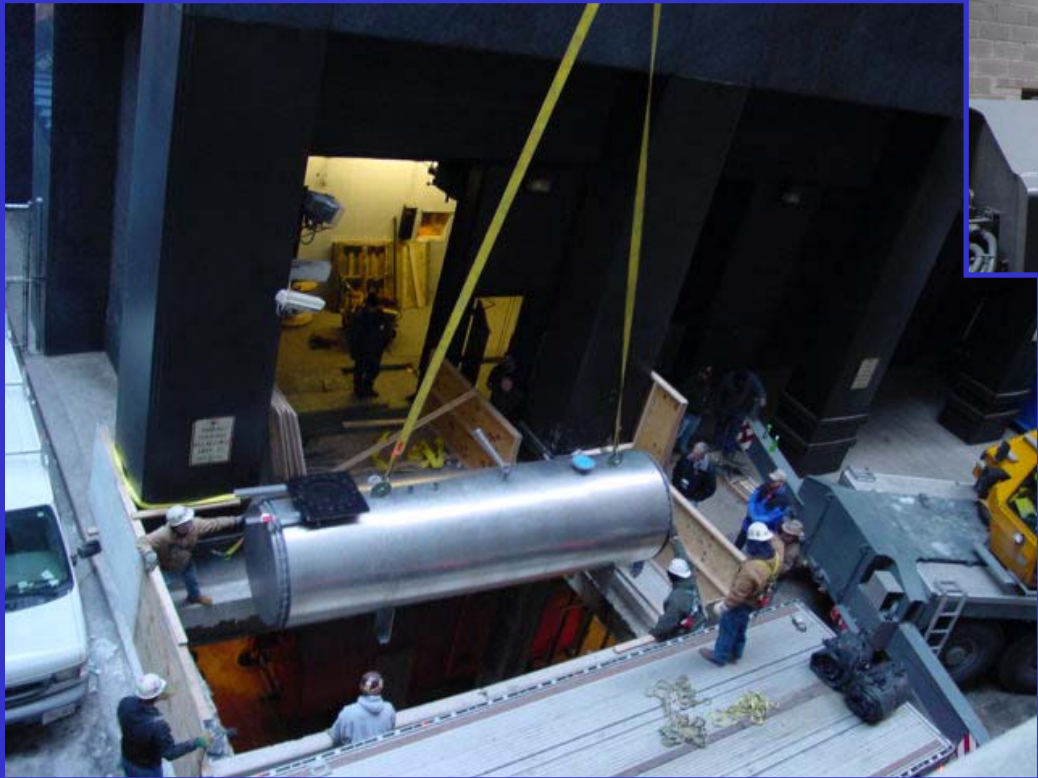
Lubrication

Hoover Materials Handling System for Storing New and Waste Oil

The Project

Base Product Upgrades to Guarantee System Reliability

- Redundant electrical feeders and conduit for fiber-optic cable (38 floors)
- Upgrade electrical switch on redundant riser (1,600 to 2,000 amp)
- Remote generator hook up in loading dock
- Redundant gas booster and UPS system
- Automated condenser water valves







Key Organizations Involved



GKC / EME

Conceptual Design, Engineering,
and Project Support (Mechanical,
Electrical and Structural)

AMS

Project Construction

Cummins Onan

Major Equipment – Engine GenSet,
Heat Recovery and Gas Compression

Peoples Energy

Fuel Supply and Incentive

EOP Engineering
and Operations

Everything Else

Chicago Title & Trust

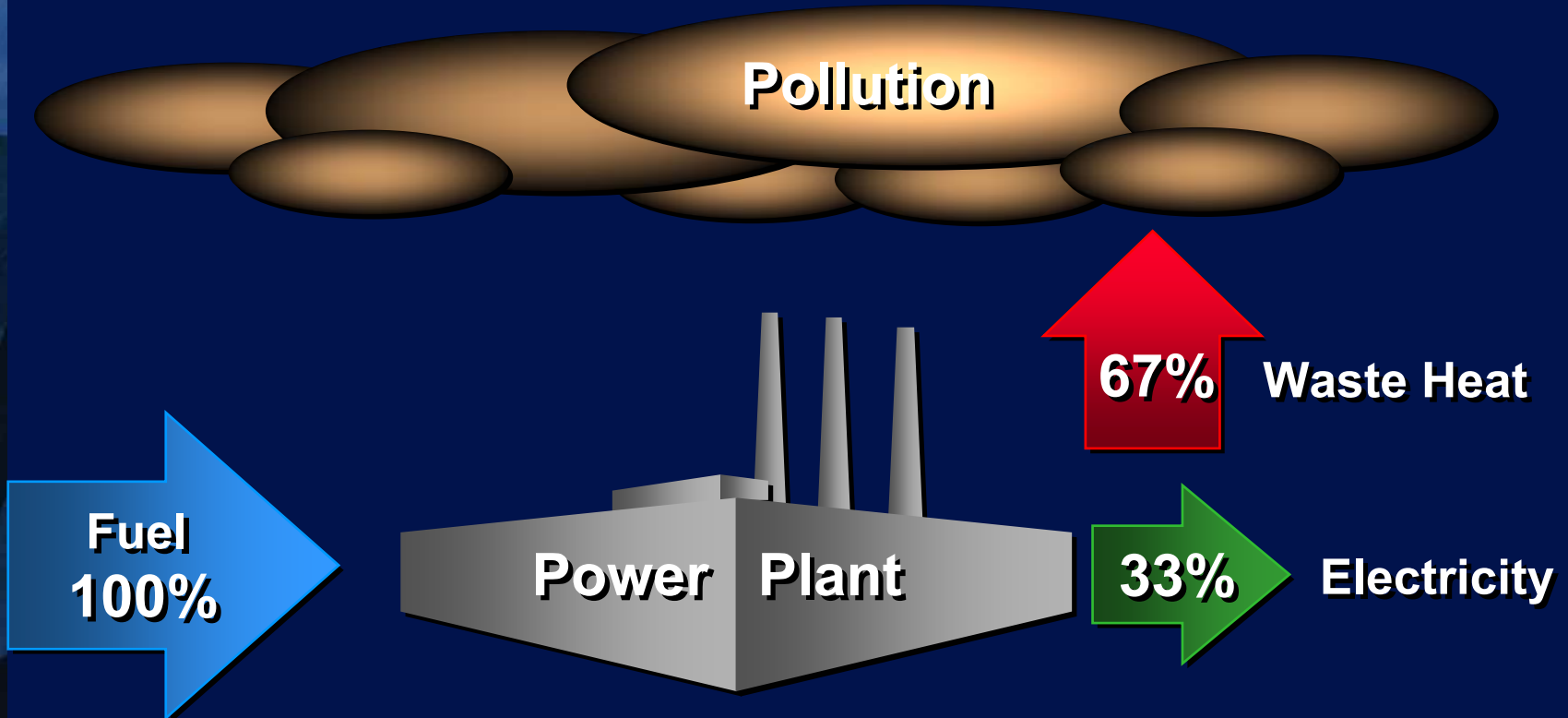
Tenant



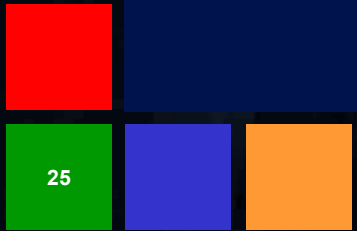
Why is CHP
Here to Stay?

Efficiency

Conventional Thermal Generation

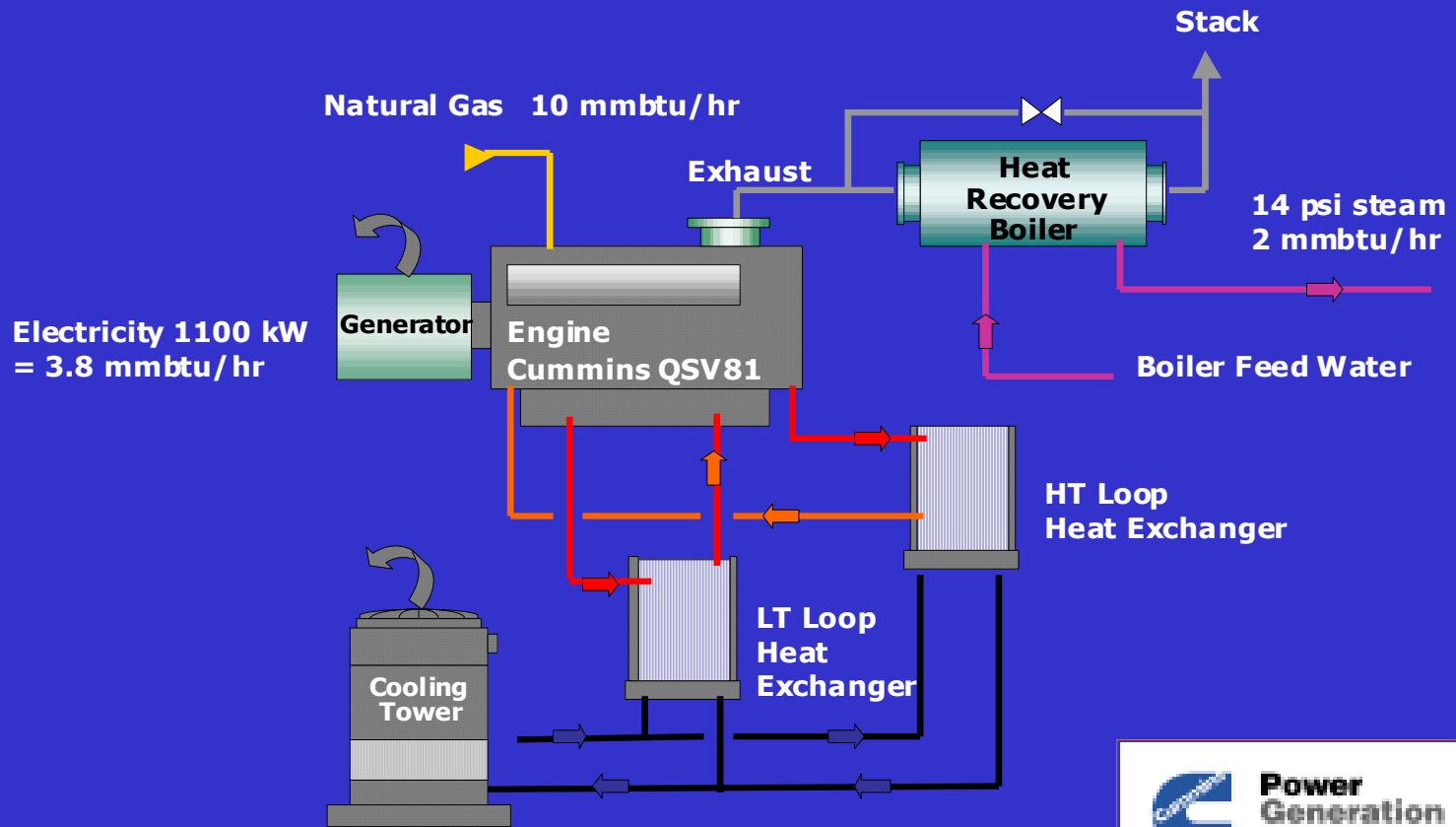


(Remote from Thermal Users)



30 N. LaSalle Energy Diagram

58 % Efficiency



Efficiency



Old System

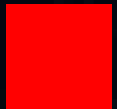


30% Efficient
when Power Reaches User

New System



60% Efficient
at Point of Use





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