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From the General Manager

Cost Savings Coming Your Way: Customer steam rates down 10%

NRG Energy Center San Francisco customers got a nice surprise when they opened their September steam bills. That's because we dropped our steam rate 10% from previous levels effective September 1.

The new lower steam rate will be effective until June 2016, thanks to a new fixed-price natural gas contract we signed earlier this year. We use natural gas to produce steam, and the fixed-price gas helps provide customers with rate stability in an uncertain energy market.

We submitted the proposed new steam rate to the California Public Utilities Commission (CPUC) for review in July 2015, and the new approved rate went into effect on September 2, 2015. One of CPUC's missions is to ensure that new rates are consistent

with costs so consumers aren't excessively charged and NRG Energy Center San Francisco is allowed to make an acceptable rate of return for its invested capital.

Contracting gas at a fixed price is part art and part science. We not only have to project how much natural gas we'll need to meet our customers' demand, but what the weather will be as well. As you know, it's hard to predict the weather accurately for a week, let alone months!

But weather isn't the only driver of customer steam demand. Hotels, for example, account for about one-third of our steam system's total demand. As a result, they greatly affect how much steam we need to produce. Hotel steam demand is usually one-half to two-thirds driven by hot water demand for showers, which depends



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largely on occupancy and is almost totally independent of weather. That means that upcoming conventions and tourism also play a key role in estimating demand.

Much of our ability to project steam demand, however, comes from experience. NRG Energy Center San Francisco has been operating the steam system since 1999, and we know our system and our customers well. It helps us negotiate long-term gas contracts that stabilize costs and provide our customers with the steam they need year round. ■

Energy Center News

Thermal Times

December 2015 Volume 6 | Issue 2



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Orchard Hotel
An NRG Energy Center
San Francisco customer

The 11-story Orchard Hotel features the Daffodil Restaurant, which offers innovative organic cuisine in the heart of the city. *Courtesy The Orchard Hotel.*

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Lower rates bring
cost savings



Courtesy The Orchard Hotel.

More than 90 employees work together to keep The Orchard Hotel clean and comfortable for its guests.

A Green Boutique

Orchard Hotel reflects family's commitment

When S.C. Huang founded The Orchard Hotel San Francisco in 2000, his vision was to extend gracious Asian hospitality to guests, naming the new boutique hotel after Singapore's famed Orchard Road.

The 104-room luxury hotel has since thrived, focusing on great service at a great location near Union Square. Built from scratch on land previously occupied by another property, the hotel—an NRG Energy Center San Francisco customer—has become a go-to respite for business and other travelers.

After the founder and his daughter passed away, the family honored them by building another hotel—The Orchard Garden—nearby, focusing on sustainability at both properties. Those efforts were successful, with The Orchard Hotel earning LEED-EB (Leadership in Energy & Environmental Design for Existing Buildings) and The Orchard Garden Hotel earning LEED-NC (New Construction) certification.

The Orchard Hotel is ENERGY STAR® certified, is a San Francisco Green Business, has a silver Green Seal certification and holds a gold rating in TripAdvisor's Green Leaders program. General Manager Juan Bueno reports that the hotel changed all its lighting to LED fixtures in 2014 and also installed motion sensor-activated lighting in the stairwells.

The hotel uses steam provided by NRG Energy Center San Francisco to meet its space heating, domestic hot water and kitchen needs. "We've had a great partnership with NRG Energy Center San Francisco over the years," says Bueno, who also oversees The Orchard Garden Hotel. "We've used their service ever since The Orchard Hotel opened, and it's been very reliable. In fact, it's kind of like breathing: It just always happens, and you don't think about it! If we do call

with a concern or question, someone always comes right out. They've also guided us on preventive maintenance work and made a great suggestion that reduced our steam

use. In my book, that makes NRG Energy Center San Francisco a company we trust."

Hotel guest rooms and public areas will shortly undergo renovations, with changes to be completed in 2016. "We certainly want our hotel to reflect the best-possible physical amenities and to be as green as possible," says Bueno, "but providing quality personal service to our guests is a top priority. We hire hospitable individuals who are willing to follow the high standards we've set over the years to ensure our guests' needs are met."

We congratulate The Orchard Hotel on its green initiatives and overall success. Thanks for your environmentally sound approach to hospitality! ■

“ We've had a great partnership with NRG Energy Center San Francisco over the years. ”

The Orchard Hotel Embraces Green Initiatives

- Uses local and organic ingredients whenever possible.
- Purchases verified emission reductions to offset carbon impact.
- Uses organic, citrus-based cleaning products.
- Uses 100% recycled paper and soy-based ink on all collateral, menus and stationery.
- Uses low-flow water devices.
- Composts all waste materials.
- Uses only LED lighting.
- Uses motion-sensor lighting in stairwells.
- Has eliminated small plastic amenity bottles and replaced them with attractive permanent dispensers.



Courtesy Cresleigh Management Inc.

433 California Street had boilers that required retrofit to comply with local emission standards. Owner Cresleigh Management opted for NRG Energy Center San Francisco's steam service instead.

Boiler Needed Retrofitting

433 California Street turned to our steam

The commercial building located at 433 California Street is a historic 11-story office building located in the center of San Francisco's Financial District. The ownership team, Cresleigh Management Inc., was facing a challenging decision surrounding the building's 70-year-old boilers. The Bay Area Air Quality Management District has strict emission standards for boilers rated below 10 MMBtu/hr., which meant that Cresleigh needed to retrofit the building's boiler at a substantial capital expense to comply, or find another heating solution.

The energy center's Duane Botelho met with Cresleigh's Director of Engineering Services Gary Hauck to discuss the district energy option. The district energy solution provided

on-demand heating of the commercial space, no upfront capital expense to take advantage of NRG Energy Center San Francisco's service, and eliminated operating and maintenance costs associated with the old boiler system. The Cresleigh management team agreed with NRG Energy Center San Francisco's value proposition, and steam service began to 433 California Street in June 2013.

Cresleigh also agreed to expand the building's use of district energy by utilizing the energy center's steam service for domestic hot water. We are proud to have the Cresleigh Management team on our system. We value their partnership in creating efficient energy solutions for this location.

Preventive Maintenance

Condensate testing can tell the story

If you're an NRG Energy Center San Francisco customer, you can find out if you have leaks in your internal building heating or domestic hot water system by quickly testing our steam condensate.

How is that possible? Qualified building staff or contractors can carefully draw the condensate and test it for hardness, pH level and conductivity anomalies that indicate condensate contamination. Readings outside the normal range may mean that your building's heating or domestic water system is leaking.

To stay on top of your system's efficiency, we recommend that you test the condensate annually. If you would like guidance on condensate testing or would like to know the ideal hardness, pH level and conductivity levels, contact our Distribution Manager, Mike Eurkus, at **415.644.9668**. Mike.Eurkus@nrg.com ■

