

EXHIBIT B

Northern Energetics, LLC
520 Rose Street
Duluth, MN 55803

PROPOSAL FOR ENERGY CONSULTING SERVICES in 2016 ***Residential & Multifamily Buildings***

DATE: September 18, 2015

TO: *Mr. Eric Schlacks, CEM*

FROM: David E. Lake, Certified Energy Manager; MN Commercial Energy Auditor; Residential Energy Auditor-Minn & Mich; Building Analyst Professional- BPI; BS: Environmental Technology-Jordan College Energy Institute

Thank you for the opportunity to present this proposal to conduct energy consulting services for the City of Duluth Comfort Systems (client) for the year of 2016. Customers will receive a comprehensive Home Energy Checkup, as a continuation of the proven, successful cooperative program with Minnesota Power. As an energy service company, Northern Energetics, LLC brings an unequaled level of experience and expertise to the City. We have prior commercial, multifamily and residential energy consulting, blower door/ infrared thermography testing and hands-on weatherization experience with twelve utilities/ municipalities in five states. We are proud of the excellent reputation that we have earned over the last 22 years of working with residents of Duluth...

Services Rendered: Northern Energetics, LLC will provide the following services:

- 1) **Thermal Integrity Audit:** Will be performed for the Duluth Comfort Systems customers, in concert with the electrical portion of the basic energy analysis supplied by MN Power. The thermal integrity audit will include:
- A) Schedule appointments for all customers. Includes re-scheduling when they change plans- or fail to be present at scheduled appointment times.
 - B) Take calls during business hours at our Office. Includes answering customers' questions, etc.
 - C) Obtain customer gas & electric use histories from utilities prior to visit with customer.
 - D) Conduct a walk- through energy inspection, noting opportunities for customers to reduce energy & water use and costs.
 - E) Analyze energy use patterns of customer, estimate energy that major appliances consume. Break down energy consumption by major uses.
 - F) Review opportunities to reduce energy consumption and utility bills with customers.
 - G) Perform payback analysis on recommended conservation or efficiency measures that cost over \$100.
 - H) Advise customers about the benefits of improving energy efficiency of appliances (and switching appliances to natural gas when appropriate).
 - I) Identify hazardous situations and unsafe appliance operations for customers.
 - J) Email (or mail) printed summary of survey and analysis findings to customers.
 - K) Forward surveys of customers' premises to Duluth Comfort Systems (with documentation of identified conservation opportunities & payback analyses).
 - L) Distribute literature about Comfort Systems' programs, and answer customer questions about them.
 - M) Meet with Comfort Systems representatives in person, when needed throughout the year
 - N) *Compensation:* \$77.00 per Checkup (2016)

- 2) **Efficiency Materials :** *(All water items are EPA "Water Sense" rated (like 'Energy Star' for water))*
We will **supply & install** these items, as applicable per customer.
- a) 1-2 Earth Shower heads, 1.25 gpm, white (Niagara model #N2912)
\$10.00 ea. material cost; Installation rate: \$5.00/ head
 - b) 1-2 Bathroom faucet aerators, 1.0 gpm, Dual thread (Niagara model #N3210-SAW)
\$3.00 ea. material cost; Installation rate: \$2.50/ aerator
 - c) 1 Kitchen Dual Spray Swivel faucet aerator, 1.5 gpm (Niagara model #N3115VP-FC)
\$5.00 ea. material cost; Installation rate: \$2.50/ aerator
 - d) 1 Foam tape roll, closed cell, *to weather strip attic doors* (Niagara model #N8001)
\$4.00 ea. material cost; Installation rate: \$4.00/ house
 - e) 1-2 Shower timers (similar to water proof egg timers) (AM Conservation model #SS010-S-LB)
\$3.00 ea. material cost; Installation rate: \$2.00/ timer
- 3) **Multi-family Buildings:**
- **2-4 Unit structures:** Audit will be provided for \$175.00 compensation per building.
 - **5-12 Unit structures:** Audit will be provided for \$250.00 compensation per building.
 - **13+ Unit Structures:** Audit will be provided for \$295.00 compensation per building.
Remaining units may be billed to Landlord/ Owner, per agreement between Owner and Northern Energetics, LLC.
- 4) **Audit Revisions:** Occasionally, customers call our Office back with a new modification of ideas or plans in mind. If needed, we will look up their past information, revise or add any additional items, perform any other necessary calculations, & email copies of the revised forms to both the customers & to Duluth Comfort Systems.
Compensation: \$15.00 per revision
- Proof of commercial liability insurance coverage to the amount specified by the Duluth Comfort Systems will continue to be provided by Northern Energetics, LLC prior to performing any site work.
 - Funding by the City of Duluth Comfort Systems for the Thermal Integrity Audit will be furnished only for existing or potential gas customers.

***Note:**

A) By facilitating the implementation of the energy changes listed herein, this service aids in allowing the city of Duluth to increase sales/ revenue of natural gas- by thousands of dollars annually. On a monthly basis, we see customers fuel switching from fuel oil heat and domestic hot water to become new lifelong users of natural gas. Many residents also convert from electric heat and domestic hot water to natural gas & occasionally LPG to gas.

B) Increasing efficiency and fuel switching both reduce the carbon footprints of our local homes. The pounds of carbon dioxide (CO₂) emissions created per million btus of different fossil fuels burned is as follows:

Electricity (from coal only): 644 Lbs CO₂ per million Btu

Fuel oil: 161 Lbs CO₂ per million Btu

Natural gas: 117 Lbs CO₂ per million Btu

- Source: Consumers Guide to Home Energy Savings, 10th edition (Table 1.2), by American Council for an Energy-Efficient Economy (aceee.org)

C) In addition, we identify and alert customers about unsafe conditions in their homes when discovered. We generally find several or more potentially dangerous problems per year. These are the **best of all** to prevent!