



April 15, 2004

Mr. Richard Halvorson
Energy Management System Solutions
3921 E. LaPalma Avenue, Ste B
Anaheim, California 92807

REF: 2000 Standard Performance Contract (SPC) Program
Contract #00L-0066 – Annual Savings Report 1 & 2 (ASR1&2)
Embassy Suites – Santa Ana

Dear Mr. Halvorson:

On March 30, 2004 a meeting between Energy Management Systems Solutions [EMSS], Southern California Edison [SCE] and Nexant was held for the purpose of resolving the discrepancy between energy savings calculations for performance years 1 and 2. As a result of the meeting, it was agreed that Nexant, on behalf of SCE, would re-run the regression model for this project, implementing the following agreements made by SCE:

- a. SCE agreed to include data from December 1999 in the data set used to construct the baseline billing regression model.
- b. SCE agreed to begin the performance period in July 2001, thus the first performance period spans July 2001 to June 2002 and the second performance period spans July 2002 to June 2003.
- c. SCE agreed to apply a load creep adjustment to the baseline billing regression model.

Based upon this re-run of the model, the energy savings have been recalculated:

ASR 1: kWh:	522,576
ASR 2: kWh:	<u>590,180</u>
TOTAL:	1,112,756
2 YR AVG:	556,378