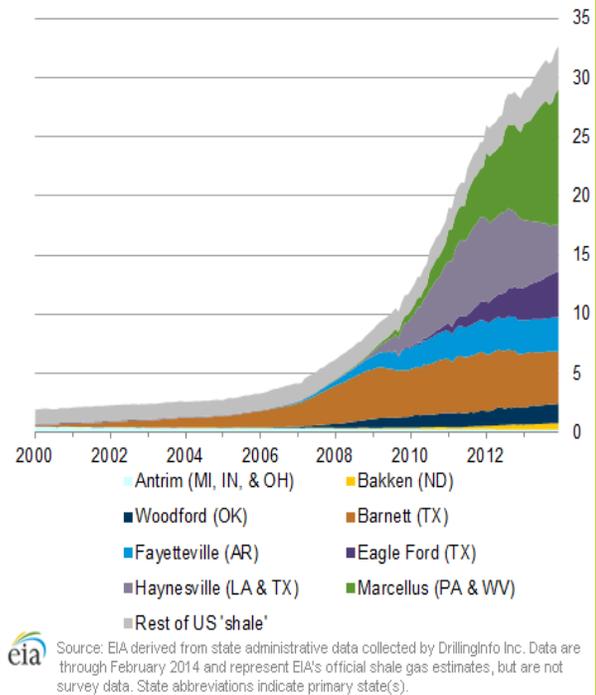


Monthly dry shale gas production  
billion cubic feet per day



**Generate Power below  
9 Cents per kWh**



# Reduce Power Bills with Natural Gas

## Power from Natural Gas

The cost of natural gas has dropped from its peak of over \$13 in 2008 to as low as \$2 in 2012 and leveled at \$4.5 per million BTU's. In comparison California utility rates have increased by over 3.5% annually over the last 14 years. Continuous findings of shale gas deposits will create an excess supply of natural gas on the US market for many decades.

## Natural Gas On-Site Generation makes a Difference

At a locked in gas price of \$6 for 15 years, power can be generated on site for only 9 Cents. Current utility power prices range from 12 to 24 cents in California.

**On-site natural gas power generation can reduce utility costs up to 40%.**

Natural gas on-site generation uses gas engines or gas turbines to generate electricity from natural gas.

The heat produced by the power generator can be turned into additional savings.

The State of California has dedicated \$33.4 million annually to support self-generation projects with up to \$460,000 of government support for individual natural gas onsite generation projects.

## V Core Power

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# Case Study

## On-Site Generation

The facility is purchasing power from PGE under an A-1 TOU tariff structure with a 15% discount of the published rates. Monthly power bills are averaging \$170,000 and the annual average power rate is \$0.158 per kWh.

**The facility spends \$2 million per year for power.**

The facility uses 13 million kWh's annually with a peak demand of 2MW and an average load of 1.5 MW.

**A single 1.5 MW CAT engine generator generates 88% of the power for the facility.**



Three High Efficiency 20 Cylinder 1.6 MW CAT Power Generators

## Benefits

Annual Cost Reduction over \$900,000

Cost Reduction of 40%

\$345,000 CA Incentive

On-Site Generation Cost 9 Cents

Payback below 3 years

Additional \$300,000 of heat produced

Project Completion 9 Months

## Case Study Summary

The \$2.7 million power project is supported with \$345,000 by the CA self-generation incentive program and capable of achieving a payback just under 3 years. The project maintains a payback under 4 years even without the support of the incentive program.

The project is able to achieve a power cost reduction over \$500,000 annually, after financing, based on financing the project over 10 years at 6.5% APR. This equals a reduction of close to 30%, after financing.

The engine generator produces \$300,000 of usable waste heat which can, in addition to the reduction of power cost, further reduce the natural gas usage for heat needs of the facility.

**The total project cost includes turn key installation and permitting of the project. The annual operation and maintenance cost includes a complete “hands off” program for the customer.**