

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Central Power Plant
Distributed Control System Upgrades

Action Requested: Approval to Proceed with Project

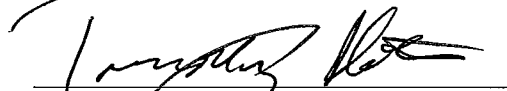
Background:

The Central Power Plant (CPP) provides steam for the heating and cooling of many buildings on Central Campus, and also uses the steam produced to generate electricity. This project will update the power plant's electronic control systems to improve reliability, enhance continuous monitoring of systems, and optimize overall efficiency. As we continue to reduce energy consumption in university buildings, it is important for the CPP systems to be monitored in near real time to minimize the fuel necessary to meet, but not exceed, continuously changing loads for improved energy and environmental performance. The scope of this project includes the architectural, mechanical, and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.

The estimated cost of the project is \$6,750,000. Funding will be provided from Utility resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. The engineering firm Stanley Consultants will design the project. Construction will be phased to keep the plant operating and is scheduled to be completed in the fall of 2014.

We recommend that the Board of Regents approve the Central Power Plant Distributed Control System Upgrades project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

October 2011