

Press Release

## Vicinity Energy acquires central energy plant serving historic Watergate Complex in Washington D.C.

*District energy leader to invest over \$11 million in plant and distribution system efficiency improvements*



**BOSTON, Massachusetts** - June 17, 2020 - [Vicinity Energy](#) announced today that it has acquired the district energy system serving the historic Watergate Complex in Washington D.C. and taken over operations as of February 1<sup>st</sup> 2020. The acquisition is the first for the company under its new ownership, making Washington D.C. the eleventh major city served by Vicinity. This brings Vicinity's portfolio to a total of eighteen district energy networks. It comes on the heels of Washington, D.C. passing the most ambitious clean energy law in the country.

Positioned in the city's Foggy Bottom neighborhood, the Watergate Energy Collaborative Utility serves a group of six buildings with high pressure steam and chilled water. Vicinity will own and manage the energy operations on the mixed-used campus, providing heating and cooling under six separate 25-year energy service agreements.

Vicinity has committed to invest over \$11 million in the plant and distribution system to improve efficiency, reliability and sustainability. The company will convert the plant's 55-year-old steam heating system to high efficiency hot water, complete efficiency upgrades to the chilled water system, and install an advanced treatment system to facilitate use of groundwater, currently sent to the sewer, as makeup water to the plant, saving millions of gallons of water each year.

"We are proud to serve as the new owner and operator of the central utility plant for this important piece of the city's history and look forward to working with the Watergate community on delivering the highest quality, and most resilient and sustainable energy services possible," said Bill DiCroce, president and chief executive officer of Vicinity Energy. "In addition to ensuring building occupant comfort, state-of-the-art, efficient energy systems are important for the long-term viability of historic campuses like the Watergate Complex."

The Watergate Complex has long been one of Washington's most desirable locations to live and work. Adjacent to the John F. Kennedy Center for the Performing Arts and the Potomac River, the complex includes cooperative apartments, a hotel and two office buildings. The complex's central utility plant, built in 1964 and enlarged in 1967, supplies steam and chilled water to more than 1.8+ million square feet of building space.

"The city's recent clean energy law creates increased incentives for building owners to seek out innovative service providers to partner with and – in the case of the Watergate complex – invest in the facility's immediate infrastructure needs and long-term viability," said Kirk Betts, principal with Betts & Holt, LLP and representative for the Watergate Complex. "We know that with Vicinity Energy at the helm of Watergate



Energy Collaborative Utility, these buildings will become more resilient and energy efficient, both in the near-term and well into the future.”

The Watergate acquisition is in line with Vicinity's growth strategy to acquire and invest in district energy systems across the United States. The acquisition broadens Vicinity's presence in an important market and expands the company's operations and remote monitoring services at its state-of-the-art operations center in nearby Baltimore.

Vicinity Energy currently supplies district energy and related services to more than 200 million square feet of building space, with its largest networks located in downtown Philadelphia, Boston, Baltimore and Kansas City. Through its ownership and operation of over 400 megawatts (MW) of combined heat and power (CHP) production, Vicinity is the greener alternative, owning and operating some of the most efficient large generators within their respective energy grids.

### **About Vicinity Energy**

With 18 networks in 11 major cities, Vicinity Energy is North America's largest provider of district energy solutions, offering energy supply, infrastructure investment and management services to municipal, commercial and institutional customers with mission-critical energy needs. Our 450+ skilled engineers, operators and energy experts have a singular dedication to our customers' success and a relentless focus on delivering reliable and efficient energy products and services.

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