



AUGUST 21-23, 2018 • CLEVELAND, OHIO

Rethinking Traditional Finance: How Efficiency-as-a-Service Unlocks New Potential for Business

Thursday, August 23rd, 2018 from 4:00pm – 5:30pm

Panelists

Moderator

- **Holt Mountcastle**, RE Tech Advisors

Speakers

- **Alanna Gino**, Redaptive
- **Bob Hinkle**, Metrus Energy
- **Richard Braam**, Bristol Hospital

Alanna Gino

Redaptive

Scaling Energy Efficiency for C&I

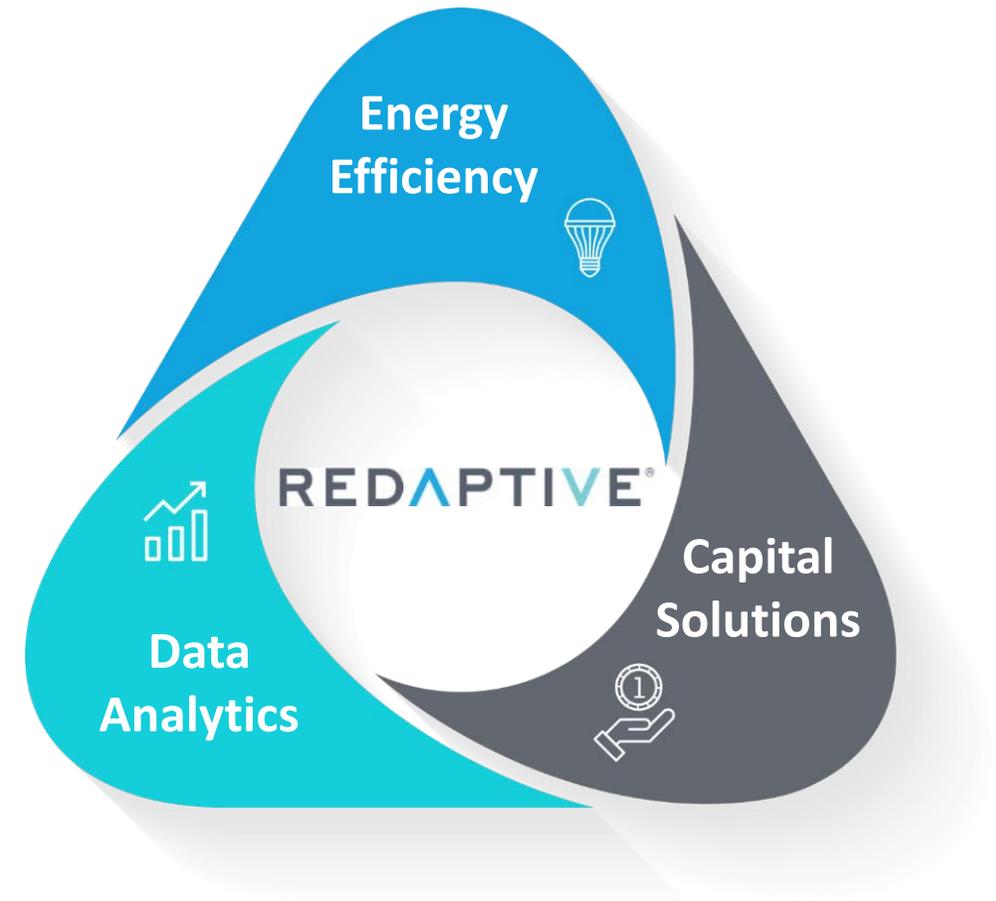
Better Buildings Summit 2018

REDAPTIVE[®]



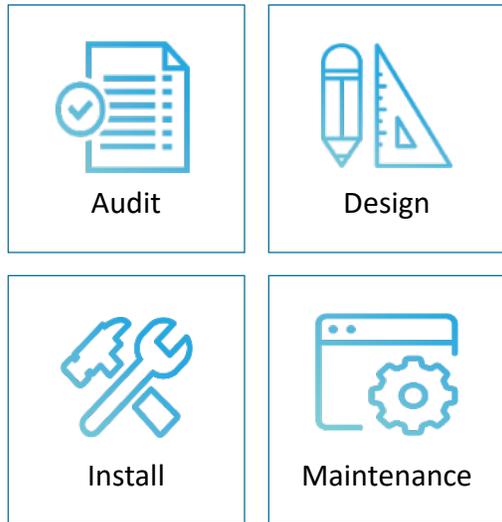
Redaptive Tackles Industry Challenges – Unlocks and Accelerates EE

- Address key barriers to portfolio-wide adoption
 - Cover all material, labor costs and project management of retrofits
 - Eliminate financing impact – off balance sheet
 - Full risk transfer (project performance, rebate allocation, cost overruns)
 - Verified equipment level savings and data analytics

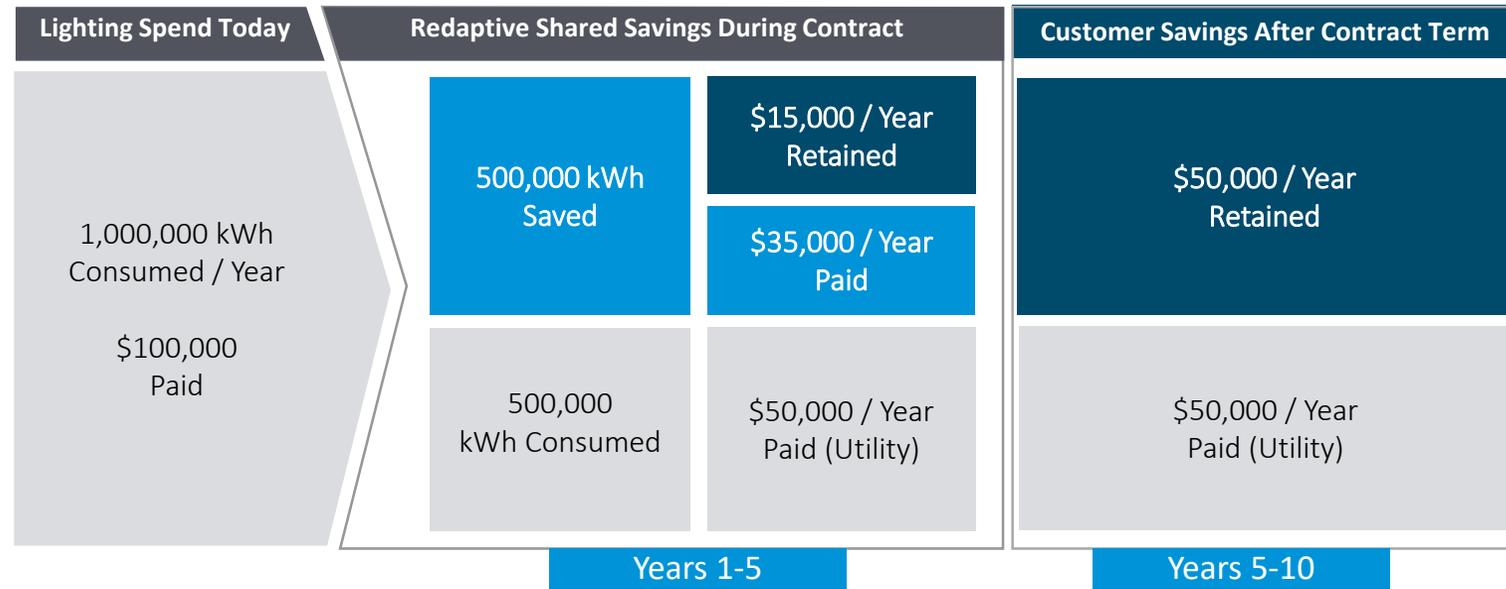


How it EaaS Works – Simple Shared Savings Model

Redaptive Service



Contracted Customer Payments



Redaptive provides unparalleled transparency into shared savings

Key EaaS Differentiators



Term Lengths

Contracts can be as short as 3-5 years vs 10-30 yr ESCO contract



Actual Validated Savings

Measure equipment level consumption and bill for **actual, measured** savings



Not a Lease

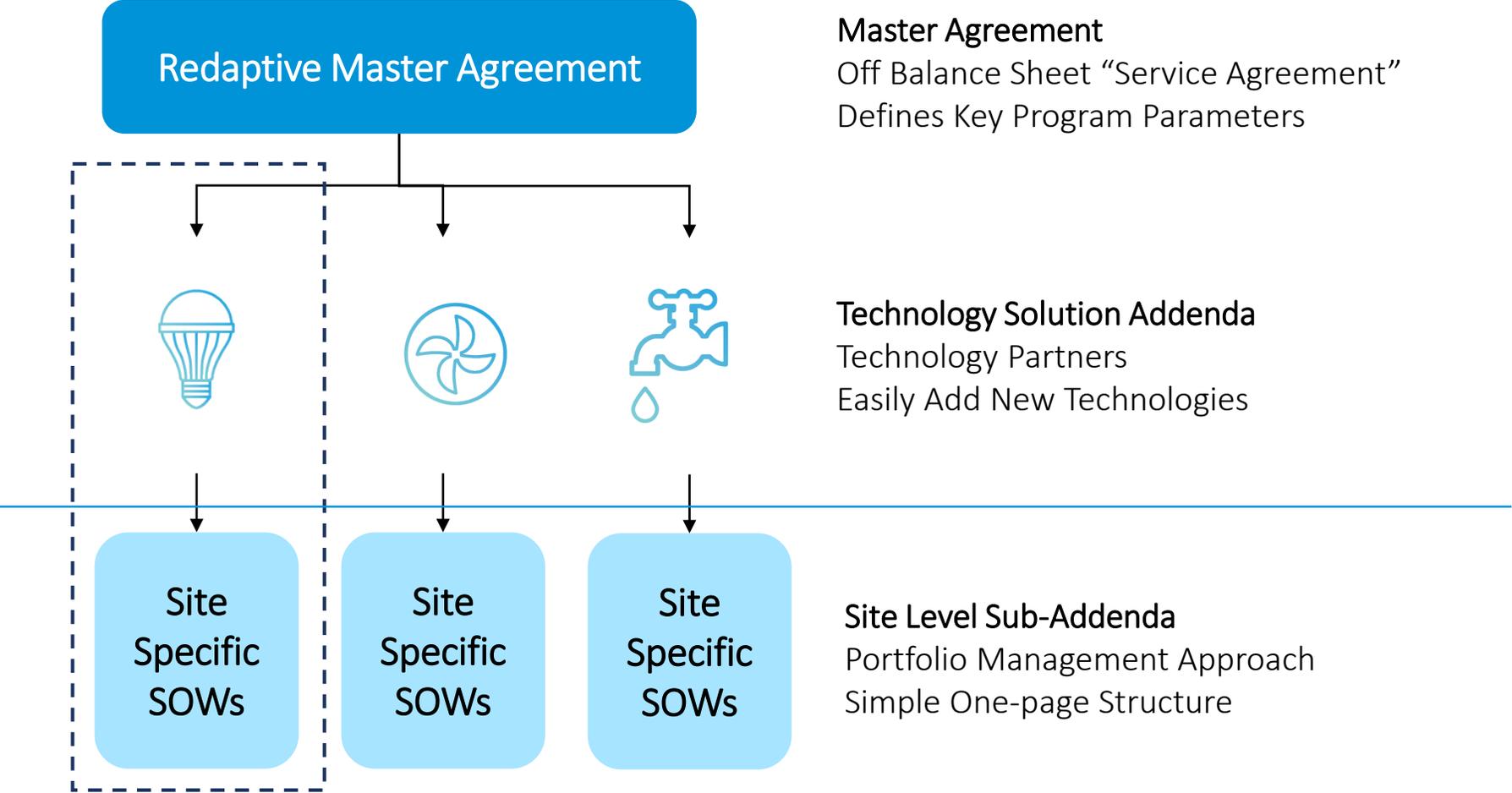
EaaS is treated as a service and is classified as an operating expense - swap part of OpEx Utility Bill for Redaptive Savings Bill



Customer Friendly

Flexible terms allow for early termination, transfer of contract ownership, and performance outs

Simple and Streamlined Contracting Speeds Deployments



Customer Rollouts Across a Variety of Sectors

- Hospitals, Manufacturing, Telecom, Industrial, Warehouses
- 1,120 Customer Sites installed or underway
- Nationwide and across 153 different utility regions

- ***Generated nearly 500 million kWh of energy reductions***

Telecom

Scope and Savings

- 490 Sites
- Annual Net Operating Savings: \$22M
- Projected 10-Yr Savings: \$220M

Industrial Laundry

Scope and Savings

- 253 Sites
- Annual Net Operating Savings: \$2.7M
- Projected 10-Yr Savings: \$31.6M



Thank You!

Alanna Gino

Director of Marketing

340 Brannan , Suite 400
San Francisco, CA 94107

REDAPTIVEINC.COM

Bob Hinkle

Metrus Energy



METRUS ENERGY

Delivering Efficiency as a Service: The Metrus ESA

August 2018

Overview

- Metrus develops, finances, owns, and operates large-scale efficiency projects for Fortune 500 companies and major institutional customers.
- Metrus partners with leading ESCOs, contractors and lending partners to design, finance, construct and maintain projects.
- Metrus sells efficiency as a resource. We put our capital to work so our customers don't have to.
- Metrus has operational energy and water efficiency projects in 20 different states, resulting in savings over 1.1 billion kWh.



Metrus Sells Energy Efficiency

Development:

- Identify efficiency upgrades
- Design project scope
- Structure financing solution

Financing:

- Fund 100% of project costs
- Own project assets
- Monetize available incentives

Operations:

- Measure performance and savings
- Cover ongoing maintenance costs
- Identify new savings opportunities

Origins of the Metrus ESA

Power Purchase Agreement



Traditional Performance Contract



Efficiency Services Agreement

- Funds 100% of total project costs
- Third-party ownership of energy and water efficiency assets
- Pay-for-performance structure
- Covers construction, O&M, M&V
- Off-balance sheet accounting

Relationships

ESA

Metrus funds 100% of project cost, takes title to equipment, and pays for ongoing maintenance and monitoring. Customer pays service charge for realized savings.

ESPC

ESCO (contractor) designs project, installs efficiency equipment, and provides long-term maintenance and monitoring services.



Key Customer Benefits

FINANCIAL

- No capital outlay (cap-ex dollars can be invested in core business)
- Immediate positive cash flow through energy and water savings
- Pay-for-performance ESA removes risk
- Incorporates available utility incentives
- Preservation of debt capacity

OPERATIONAL

- Key equipment upgrades that increase resiliency and reliability
- Improved efficiency of building operations and systems
- Ongoing maintenance and monitoring services
- Flexibility to add new upgrades

Scope of Work

TYPICAL PROJECT PROFILE

- Integrated energy and water efficiency retrofits
- Project size is generally \$1-15 million
- ESA (project) term is generally 5-15 years

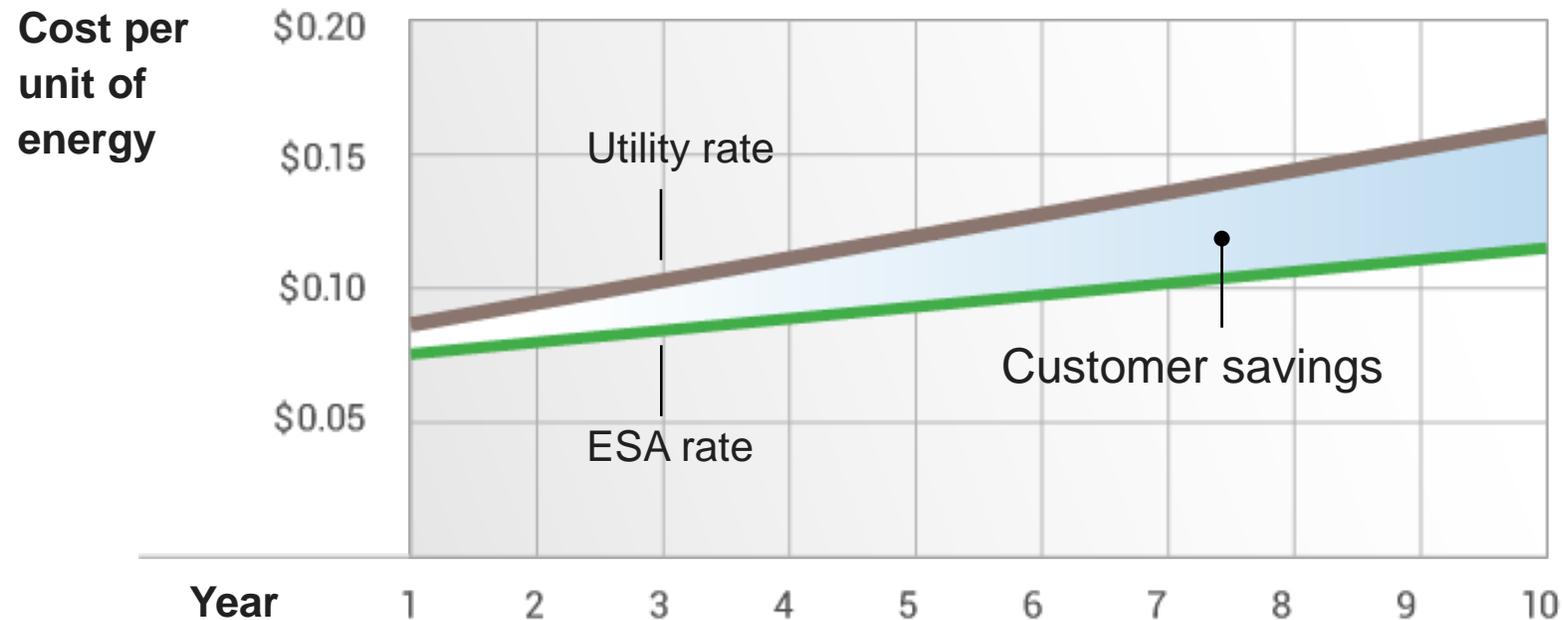


TYPICAL EFFICIENCY MEASURES

- Building automation and controls
- Lighting retrofits and controls
- Heating, ventilation and air conditioning (HVAC)
- Central plant systems
- Boiler replacement and system improvements
- Pumps, fans, motors, and drives
- Cogeneration (on-site electricity generation)
- Water efficiency measures

ESA – Service Charge

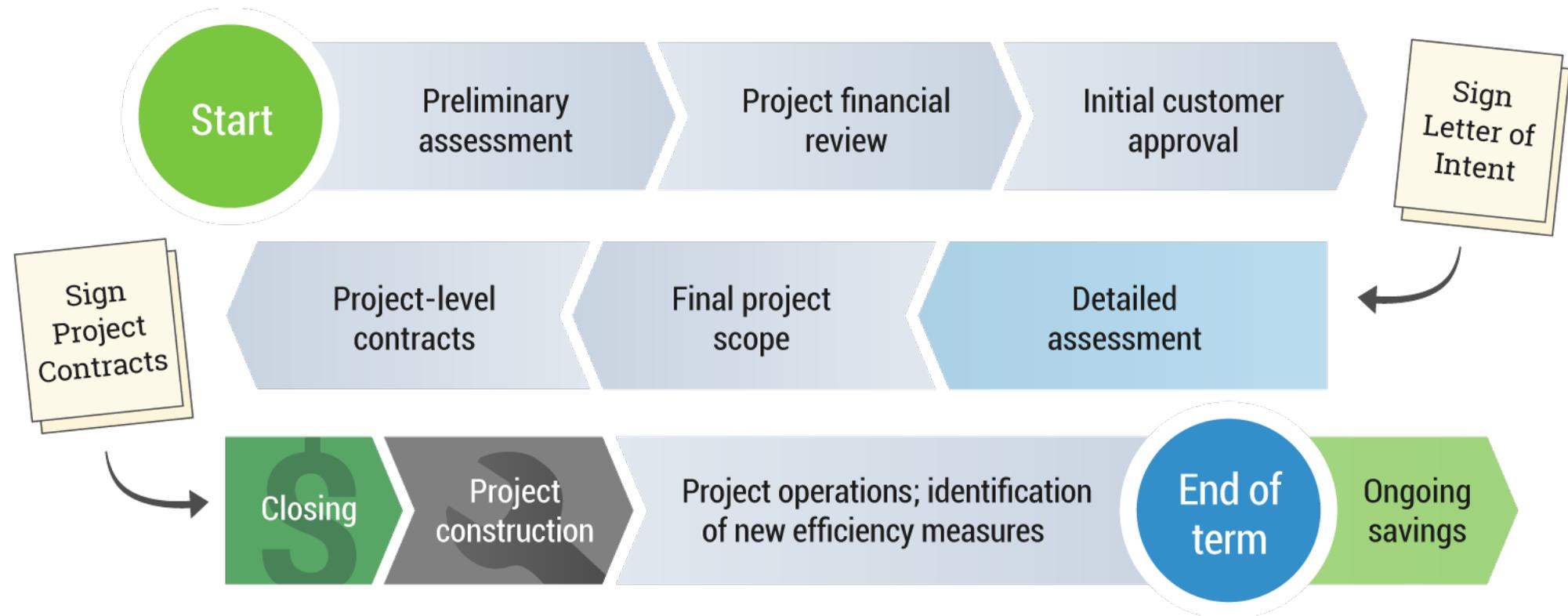
$$\text{Service charge} = (\text{physical units of savings}) \times (\text{service rate, \$/unit}) + \text{operational savings}$$



Savings created by:

1. Year 1 service charge is \leq avoided utility cost
2. Fixed annual escalation is \leq expected utility rate increase

Project Lifecycle



CASE STUDY

Fortune 100 Technology

35 SITES • 12 STATES

- LED lighting upgrades
- Building management systems

Total investment:

\$53.6

Million

Total annual savings:

\$12.1

Million

Annual CO₂ savings:

95,277

Tons

CASE STUDY

BAE Systems

6 SITES • 3 STATES

- Lighting retrofits (interior & ext.)
- Building automation & controls
- Boiler and chiller replacement
- Transformer replacement
- Demand control ventilation
- Building envelope improvements

Total investment:

\$12

Million

Total annual savings:

\$4.1

Million

Annual CO₂ savings:

15,000

Tons

CASE STUDY

Fortune 500 Manufacturing

- LED lighting upgrades
- Variable frequency drives

Total investment:

\$4.2

Million

Total annual savings:

\$631,203

Annual CO₂ savings:

2,836

Tons

CASE STUDY

Bristol Hospital

- LED lighting retrofit
- Energy management system
- Power factor correction
- Steam trap replacements
- HVAC and AHU replacement
- Water efficiency

Total investment:

\$4.2

Million

Total annual savings:

\$525,000

Annual CO₂ savings:

1,320

Tons

Contact

Metrus Energy

5 Third Street, Suite 822

San Francisco, CA 94103

Tel: 415-284-5000

<http://www.metrusenergy.com>

sales@metrusenergy.com

Bob Hinkle

bob.hinkle@metrusenergy.com

Work: (415) 284-5000

Richard Braam

Bristol Hospital

Bristol Hospital & Healthcare Group

Richard A. Braam, CPA, MBA, CHFP
Vice President & Chief Financial Officer



Energy Efficiency as a Service at Bristol Hospital and Healthcare Group

Bristol Hospital & Healthcare Group - Background

- Located in Bristol, Connecticut
- Full continuum provider – EMS, Physician Group, Hospital, Skilled Nursing, Home Care, Hospice
- Limited borrowing capacity due to significant investment in physician practice ramp-up and State Provider Assessment (Hospital Tax)

Bristol Hospital & Healthcare Group - Background

- 369,216 square feet of aging facilities
- Significant deferred maintenance (approx. \$60M)
- Air Handlers were in dire need of replacement (50 years old)



Bristol Hospital & Healthcare Group – ESA Project

- BHHCG introduced to Metrus Energy in 2015
- ESA provided an off balance sheet, no upfront capital outlay solution for AHU replacement
- Extensive project – in addition to HVAC, also addresses lighting, plumbing, etc. Scope of work is 17 pages long.

Bristol Hospital & Healthcare Group - Issues

- Lenders & Lawyers
- Metrus' lender was seeking lien on AHUs
- BHHCG bond insurer would not permit such a lien

Bristol Hospital & Healthcare Group - Solution

- First and foremost – ditch the Lawyers
- Direct conversations between BHHCG CFO and Metrus CEO
- We were both motivated to get the deal done
- We were able to establish Metrus a position as a secured creditor

Bristol Hospital & Healthcare Group - Status

- Work is underway & progressing on schedule
- Virtually no disruption – critical for a hospital
- Great deal of flexibility shown by contractors



Questions?