Midwestern adoption of Energy Efficiency “As-a-Service”
Metrus – What We Do

• Metrus develops, owns and operates large-scale EE projects for C&I clients nationwide

• Metrus partners with leading ESCOs to design, construct, maintain projects

• Metrus is an energy efficiency “independent power producer” selling efficiency as a service

• Metrus operates projects with Fortune 500 companies and major institutional customers
Origins of the Metrus ESA

**Power Purchase Agreement**

- Wind turbine/farm
- Utility Power Plant
- Solar PV System

**Traditional Performance Contract**

- Federal/Municipal
- Institutional
- K-12, Public Universities

**Efficiency Services Agreement**

- Funds 100% of project costs
- Third-party ownership of EE assets
- Pay-for-performance structure
- Covers Construction, O&M and M&V
- Private sector focus – C&I, Institutional

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**Metrus Energy**
Challenges of the Midwest

Market – Private Sector
- Industrial
- Commercial
- Hospitals
- Universities & Colleges

Energy Cost
Electricity + Natural Gas in the Industrial Market among the lowest in the nation

Energy Market Attention

Statewide Energy Policy
SAMPLE PROJECT: **Illinois Industrial**

**Total Investment by Metrus:** $3.1MM  
**Savings Rate:** 4.25% below utility cost  
**Term:** 10 Years  
**Start Date:** July 2014  
**Construction Period:** 9 Months  
**Escalation Rate:** 1-2%

**Project Scope:**  
Building Automation System and Controls  
Demand Control Ventilation  
Chiller Replacement  
Lighting retrofits (Including new LEDs)

**Project Summary:** Without Metrus financing, this long-term payback project (6+ years) would have been delayed or not undertaken at all. Annually, this project is saving over five hundred thousand dollars, resulting in the avoided emission of 3,615 tons of CO².

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<th>TOTAL IMPACT</th>
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SAMPLE PROJECT: Iowa Industrial

Total Investment by Metrus: $4.2MM
Savings Rate: 5% below utility cost
Term: 10 Years
Start Date: December 2015
Construction Period: 9 Months
Escalation Rate: 3.0%

Project Scope:
Variable Frequency Drives
Lighting retrofits (Including new LEDs)

Project Summary: Without Metrus financing, this long-term payback project (6+ years) would have been delayed or not undertaken at all. Annually, this project is saving over five hundred thousand dollars, resulting in the avoided emission of 7,300 tons of CO².

TOTAL IMPACT

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Funding Mechanism Comparison

The Metrus ESA is often thought of as owner direct financing but in actuality is a project specific funding mechanism transacted as a services agreement.

Unique Attributes

Unlike a loan or lease the Metrus ESA provides unique attributes for energy efficiency projects:

- Complete Performance Protection
- Off-Balance Sheet Accounting Treatment

Pricing Factors

Project financing for the ESA has distinct challenges and opportunities that traditional loans and leases don’t:

- Smaller Transaction Size
- Longer Term
- No Covenants
- No Security Beyond Equipment
- Construction and Term Funding

Project Management

Metrus supervises the construction process to ensure best practices.

- Guaranteed On Time and On Budget Construction Period
- Utility Incentive Capturing
- Complete Engineering Design
- Managed Purchasing & Construction Supervision

Post Construction

Metrus provides services throughout the entirety of the agreement to ensure the structural integrity of the transaction and maintain the equipment to the highest standards:

- Ongoing Maintenance
- Ongoing Monitoring
- Ongoing Improvement Discovery