Metrus – Paying the Way for Energy Efficiency
Metrus – What We Do

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

• Metrus partners with leading ESCOs/contractors 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

Traditional Performance Contract

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
Financial Benefits

- No capital outlay (cap-ex dollars can be invested in core business)
- Preservation of debt capacity
- Immediate positive cash flow
- Pay-for-performance structure de-risks the transaction
- Flexible, Multi - Facility solution
ESA Defines the Relationships

Two key contracts govern each project:
1. Efficiency Services Agreement ("ESA") with the Customer;
2. Efficiency Services Performance Contract ("ESPC") with the ESCO/contractor

**ESA**
- Metrus funds 100% of project cost
- Repayment based on savings
- Metrus takes title to EE equipment
- Metrus pays for maintenance costs

**ESPC**
- Turnkey project installation and maintenance contract

**Project Installation**
ESCO designs and installs the project, provides long-term maintenance and guarantees performance
Operational Benefits

• Resiliency (added reliability) via new equipment + O&M services
• Increased visibility through M&V
• Portfolio (multi-site) solution; ability to include water efficiency
• Flexible structure, add new EE measures over time
ESA – Service Charge

Service Charge = (physical units of savings) * (Service Rate, $/unit) + Non-Energy Savings

Savings created by:
(1) Year 1 service charge is ≤ avoided utility cost
(2) Fixed annual escalation is ≤ expected utility rate increase
Customer Profile

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

**Total Energy Spend**
- Electricity + Natural Gas
- + Fuel Oil + Water > $1 million

**Location**

**Credit Quality**
Project Profile

Typical Efficiency Measures

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

Typical Project Profile

- Integrated energy efficiency retrofit projects
- Project size is generally $1-10 million
- ESA (project) term is generally 10 years
If the ESA is a services agreement…

…how do we compare it to other financing options?
## ESA Compared to Alternative Financing Options

<table>
<thead>
<tr>
<th>Attribute</th>
<th>ESA</th>
<th>Lease</th>
<th>PACE</th>
<th>Cash</th>
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<td>Down Payment</td>
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<td>Origination Fees</td>
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<td>On Balance Sheet</td>
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<td>Pay-for-Performance</td>
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<td>M&amp;V</td>
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<td>No – tax assessment</td>
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<td>Liens</td>
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</table>
CASE STUDY: Kuakini Medical Center

TOTAL IMPACT (AS OF FEBRUARY 2016)

- $5.8 MILLION TOTAL INVESTMENT
- $1.76 MILLION TOTAL SAVINGS
- 4,730 TONS TOTAL CO₂ SAVINGS

Results

- New chiller plant
- Lighting upgrades
- Energy management system (EMS)
- New steam boilers
- Air-handling unit VFDs
- New booster pumps and fire pumps