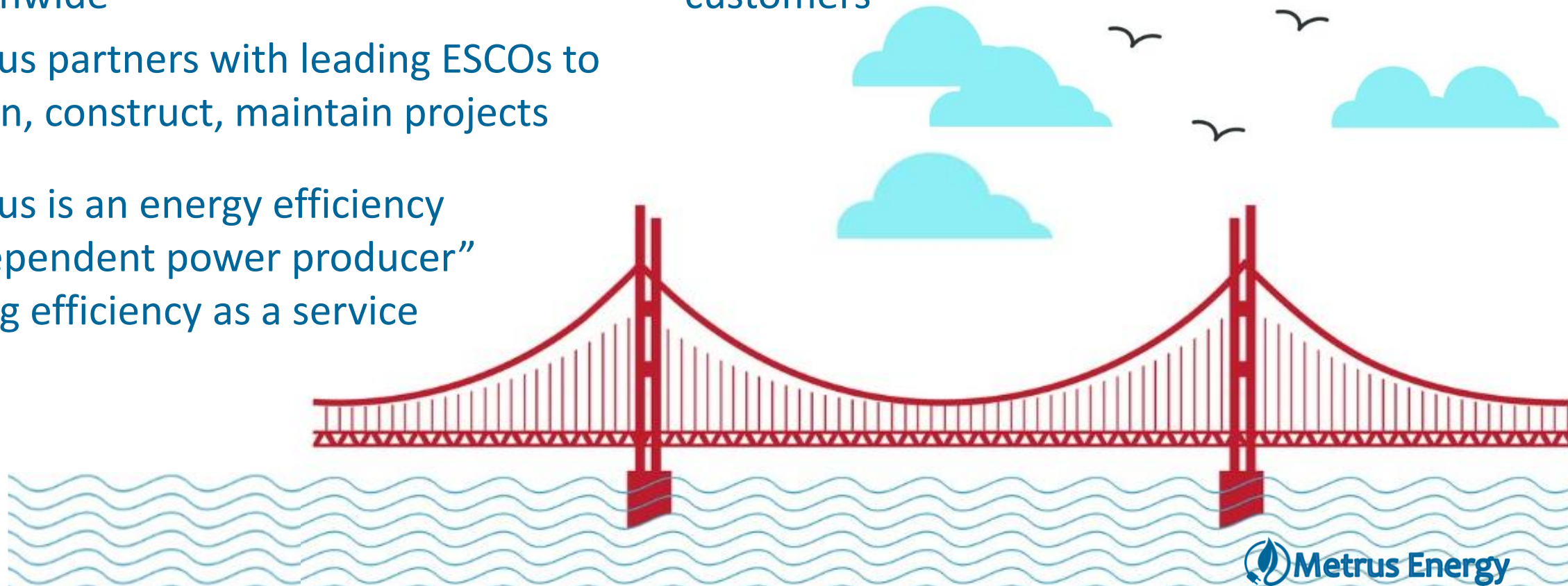


# Midwestern adoption of Energy Efficiency “As-a- Service”



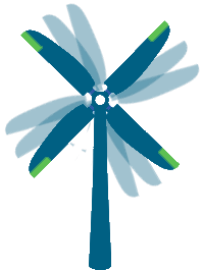
# Metrus – What We Do

- 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

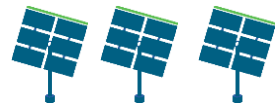
## *Power Purchase Agreement*



Wind turbine/farm



Utility Power Plant



Solar PV System



## *Traditional Performance Contract*



Federal/Municipal



Institutional

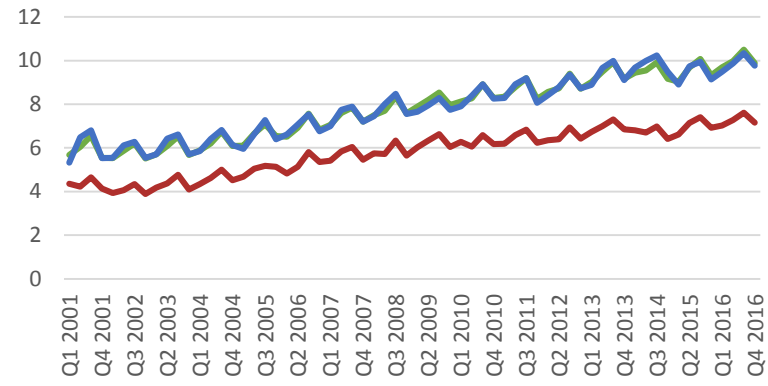


K-12, Public Universities

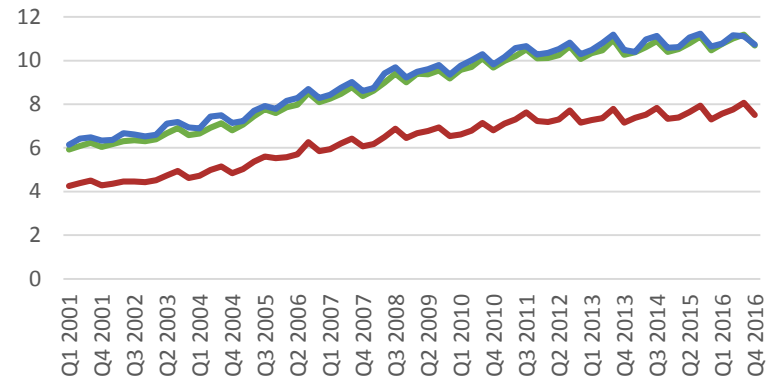
## Efficiency Services Agreement

- 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

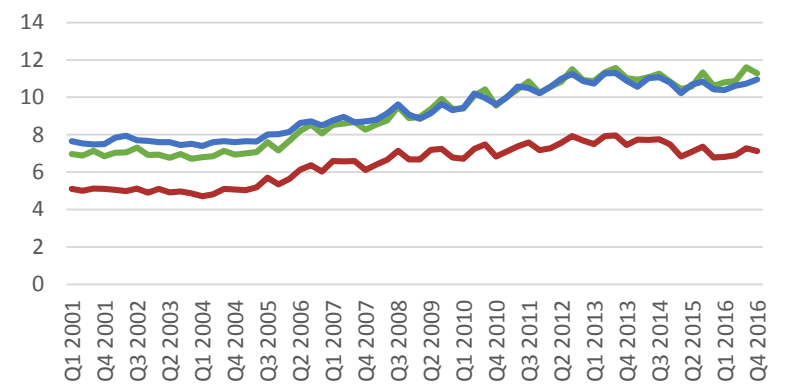
### Minnesota



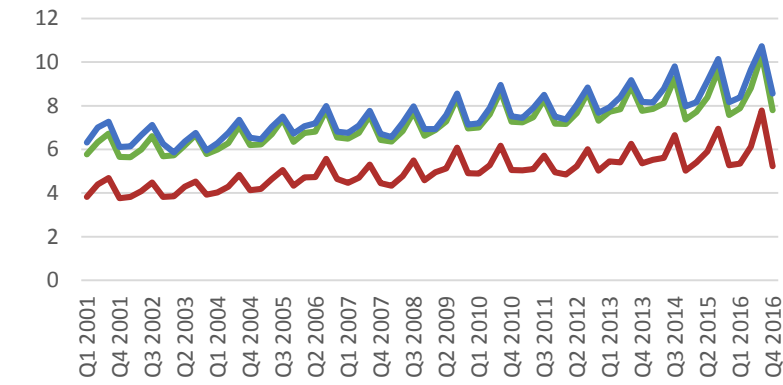
### Wisconsin



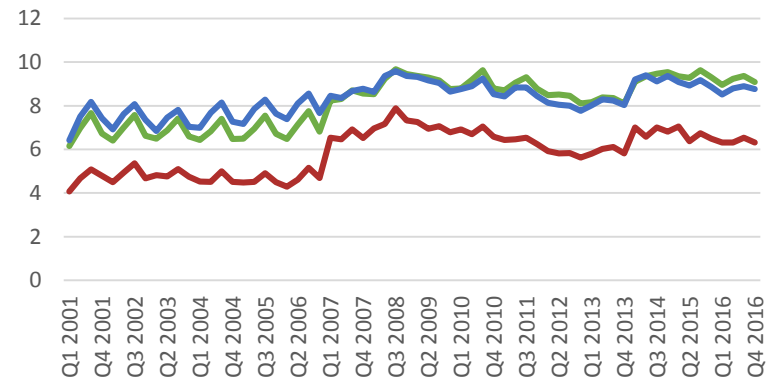
### Michigan



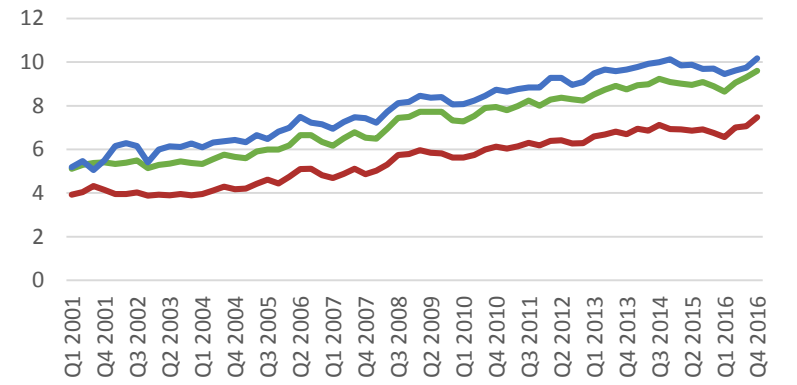
### Iowa



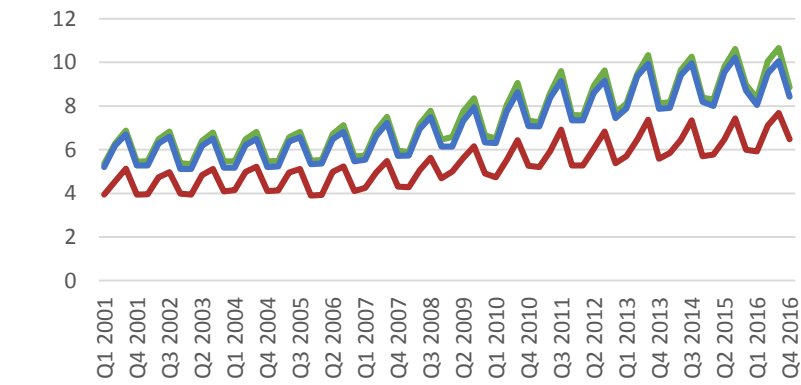
### Illinois



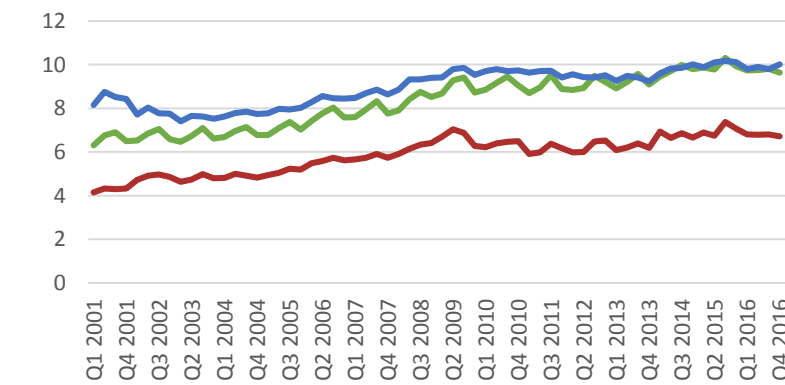
### Indiana



### Missouri



### Ohio



# Challenges of the Midwest

## Market – Private Sector



## 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 CO<sup>2</sup>.



## 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 CO<sup>2</sup>.



# 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