

# Rural Energy Advantage Program

*Direct Install EE Programs  
for Commercial Customers*

August 22, 2018

Lime Energy  
Unlocking Energy's Business Potential



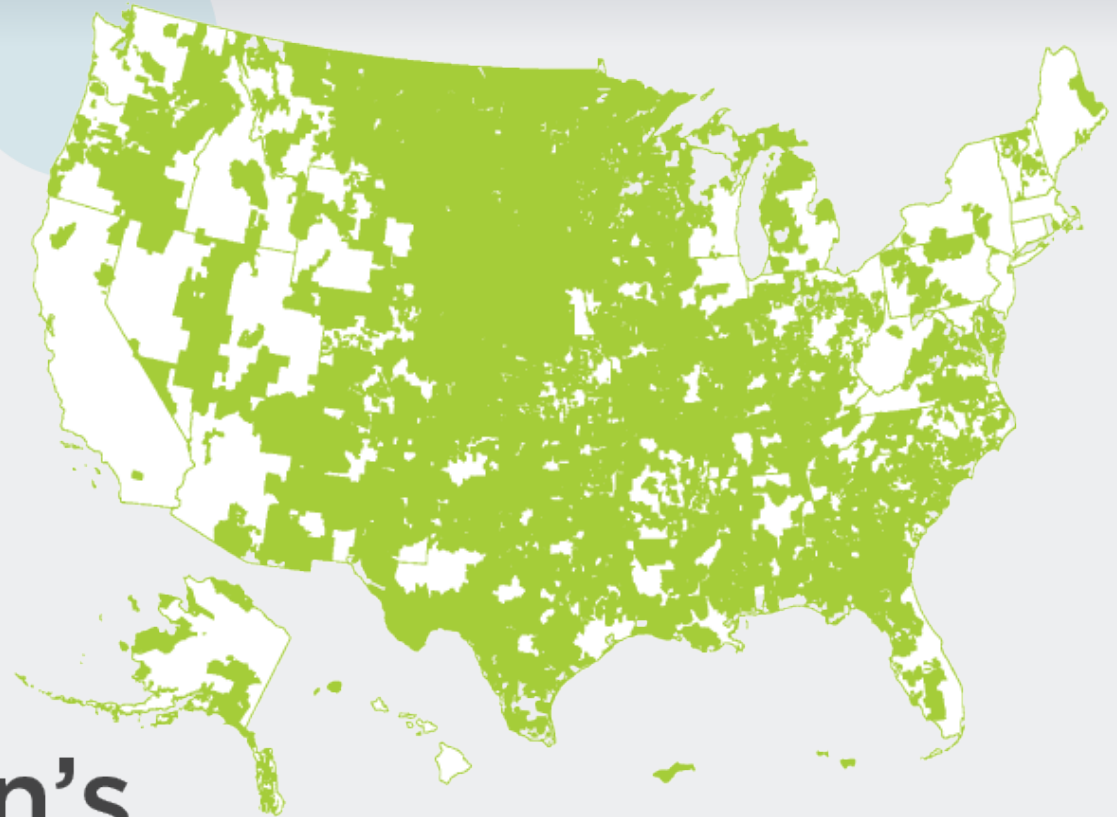
## Rural Electric Cooperatives and Their DSM Gap

833 distribution  
and 62 generation  
& transmission  
cooperatives

**Power**

**56%**

**of the nation's  
landmass.**



# Lime Energy Overview

As the country's leading provider of energy efficiency solutions for small business customers, Lime Energy designs and implements direct install programs for utility clients that consistently exceed savings goals.

Our award-winning model provides utilities with one integrated platform that delivers comprehensive energy solutions while fostering long-term customer engagement through a seamless and turnkey process.

## Quick Facts

NASDAQ symbol:  
LIME

Headquarters:  
Newark, NJ

Regional Operation Centers:  
Huntersville, NC  
Redlands, CA  
Woodbridge, NJ

Employees:  
270  
US Locations:  
14

Website:  
[lime-energy.com](http://lime-energy.com)



20,000

energy efficiency projects  
completed this year



1,000

GWh saved



1 in every 6

1 energy efficiency  
project every 6 minutes



\$464 million

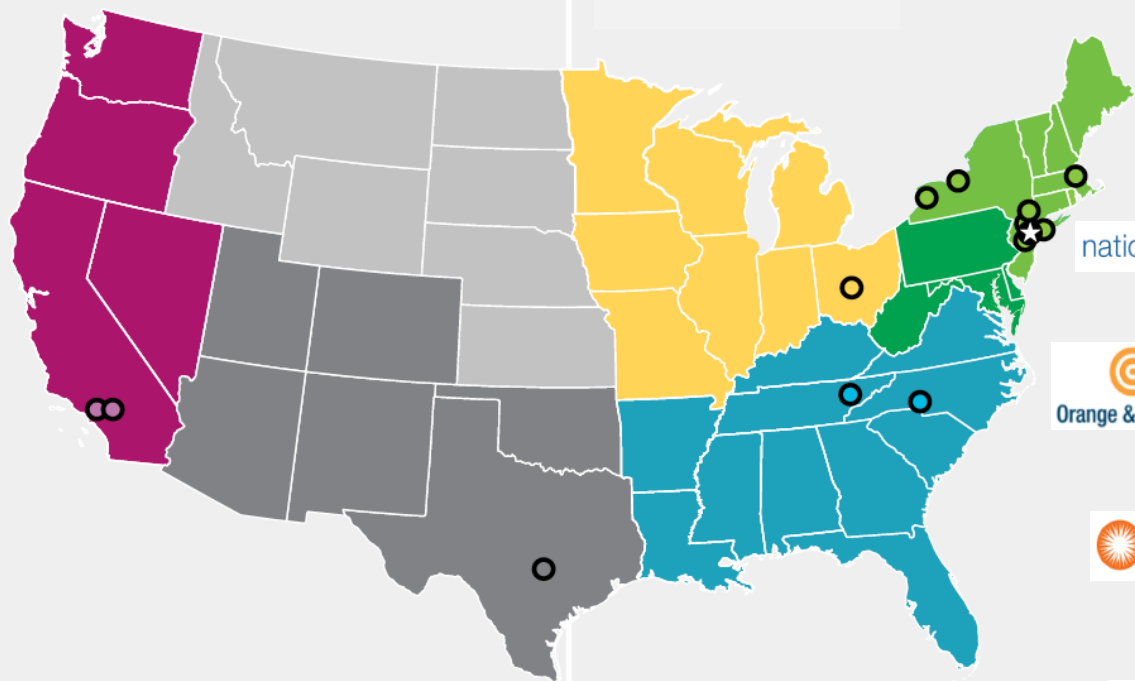
in utility energy efficiency  
budgets secured



1.4 million

customers engaged

# lime Lime Energy Overview



15 of Top 25 U.S. Utilities Served

5 of Top 10 Municipal Utilities Served

1.7mm Customers Served

>135,000 Projects Installed

386 MW Capacity Resources Delivered

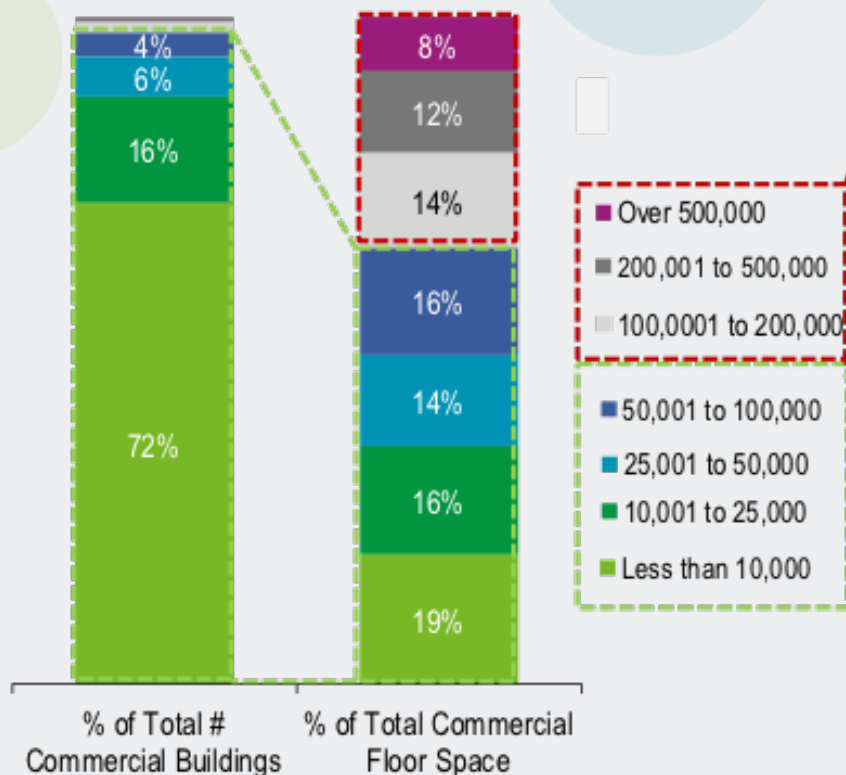
1.7 GWh EE Resources Delivered

>98% Customer Satisfaction



# lime SMB EE Opportunity

U.S. Commercial Building Demographics by Size (%)



## EE Market Overview

Traditional ESCOs and Program Administrators focus on this segment, which requires simpler sales strategies but comprises a smaller and much more penetrated share of the market

### Lime's Target Market – SMB Commercial Building EE

- Commercial Direct Install ("CDI") approach has a unique ability to deliver SMB EE
- Addresses commercial customers with peak demand < 300 kW and square footage < 100k
  - **Represents ~98% of commercial customers and ~65% of floor space and energy usage**
- The SMB commercial market that CDI targets represents a massive and significantly underserved market opportunity

Source: ACEEE, EIA's 2012 "Commercial Buildings Energy Consumption Survey" Ernest Orlando Lawrence Berkeley National Laboratory's "The Future of Utility Customer-Funded Energy Efficiency Programs in the United States".

**lime** Who are these SMBs?

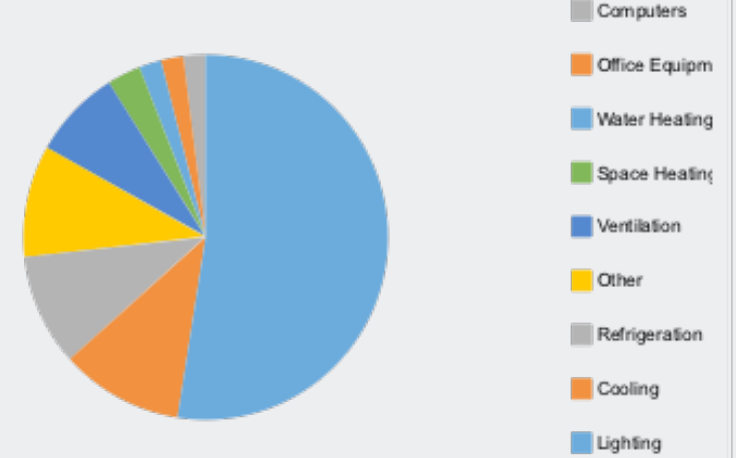


# lime Who are these SMBs?

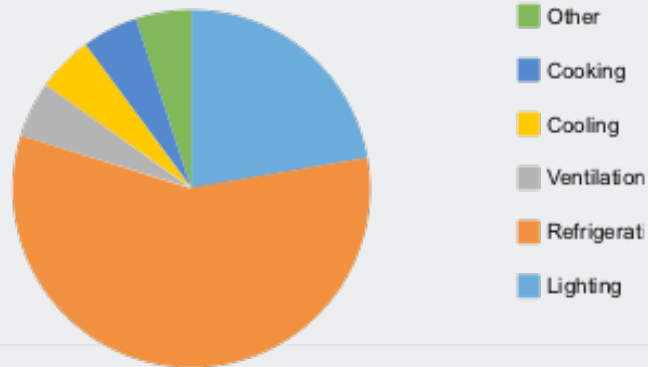
Energy Use in Restaurants



Energy Use in Retail Stores



Energy Use in Grocery Stores



Ranked #1

The Cost of Health Insurance

Ranked #2

Unreasonable Government Regulation

Ranked #10

Locating Qualified Employees

...

Ranked #19

Energy Costs

...

Ranked #53

Reducing Energy Use Cost-Effectively

**Small Businesses  
are not concerned  
about Energy  
(Efficiency)**

*Source:*

*Small Business Problems & Priorities*

*[www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf](http://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf)*

## lime Barriers to SMB Energy Efficiency



2011 National Small Business Association Energy Survey

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**Traditional C&I  
Program  
Administration**



**Vertically  
Integrated Services**



**\$/kWh  
Program  
Designs**



**On and Off  
Bill  
Financing**



**Efficiency-  
as-a-Service**



**Pay 4 Metered  
Performance**

**SMB EE Program Innovation**

# lime Lime's SAVETM Program – Energy Efficiency as a Service

## SAVE Proposal

A Simple Customer-friendly Performance Contract

### Term:

Calculated based on total project price and cost of capital, divided by the monthly estimated savings adjusted for a safety factor.

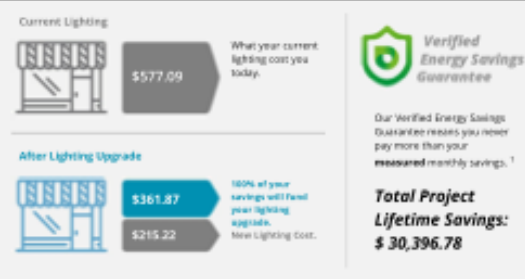
#### Your Energy Savings Plan

30 Out-of-Pocket Cost

36 Month Term

We will generate \$13,427.18 in profit for you over the specified 36 month term from this lighting upgrade. If your hours of operation remain the same as described in the Scope of Work.

#### Monthly Energy Savings Plan Breakdown



### Savings

#### Guarantee:

Lime guarantees that the customer will never pay more than the actually save in a given month.

#### Exception:

The only exception is if a customer drastically changes their energy usage over 3 consecutive months. Minimum charge is enacted.

### Monthly Savings Estimate:

Based on initial auditor survey and customer interview.

Your signature below constitutes a non-binding intent to proceed. Next, we will schedule a more detailed audit of your building and present you with a final contract.

Prepared for: [Name], [Address], [City, State, Zip], [Phone], [Email]

Prepared for: [Name], [Address], [City, State, Zip], [Phone], [Email]

Lime Energy Services Co. | [Address], [City, State, Zip], [Phone], [Email], [Website]

Signature lines for both parties.

lime-energy.com

lime-energy.com

### Not Credit or a Lease:

Contract is structured to be off-balance sheet, not require a formal credit check process, but does require some simple qualification steps.

### 2-Step Contract:

An initial estimate and signed letter of interest is followed by a simple 5 page contract.

# lime Lime's SAVETM Program – Energy Efficiency as a Service

## Branding

Customized utility branding or branding, or integration into U

## Guarantee Action


The amount billed monthly changes based on how the customer used energy that month. If they used their facility less, they save less and less. If they used more, and saved more, they save more than m

## Monthly Usage Breakdown:

Transparent measurement of system energy usage and savings versus the old system. The customer never pays more than they actually save in a given month.

## Proactive Customer Sat:

Direct phone number to dial if a customer has questions or concerns.



123 Rombout Ave  
Beacon, NY 12508

Joe  
Mercedes-Benz of Wappingers Falls  
134 OLD POST RD  
WAPPINGRS FLS, NY 12590-4130

**Your Shared SAVINGS STATEMENT**

STATEMENT DATE: 07/05/2018  
CUSTOMER ID: MERCEDESBE-CH  
PROJECT ID: CH34879.1  
REPORT PERIOD: 06/01/2018 to 06/30/2018  
TERM MONTH: 3 of 24

**The Lime Energy Promise**  
YOU'LL NEVER PAY MORE THAN YOU SAVE!

**NO ACTION NEEDED**

Your account is currently enrolled in our auto pay program. Your payment will automatically be made on 07/24/2018. Note that you should receive one more payment reminder approximately 3 days prior to the automatic payment.

**THIS MONTH ESTIMATED COST BREAKDOWN \***

Non-Lighting	Old Lighting: \$2,423.69	New Lights: \$879.68	Lighting Savings: \$1,544.01
			Pay to Lime: \$1,544.01

**LAST MONTH ESTIMATED BREAKDOWN**

	Old Lighting: \$2,466.50		
	\$890.62		\$1,575.88

**YOUR MONTHLY STATEMENT**

<p>We are happy to inform you that your new energy-efficient lighting saved you <b>\$1,544.01</b> this month.</p> <p>For Questions or Comments Call 845-635-6722 Please Email <a href="mailto:guarantee@lime-energy.com">guarantee@lime-energy.com</a></p>	<p><b>Total Amount Due</b> <b>\$1,544.01</b> Represents 100% of this month's energy savings</p> <p><b>Auto Pay Date</b> <b>07/24/2018</b></p> <p><small>* All information presented here is our best estimate of energy usage &amp; savings as measured at the circuit and sub-circuit breaker level using an assumed electricity rate of \$0.1400. Utility cost may vary from estimation due to a difference in billing periods &amp; exact tariffs. This statement represents a bill.</small></p>
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[www.centralhudsonlighting.com](http://www.centralhudsonlighting.com)

## Monthly Report

Transparent Monthly Savings Statement

## ACH Auto-pay:

Easy payment method for busy small businesses, and reduced risk of missed payment for Lime.

## Measured Savings:

Breakdown of current usage and cost versus what their cost would have been. Green indicates actual savings for the month.

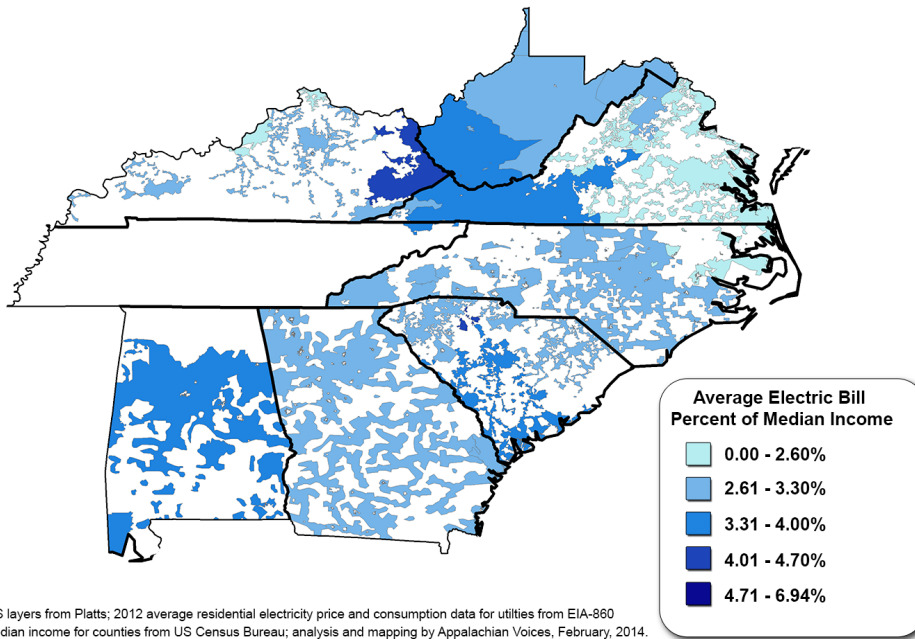
## Payment Total

Payment is based on the agreed upon percentage savings share of the savings measured above. Share is between 50%-100% of savings depending on term.



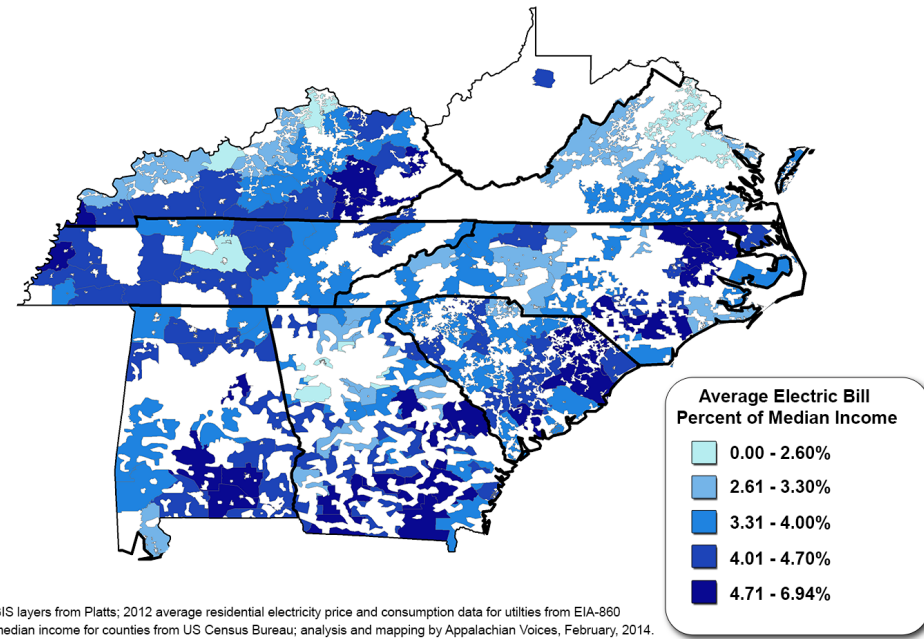
# lime Electricity Bill Cost Burden

## Electricity Bill Cost Burden for Investor Owned Utility Service Territories in the Southeast



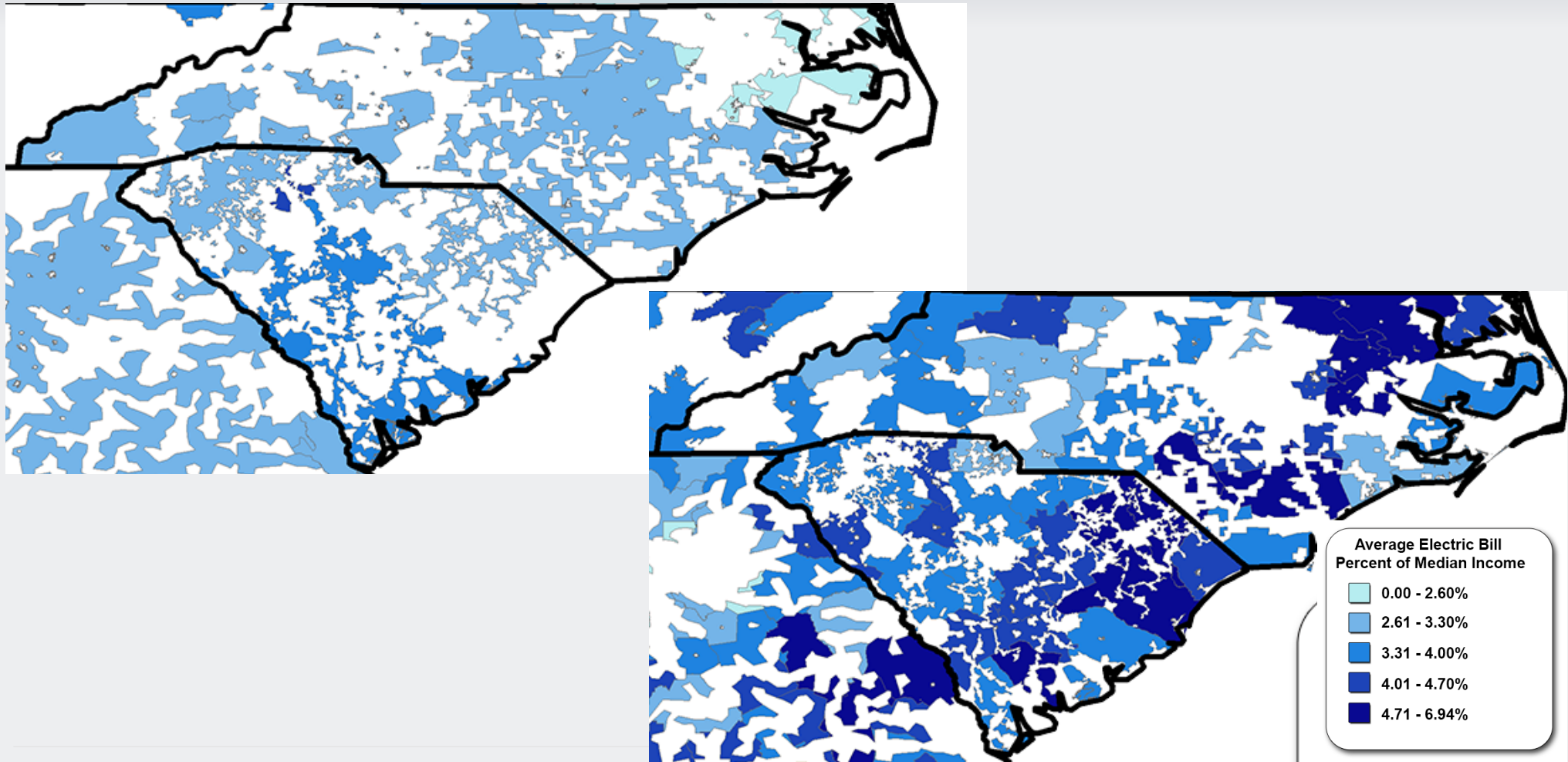
Sources: GIS layers from Platts; 2012 average residential electricity price and consumption data for utilities from EIA-860 database; median income for counties from US Census Bureau; analysis and mapping by Appalachian Voices, February, 2014.

## Electricity Bill Cost Burden for Electric Co-op Service Territories in the Southeast



Sources: GIS layers from Platts; 2012 average residential electricity price and consumption data for utilities from EIA-860 database; median income for counties from US Census Bureau; analysis and mapping by Appalachian Voices, February, 2014.

# lime Electricity Bill Cost Burden

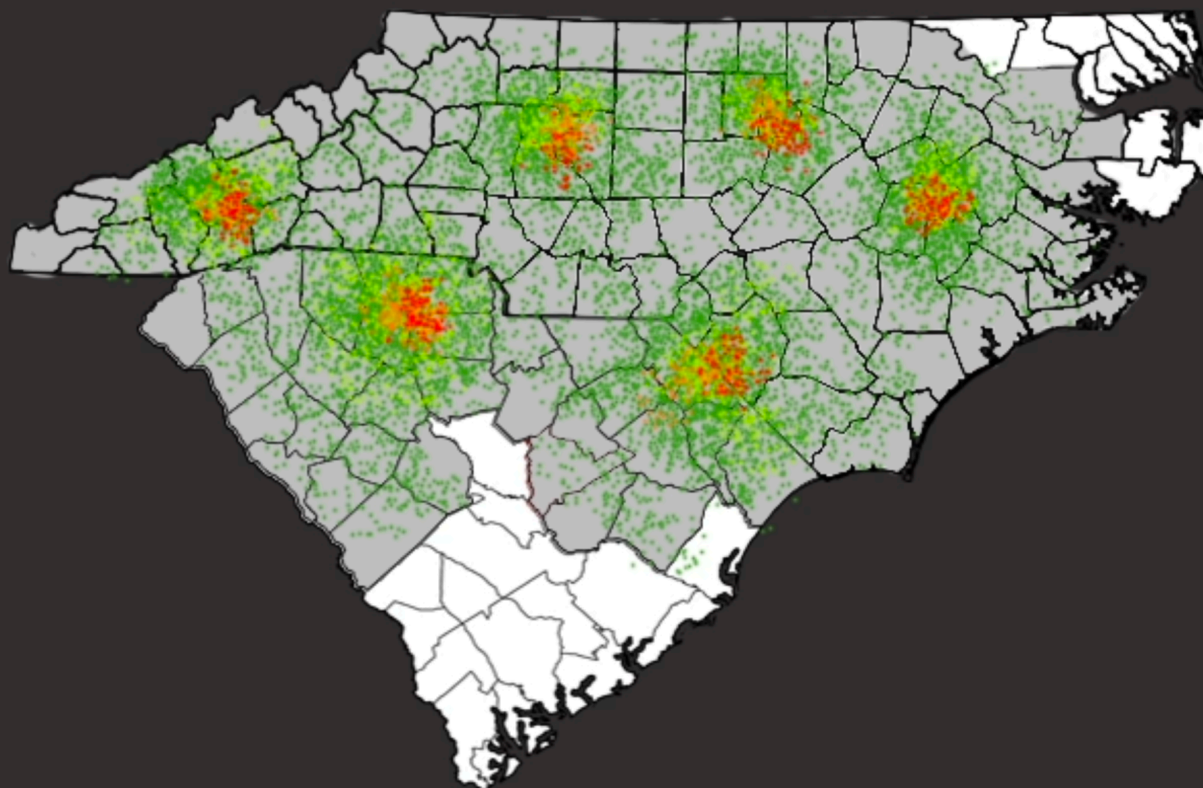




# North Carolina & South Carolina

Projects Completed

3,489





## The Opportunity for the Rural Electric Cooperatives

- Significant room for improvement in building energy efficiency
- Commercial buildings waste one third of the energy they use
- Cost-effective LED and other Technology is here

BUT...Access to capital is a roadblock for your customers...

AND...SMBs lack understanding and trust in savings...

AND...They lack time and resources to analyze decision.

**The answer is Commercial Direct Install Programs**

**Targeting your small business customers with energy efficient upgrades  
and associated Financing options**