

COMBINED HEATING & POWER

SELECT SERVICE



THE PROPERTY

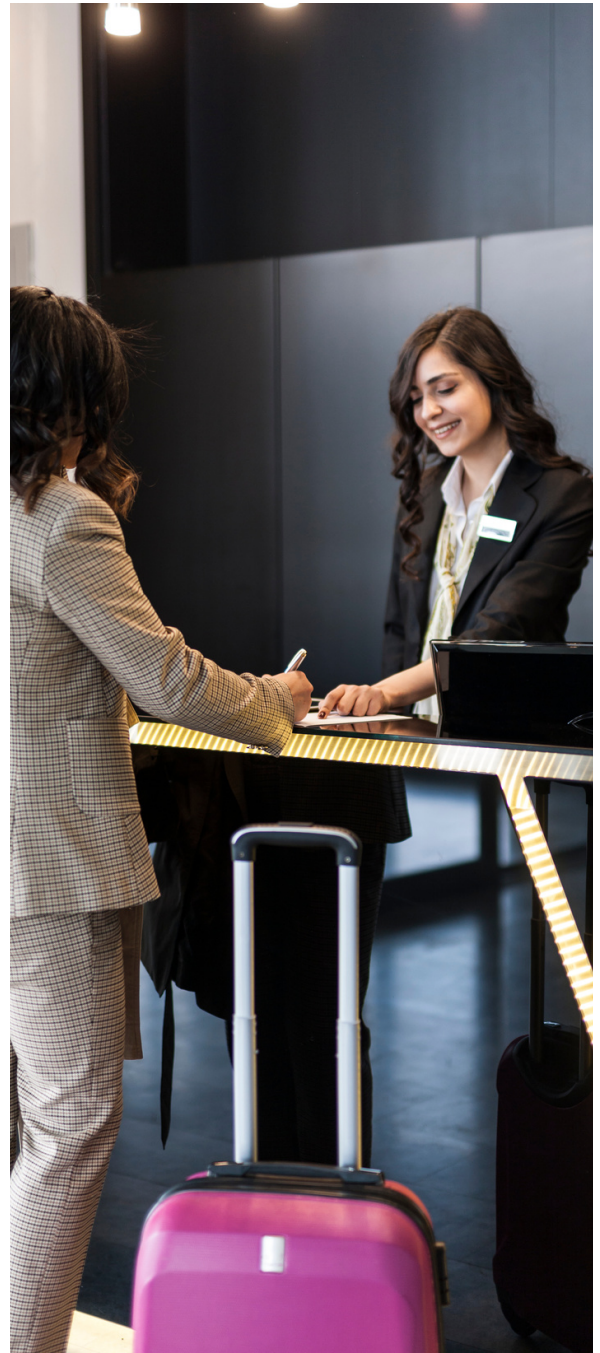
- 150-room select service hotel
- Flagged with major brand
- Located on far outskirts of major city
- 1,075 SF of meeting space
- Two restaurants (breakfast/dinner)
- One kitchen

BUSINESS CHALLENGES

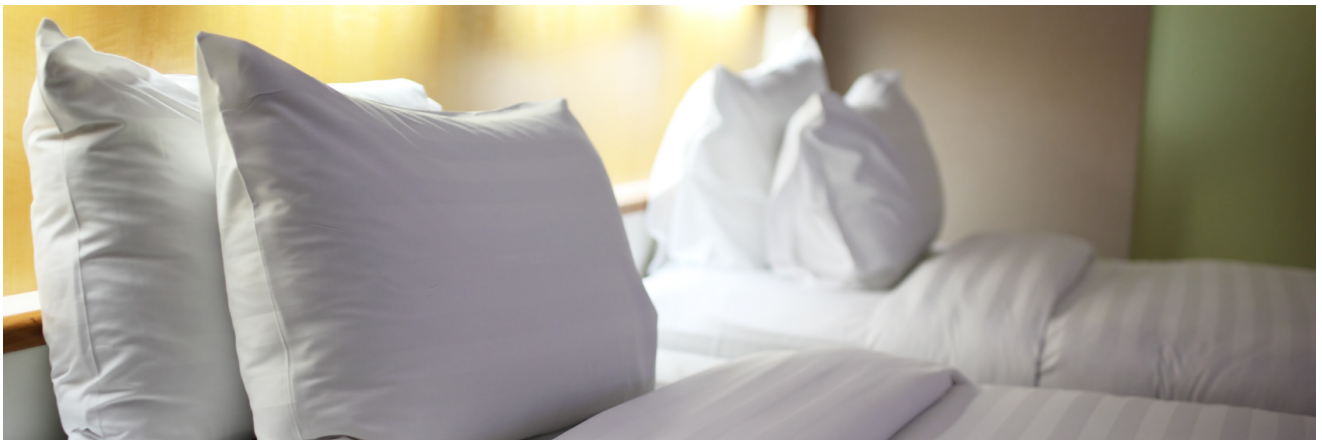
- 2019 \$250k energy costs increased 20% from 2018
- Located in Top 5 areas in U.S. with highest energy rates
- Energy costs over two dollars higher per available room than other properties in the owner's portfolio
- 2021 RevPAR slow to recover
- Brand requires hotel to reduce carbon footprint by 25%

TECHNOLOGY SOLUTIONS

- Capstone C65 Microturbine
- Combined Heating & Power



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GOVERNMENT INCENTIVES

- REAP Incentive
- Bonus Depreciation (Tax Reform Bill)
- Investment Tax Credit (ITC)

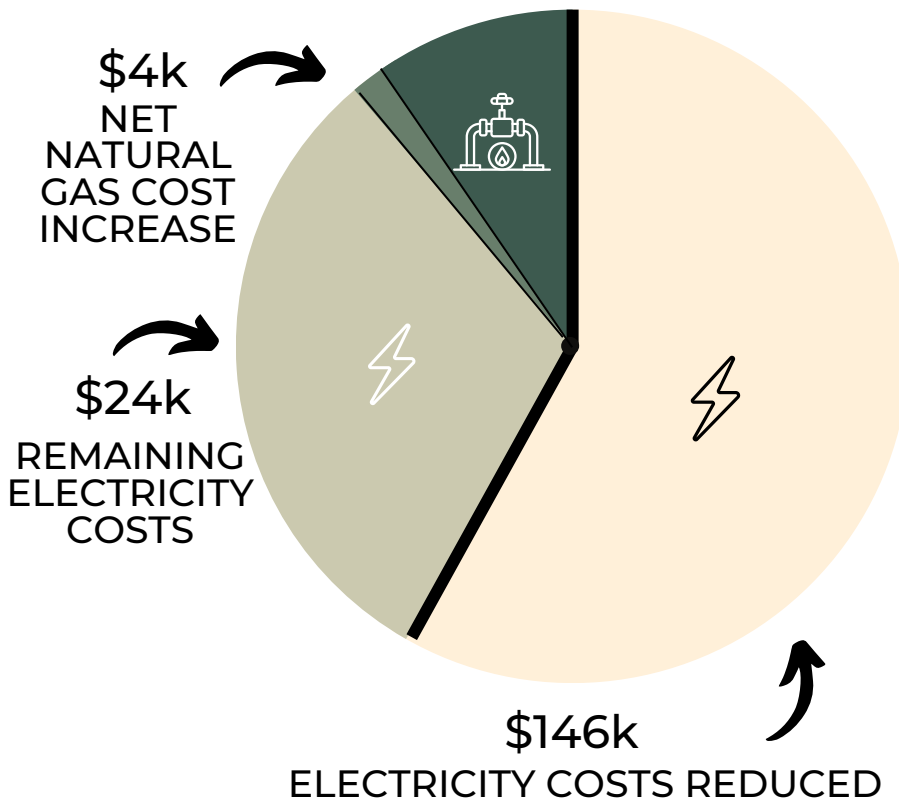
FINANCING OPTIONS

- Low-interest financing for renewable energy and sustainability initiatives
- No upfront capital required

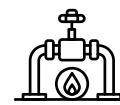
YEAR ONE CASH FLOW

\$142k

ENERGY COSTS ELIMINATED



Microturbine replaced 84% of hotel's kWh needs.

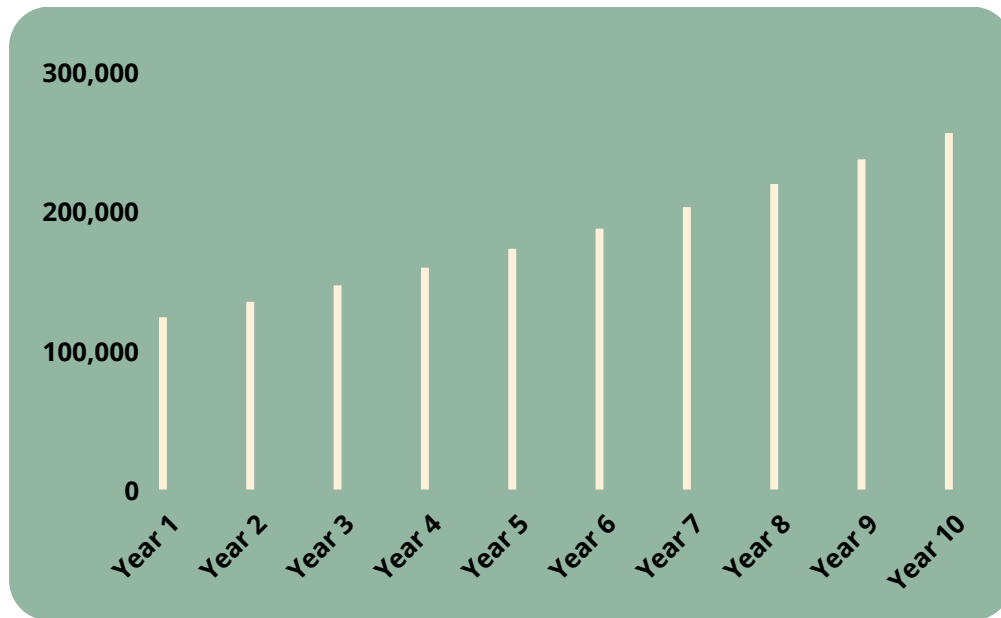


Combined Heating and Power (CHP) produced space and water heating as byproduct of electrical generation to offset 16% of natural gas usage.



Cogeneration both lowered electricity cost and produced heat funneled into the boiler, resulting in a 2.7 percentage point increase to the hotel's EBITDA.

TEN YEAR RETURN-ON-INVESTMENT

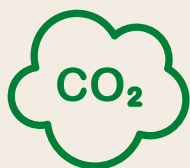


CASH FLOWS & GOVERNMENT INCENTIVES

\$2.0M

Start-Up Government Incentives not displayed in cash flows

ENVIRONMENTAL KEY PERFORMANCE INDICATORS



2,590

Metric Tons Avoided



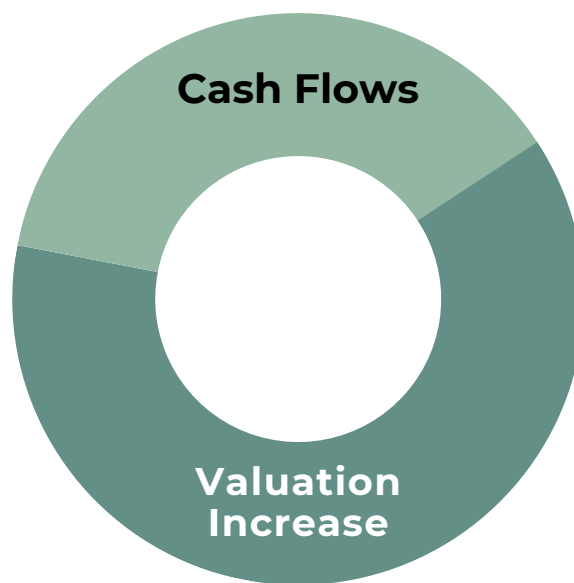
42,826

Trees Planted



HOTEL REAL ESTATE VALUE INCREASE

\$3.3M



INVESTOR KEY PERFORMANCE INDICATORS

Net Present Value

\$2.9M

102%

Internal Rate of Return

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