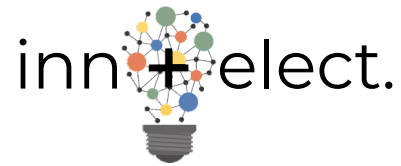


# COMBINED HEATING & POWER

FULL SERVICE



## THE PROPERTY

- 475-room full service hotel
- Located in suburban area of major midwestern state
- Flagged with major brand
- 30,000 SF of meeting space
- Two restaurants
- Three kitchens

## BUSINESS CHALLENGES

- \$575k utilities costs exceed 3.3% benchmark
- Electricity costs increased US\$62k from 2017 to 2019, and exceeded budget by \$38k in 2019
- Brand requires 25% decarbonization

## TECHNOLOGY SOLUTIONS

- Capstone C600 kW Microturbine
- Combined Heating & Power





## GOVERNMENT INCENTIVES

- Bonus Depreciation (Tax Reform Bill)
- Investment Tax Credit (ITC)
- State & Local Incentives

## FINANCING OPTIONS

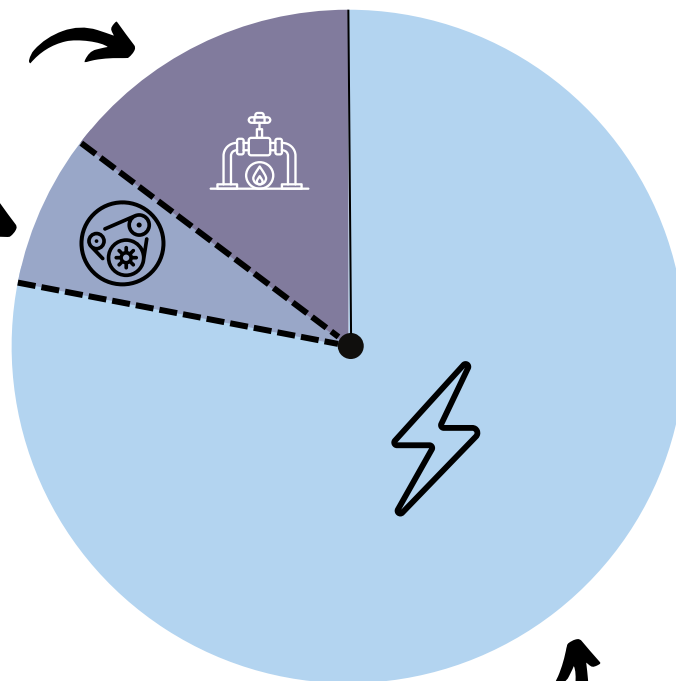
- Low-interest financing for renewable energy and sustainability initiatives
- No upfront capital required

### YEAR ONE CASH FLOW

**\$469k** ENERGY COSTS ELIMINATED

PRE-CHP  
NATURAL  
GAS COST  
**\$91k**

**\$15k**  
NET  
NATURAL  
GAS COST  
INCREASE



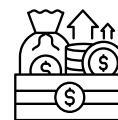
**\$484k**  
ELECTRICITY COSTS  
ELIMINATED



Four Million KWH replaced using micro turbines to reduce electricity costs by \$484k.

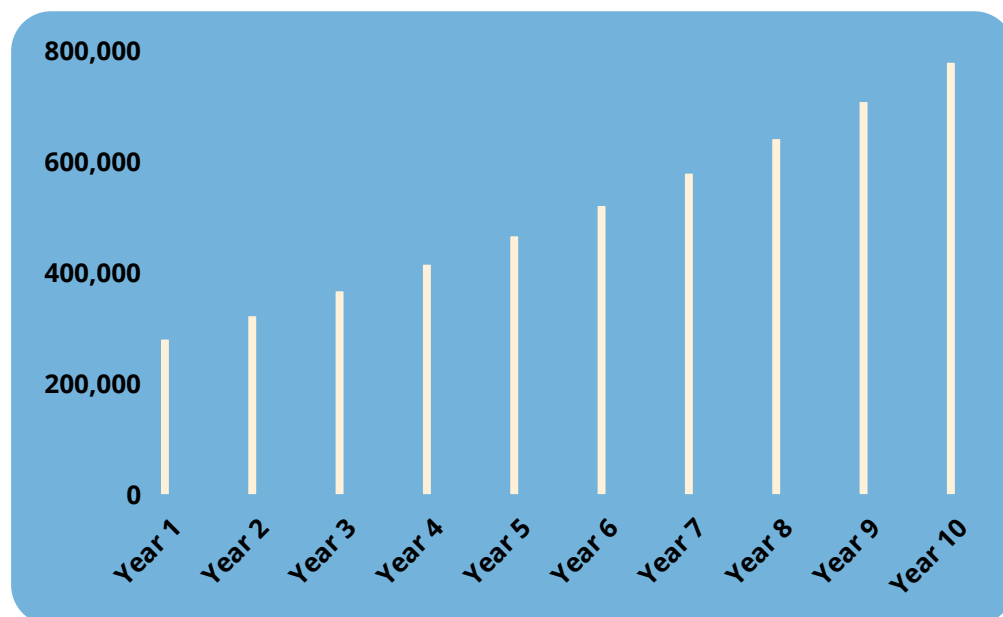


Natural gas charges increased to produce electricity, however heat produced by micro turbine is used for space and water heating.



Cogeneration both lowered electricity cost and produced heat funneled into the boiler, resulting in a 2.5 percentage point increase to the hotel's EBITDA.

# TEN YEAR RETURN-ON-INVESTMENT

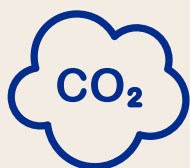


## CASH FLOWS & GOVERNMENT INCENTIVES

**\$6.5M**

Start-Up Government Incentives not displayed in cash flows

## ENVIRONMENTAL KEY PERFORMANCE INDICATORS



**18,348**  
Metric Tons  
Avoided



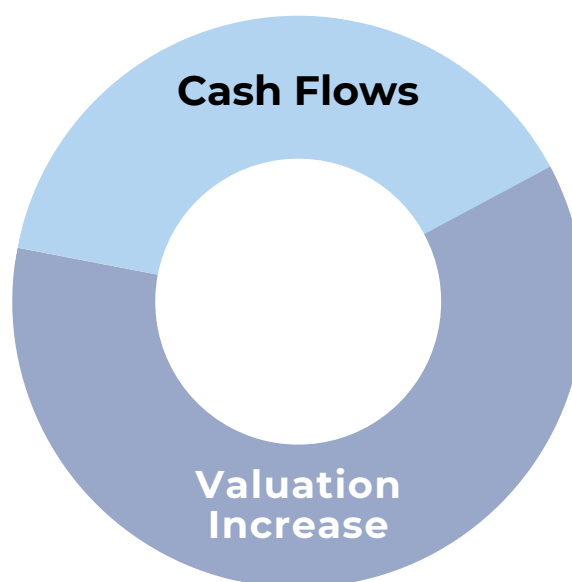
**303,386**  
Trees  
Planted



## HOTEL REAL ESTATE VALUE INCREASE

**\$10.1M**

at 8.3% CapRate



## INVESTOR KEY PERFORMANCE INDICATORS

Net Present Value

**\$8.2M**

**45.6%**

Internal Rate of Return