



Frequently Asked Questions

Metrus Energy Basics

Q. What does Metrus Energy do?

A. Metrus develops and finances energy efficiency retrofit and building upgrade projects at commercial, industrial and institutional facilities. Metrus integrates 100% project financing with end-to-end project development and advisory services. Using its open and flexible financing platform, Metrus works with its customers to match the best technologies with the best service providers to implement large-scale energy efficiency projects without customer capital expense.

Q. Is Metrus Energy an Energy Services Company (ESCO) or contractor?

A. Metrus is neither an ESCO nor a contractor. We are an objective, full-service developer and financier of efficiency retrofit projects. Metrus pays for 100% of the upfront costs of projects and does not promote a specific technology solution, ESCO or contractor. However, in close consultation with its customers, Metrus will select and partner with leading ESCOs to provide project design, engineering and implementation services.

Q. What energy efficiency financing solutions does Metrus offer?

A. Metrus is the exclusive provider of the Efficiency Services Agreement (ESA), an off-balance sheet financing structure, utilized by customers to fund large-scale retrofit projects without capital expense. Metrus' ESA is analogous to solar power purchase agreements (PPAs) whereby customers avoid capital outlay on projects and only pay for realized gains in the energy efficiency performance of their building. Metrus also offers an Efficiency Retrofit Lease and works with customers to develop efficiency projects under Property Assessed Clean Energy (PACE) programs.

Q. In addition to financing, how else can Metrus help us?

A. Metrus develops comprehensive energy efficiency projects for its customers and provides objective advice when selecting the best technologies and service providers to utilize. Metrus sells energy efficiency as a service and simplifies what are normally complex projects involving a diverse set of equipment into a streamlined financing solution. Metrus stays involved with its customers over time to help identify additional efficiency improvements. These improvements – either within a single facility or across multiple facilities – can be added to drive deeper energy savings. Metrus also works with federal, state or utility representatives to secure and arrange for any project incentives.

Q. Where does Metrus' capital come from?

A. Metrus is backed by GoGreen Capital, a leading European clean energy investment firm. Metrus funds its projects using a combination of its own equity capital and debt from outside lending partners.

Q. How do I get started?

A. Contact Metrus and we can provide you with a preliminary screening for project feasibility at no cost. You can reach Metrus by email at info@metrusenergy.com or visit our online project portal at www.metrusenergy.com. We can also be reached at 415-284-5000.

Project Development

Q. What types of energy efficiency measures and technologies can Metrus fund?

A. Metrus seeks to maximize total energy savings by incorporating a wide range of efficiency measures, including the upgrade or replacement of: heating, ventilation and air conditioning (HVAC) systems, high-efficiency lighting, energy management systems, motors, pumps, refrigeration systems, boilers, furnaces, and cogeneration and distributed renewable energy systems.

Q. What size of projects is Metrus able to develop and finance?

A. Metrus targets projects that are in excess of \$1,000,000. We have no set maximum project size and can fund smaller-sized projects for customers that are interested in aggregating projects as part of a multi-facility energy efficiency investment.

Q: In what types of buildings can Metrus implement projects?

A. Metrus finances projects at large commercial, industrial and institutional facilities. Current customers have an average total annual energy spend that exceeds \$1,000,000 and a total facility size of more than 250,000 square feet.

Q. Can Metrus fund projects at multiple facilities for the same customer?

A. Metrus can fund multiple efficiency projects at different locations throughout a customer's facility portfolio (see our BAE Systems case study). By working with Metrus, customers can quickly and cost-effectively scale corporate energy efficiency projects and sustainability initiatives.

Q: How long do projects take from beginning to end?

A. Project development typically requires six to nine months from the initial contact with Metrus to the start of project construction. Bringing Metrus in earlier in the project development process can help accelerate this timeline.

Q. How does Metrus get paid?

A. Once a project is operational, customers make quarterly payments to Metrus based on the realized cost savings associated with their reduced energy consumption. Customers pay these bills from their operating budgets as if they were paying a utility. The typical length of a project agreement with Metrus is 10 years or less.

Q. We have a previous energy efficiency assessment report. Can Metrus utilize this information?

A. Yes. Past analyses can be easily incorporated into a preliminary assessment by Metrus to estimate the costs and benefits of potential efficiency improvements at a facility.

Q. Does Metrus fund solar and other types of renewable energy projects?

A. Metrus does not fund standalone renewable projects; however, Metrus can integrate renewable energy measures into broader efficiency retrofit projects.

Financing Products

Q. What is an Efficiency Services Agreement (ESA)?

A. Under an ESA, customers pay only for realized gains in the energy efficiency of their buildings, Metrus pays for 100% of the costs required to develop, construct and maintain a project.

Q. Is Metrus' ESA similar to a Power Purchase Agreement (PPA) for renewable energy?

A. Yes. Like a PPA, ESA payments to Metrus are based on a measured quantity of energy units (e.g., kilowatt-hours of electricity or therms of natural gas). However, ESA payments are based on energy units saved (e.g., "negawatts"), enabling customers to treat energy efficiency as a resource to fund improvements and to mitigate the environmental impact of their business operations.

Q. Who owns the equipment during the ESA term?

A. Metrus retains ownership of all project-related assets for the duration of the ESA term and pays for added maintenance services to ensure long-term reliability and optimal performance.

Q. What happens to the equipment at the end of the ESA term?

A. At the end of the ESA term, customers have three options: (i) the customer can purchase the equipment at fair market value, (ii) the customer can agree with Metrus to extend the original ESA for an incremental time period, or (iii) terminate the agreement and ask Metrus to remove relevant equipment.

Q. For accounting purposes, is the ESA considered to be off-balance sheet?

A. Yes, the ESA is designed to be accounted for as a services agreement rather than a lease. ESA payments can be treated as an operating expense that is similar in nature to regular utility bill payments.

Q. How are payments determined under the Metrus ESA?

A. ESA payments are calculated using U.S. DOE energy savings measurement guidelines that have been in use in the energy efficiency industry for several decades. In each billing period, Metrus provides an accounting of the total number of verified units of energy savings that form the basis of a customer's ESA payments (e.g., the number of verified kWh of electricity that are saved is multiplied

by the agreed upon ESA service charge which is set as a \$/kWh saved rate). ESA service charges are set at or below existing utility rate, resulting in reduced operating expenses for customers.

Q. Does Metrus assume project performance risk?

A. Yes. The ESA is a pay-for-performance structure in which Metrus takes on project risk. Customers only pay for realized savings.

Q. How is Metrus' ESA different from a traditional performance contract?

A. The Metrus ESA is distinct from traditional performance contracts in many respects, including: (i) customers do not assume fixed debt obligations; (ii) payments to Metrus are variable and based on realized savings; (iii) Metrus takes on performance risk; (iv) Metrus owns the efficiency assets on a project; (v) Metrus integrates all the required financial and technical services to implement a project; (vi) Metrus is not locked into using a specific technology solution, ESCO or contractor.

Q. What happens if the customer sells the facility during the ESA term?

A. The customer may elect to (i) terminate the ESA prior to the end of term subject to an early termination payment, (ii) purchase the project assets at fair market value, or (iii) transfer the ESA to the new facility owner subject to Metrus credit approval.

Q. When should PACE or an Efficiency Retrofit lease be considered?

A. PACE projects can only be pursued in specific geographic regions that have an existing program. PACE is well-suited for commercial real estate properties with multiple tenants and where the duration of the property's ownership is uncertain. An Efficiency Retrofit Lease can be a fit for smaller sized projects, typically single measure, which do not require ongoing maintenance of M&V services. Lease and PACE payments are fixed and do not vary based on realized energy savings.

Q. Does Metrus take over a customer's relationship with their local utilities?

A. No. None of Metrus' financing products interfere with a customer's relationship with their utility. Customers continue to control their energy supply arrangements, interface with their local utility representative, and pay their regular utility bill for energy they consume.