

# HOTEL ENERGY TRANSFORMATION

## SELECT SERVICE

### THE PROPERTY

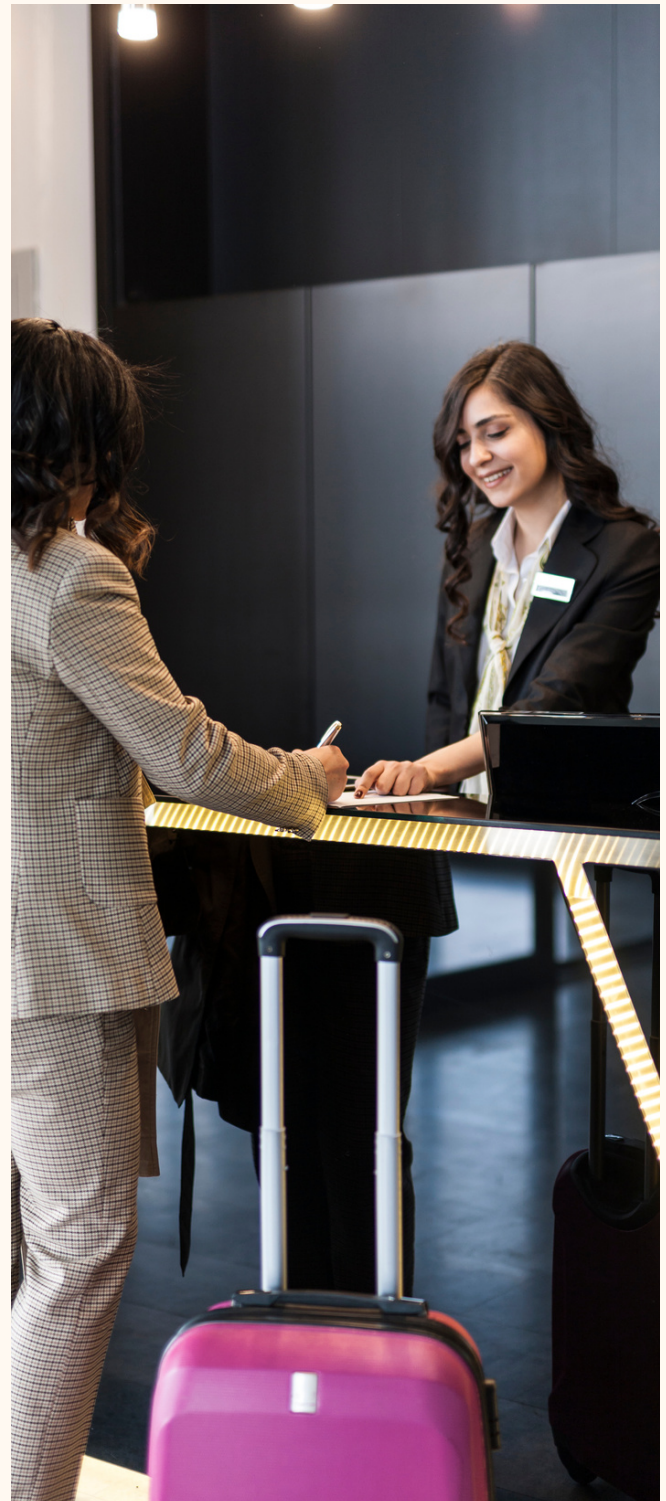
- 150-room select service hotel
- Flagged with major brand
- Midtown city location
- 1,075 SF of meeting space
- Two restaurants (breakfast/dinner)
- One kitchen

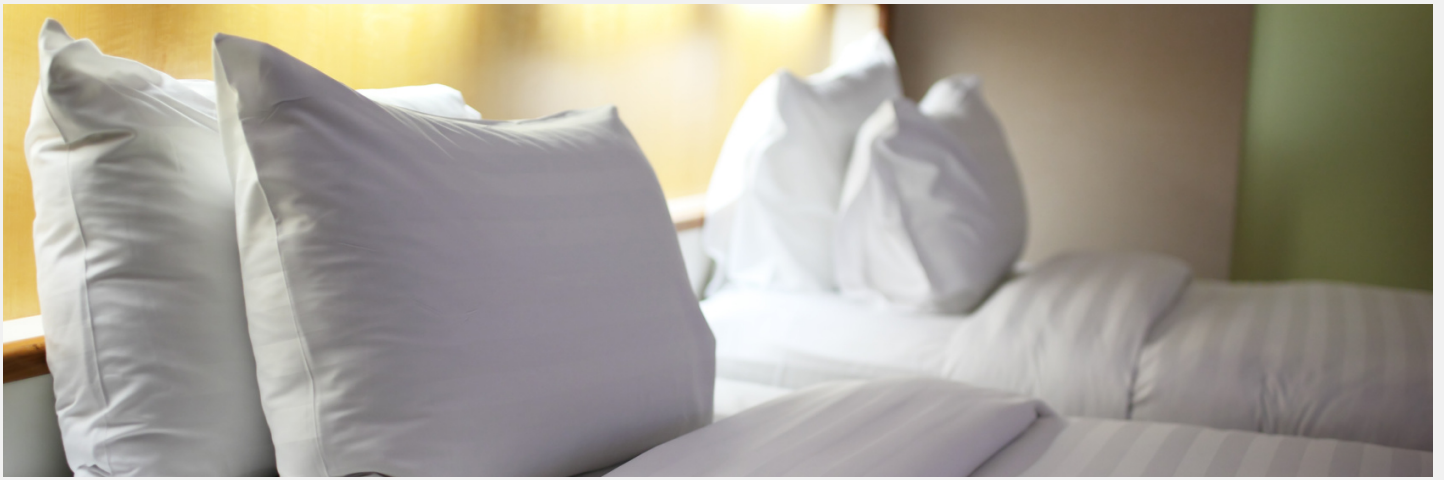
### BUSINESS CHALLENGES

- 2019 US\$250k energy costs increased 20% from 2018
- Located in Top 5 areas in U.S. with highest energy rates
- Energy costs US\$2-3 higher per available room than other properties in owner portfolio
- 2020 RevPAR dropped more than the 47.4% national average
- 2021 RevPAR slow to recover
- Brand requires hotel to reduce carbon footprint by 25%

### TECHNOLOGY SOLUTIONS

- Capstone C65 Microturbine
- Combined Heating & Power





## GOVERNMENT INCENTIVES

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

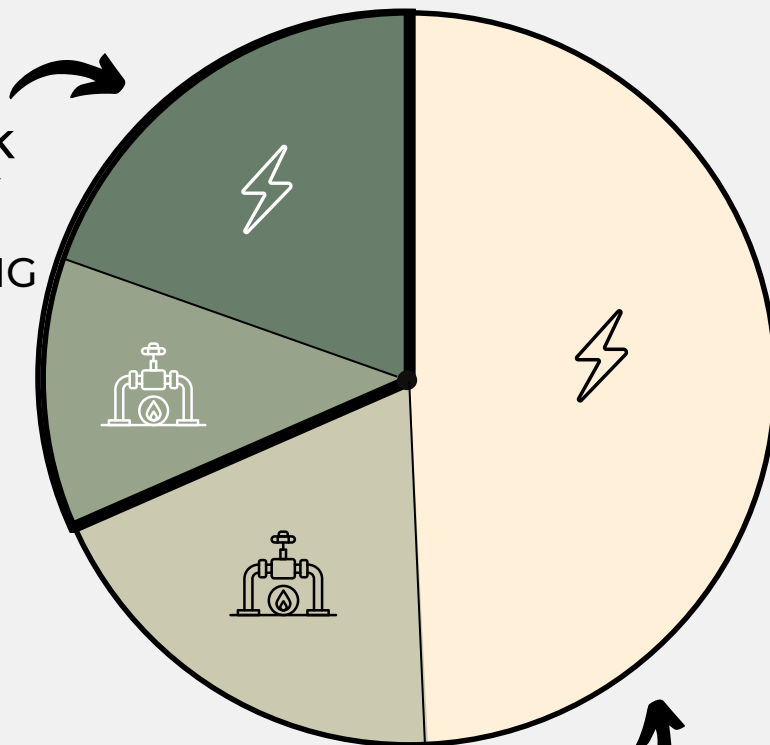
## FINANCING OPTIONS

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

## YEAR ONE CASH FLOW

**US\$171k** ENERGY COSTS ELIMINATED

**US\$79k** ENERGY COSTS REMAINING



**ELIMINATED**



Turbine produces 87% of hotel's kWh needs .

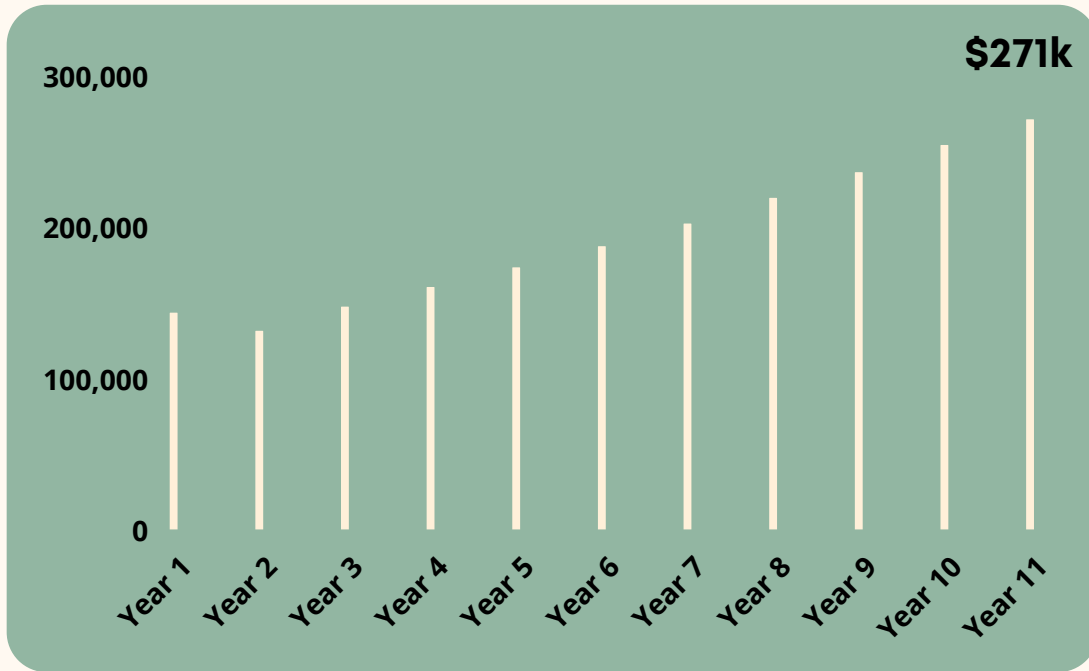


Combined Heating and Power (CHP) produces 100% of hotel's space and water heating needs, and lowers natural gas consumption.



Stage 2 of Hotel Energy Transformation includes reducing consumption with HVAC insulation and energy management system, and increasing revenue with EV Charging stations.

# ELEVEN YEAR RETURN-ON-INVESTMENT

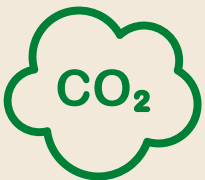


**CASH FLOWS &  
GOVERNMENT  
INCENTIVES**

**US\$2.47M**

Start-Up Government  
Incentives not  
displayed in cash  
flows

## ENVIRONMENTAL KEY PERFORMANCE INDICATORS



**430**

Metric Tons  
Avoided



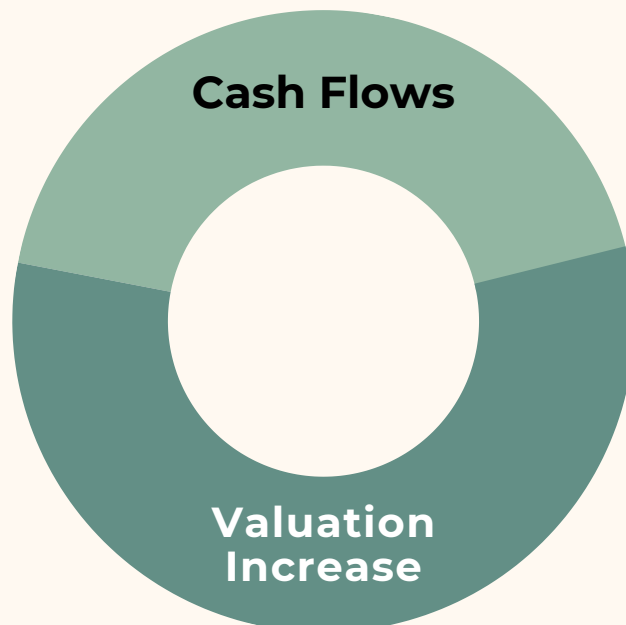
**7,103**

Trees  
Planted



**HOTEL REAL ESTATE  
VALUE INCREASE**

**US\$3.26M**



**INVESTOR KEY  
PERFORMANCE  
INDICATORS**

Net Present  
Value

**US\$2.86M**

**53.8%**

Internal Rate  
of Return