Overview
January 2014
Company background

Hawaii-based company with national reach
- Successfully completed work in 30 states, including all states west of the Rockies

20 years experience
- 90+ employees
- 8 Offices in 5 States and Guam (Hawaii, Idaho, Washington, Oregon, California)

Energy efficiency & renewable energy expertise
- HVAC, Lighting, Controls, Motors, Drives, Co-Generation, Solar, etc.

Results oriented
- +Saved $ millions for Customers
- +1,000 customers – Hospitality/Commercial/Industrial/DOD
Energy efficiency opportunities
Energy efficiency case study

Multiple energy efficiency measures being implemented at Kuakini Health System

$5M project
Energy efficiency measures under deployment

- New central chiller plant
- Lighting upgrades
- Energy Management System (EMS)
- New steam boilers
- Air-Handling Unit VFDs
- Booster pumping system
- Fire pumping system

$5M total project scope

Annual Savings
- 3.5M kWh of electricity
- 11,000 therms of natural gas
- >$1M of expected savings
Customer analysis of options

Self-financing
  - Out-of-pocket cash
  - Funds focused on non-core business efforts

Bank facility
  - Time consuming underwriting review process
  - Reduction in available credit for other purposes

Efficiency Services Agreement
  - Immediate positive cashflow from current utility rate discount
  - No first cost
  - Discount to existing utility rates
  - Hedge against volatile utility rates
  - Long-term O&M service contract incorporated as part of ESA structure
ESA with Kuakini Medical Center

• Multi-measure retrofit with deep energy savings and key facility upgrades

  ESA Terms

• **ESA Term**: 10 years

• **ESA Services Charge**: Rate for kWh and therm savings is discounted from current utility rates. Metrus and customer share savings greater than projected performance

• **Ongoing Services**: ESA includes payments for ongoing maintenance and measurement & verification (M&V) costs

• **Insurance Policy**: Energy savings guarantee insurance from Energi (Hannover RE)
# Delivering Enhanced Value For Kuakini

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
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<tbody>
<tr>
<td>Avoid Capital Outlay</td>
<td>No Cost for all design and implementation costs, enabling customers to conserve capital for core business investments</td>
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<tr>
<td>Use Savings to Pay for the Project</td>
<td>ESA service payments are based solely on the realized energy and operational savings created by the project</td>
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<tr>
<td>Reduce Operating Expenses</td>
<td>ESA service payments are set below the current utility price, which immediately improve the bottom line</td>
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<tr>
<td>Enhance Reliability of Operations</td>
<td>The ESA pays for periodic maintenance services to ensure long-term reliability and performance of the project equipment</td>
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<tr>
<td>ESA Payments are an Operating Expense</td>
<td>The ESA is designed to be an off-balance sheet financing solution with regular payments similar to a standard utility bill</td>
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<tr>
<td>Reduce Exposure to Utility Uncertainty</td>
<td>During the term of the ESA, service payments escalate at a fixed annual rate below historical utility price increases</td>
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<tr>
<td>Expand Feasible Project Scope</td>
<td>Metrus unlocks retrofit project that have longer paybacks and that generate deeper energy savings and operational benefits for customers</td>
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Efficiency Services Agreement (ESA) structure overview

Kuakini Health System
Purchaser of realized energy efficiency project output as a service on a per-unit-saved basis (e.g., $/kWh or $/therm)

Metrus Energy – Aloha, LLC
Project entity established as a limited liability company (LLC)

(newresourcebank)
Provider of non-recourse fixed rate term and construction loans to SPE

($) Project debt via non-recourse loan

($) Fixed interest and principal payments

($) Upfront payment for construction, periodic payments for O&M and M&V

Project installation, O&M and M&V services, performance guarantee

(ENERGY)
Provider of turnkey project installation, M&V services, and project performance guarantee

Energi
Provider Energy Savings Warranty insurance on performance guarantee

($) upfront premium payment

[$] Energy Savings

($) Quarterly ESA Service Charge

($) Energy Savings

($) Residual project cash flows

[$] Project equity, management services

Sole equity contributor to project SPE, manager and owner of project

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<th><strong>Customer</strong></th>
<th><strong>Energy Efficiency Provider</strong></th>
<th><strong>Financing Partner</strong></th>
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<tbody>
<tr>
<td>Ensures much needed equipment is deployed today</td>
<td>Provides additional options to EI’s client base for equipment installation</td>
<td>Meets equity return requirements</td>
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<tr>
<td>No first cost</td>
<td>Aligns O&amp;M scope with long-term performance requirements</td>
<td>Access to quality project/client</td>
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<tr>
<td>Payment reflect only realized savings</td>
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<td>Risk mitigation via energy savings warranty program</td>
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<tr>
<td>Discount to existing utility rates</td>
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<tr>
<td>Hedge against volatile utility rates over entire term of the contract</td>
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<td>Aligned maintenance program under ESA</td>
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<td>Marketing and awareness around sustainability efforts</td>
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Additional information

For additional information please contact us

Duane Ashimine
President & Chief Operating Officer
Email: duane.ashimine@energy-industries.com