

2021

Metrus Impact Report

Investing in Sustainable Energy
as a Service



About This Report

Last year, we launched our inaugural Impact Report that tracks the energy savings, CO₂ reduction, and efficiency of our investments in terms of CO₂ savings per \$1,000 invested across our entire portfolio. The information in this report reflects how we screen, value, and monitor our investments. We remain committed to sharing this data in our 2021 annual Impact Report and continue to push for the standardization of industry-wide, consistent reporting on emissions reductions for all Energy as a Service projects and climate-related Environmental, Social, and Governance (ESG) investments. Financing climate action must include a way to track and verify that these investments are actually reducing carbon. Annual climate impact reports are an important tool that should become industry standard.

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Our Mission

We are leading the way to a sustainable, low-carbon future by bringing energy efficiency and clean energy projects to life.

CEO Message



Bob Hinkle
President & CEO

Dear Stakeholders,

2021 was a big year for climate-positive investing, green investment funds, and ESGs. Additionally, the financial sector and multi-national corporations committed to a massive mobilization of private capital at COP26, which I attended as part of the Business Council for Sustainable Energy and the Alliance to Save Energy delegation. We have a once-in-a-century opportunity to fully integrate climate-aligned structural change in the global economy. The latest Intergovernmental Panel on Climate Change (IPCC) report, which details the widespread damage caused by the changing climate, makes clear that there is no time to lose.

However, there is still a critical lag in the commitment to track, report, and embed environmental performance in climate-related investments. In the Energy as a Service industry, for example, there is no single, standardized framework that tracks and reports the environmental and financial performance of investments in a manner consistent with the Science-Based Targets initiative (SBTi)—and that needs to change.

Metrus is the first Energy as a Service provider to issue an Impact Report. We are proud to demonstrate how the integration of environmental performance (carbon reduction and water savings) with financial performance helps businesses, municipalities, schools, and hospitals decarbonize their operations and track and report the performance of their projects.

This year's Impact Report also includes water efficiency. Having implemented several projects with food and beverage customers in 2021, we recognize the nexus between energy and water efficiency measures, which produce significant savings. Tracking and reporting this valuable resource provides a more detailed picture of the true value of efficiency projects for our customers.

As I have stated before, annual reporting of CO₂ reductions should be woven into the way the sustainable investment community does business: Climate impact reports increase accountability, standardize offerings, and shine a spotlight on the environmental and financial benefits for customers, partners, and communities. In 2021, Metrus signed the internationally-recognized Principles for Responsible Investment (PRI), further strengthening our global commitment to financing climate action and reporting the impact of our investments.

As Metrus continues to evolve and grow, how we track and report on our climate-positive investments will evolve, too. We are excited to see where 2022 takes us as we expand our business scope and finance new types of sustainable energy technologies. We look forward to financing, tracking, and reporting more climate action. Please take a moment to look back at how Metrus projects made an impact in 2021.

Thanks,

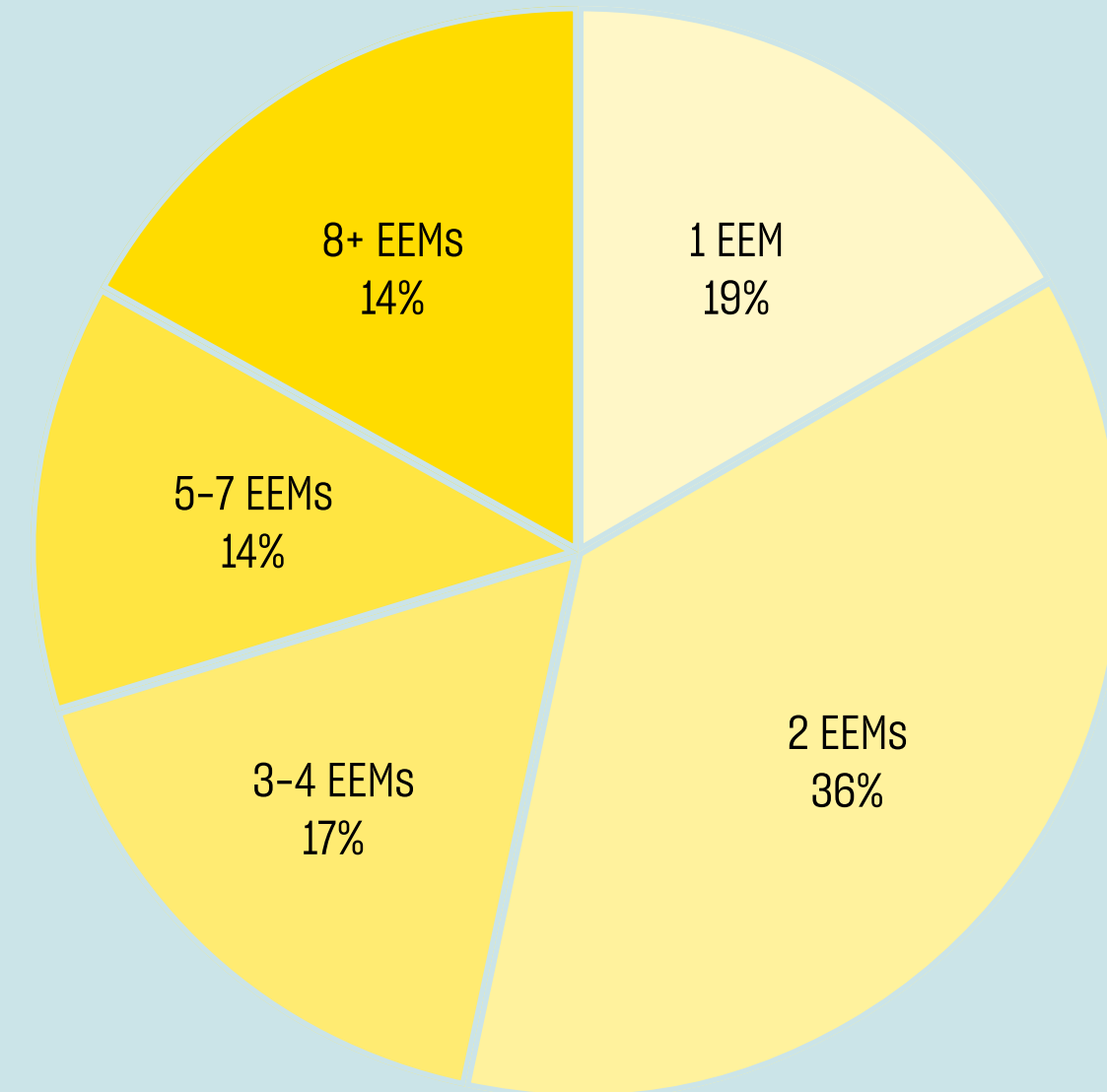
A handwritten signature in black ink, appearing to read 'Bob'.

Our Portfolio

Metrus has operational Sustainable Energy Services Agreement (SESA) projects in 32 states, encompassing more than 690 sites.¹ Our portfolio consists of approximately 30 different types of energy efficiency measures and technologies.

Energy Efficiency Measures (EEMs) and Technology

Nearly half of our projects feature three or more EEMs, which is consistent with our efforts to bundle upgrades with varying economic and technology profiles to achieve scale. Ninety-seven percent of our projects include lighting, reflecting both its crucial value to customers and its economic importance to unlocking deeper energy retrofits. SESA projects for private sector business, education and healthcare customers are all represented in the 8+ category. The 19% of our projects with a single EEM are predominantly for warehouse and distribution center clients.



Measures financed include:

LED Lighting

- Interior
- Exterior
- Controls
- HVAC Reduction

BMS

- Retro-commissioning
- Replacement

Building Envelope

Compressed Air

- Controls
- Replacement

Domestic Hot Water

Water Conservation

Hot Water Heating

Electrical

- Power Factor Correction
- Transformer Replacement

Air Handling Units/Roof Top Units

- Controls
- VFDs

Replacement Chiller

- Controls
- Replacement
- Cooling Tower

Boiler

- Controls
- Replacement

Steam System

- Controls
- Trap Repair

Ventilation Controls

Appliance Replacements

EV Charging

Solar

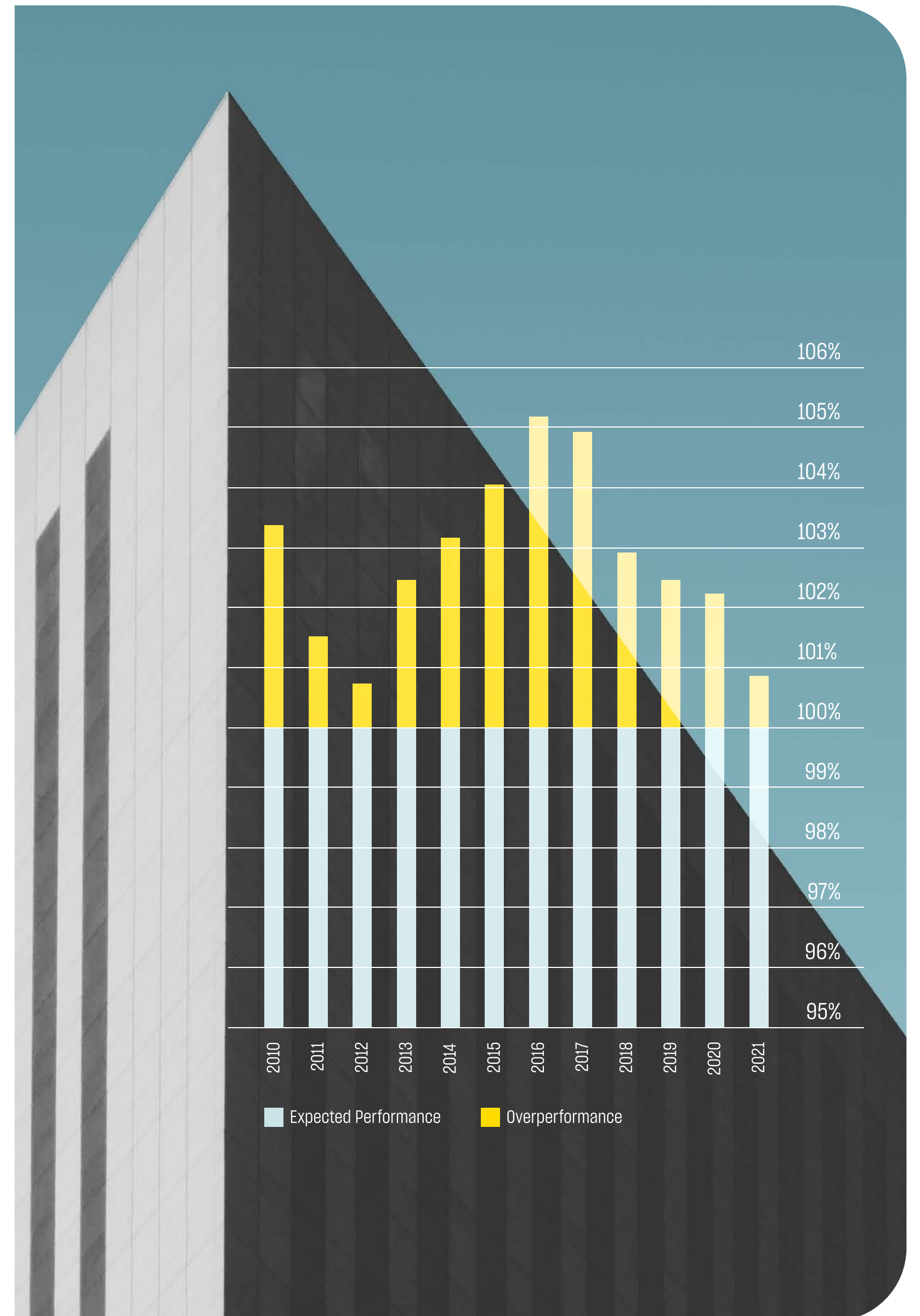
Battery Storage

Annual Performance

Ongoing measurement of project performance is central to our SESA. Over the last decade, our realized savings have exceeded the expected savings (as projected in an initial energy audit) each year. As the share of lighting measures within our portfolio has increased, our overall performance has trended closer to expected levels. This is because lighting typically offers consistent savings with little variance from initial estimations. On average, our portfolio performs at 102% of its expected savings.²

Because projects report their savings at the end of their unique annual periods, 2021 performance is based on partial data available at the time of publishing.

Year	Performance
2010	103.3%
2011	101.5%
2012	100.7%
2013	102.4%
2014	103.1%
2015	104.0%
2016	105.1%
2017	104.9%
2018	102.9%
2019	102.4%
2020	102.2%
2021	100.9%
	102.6%



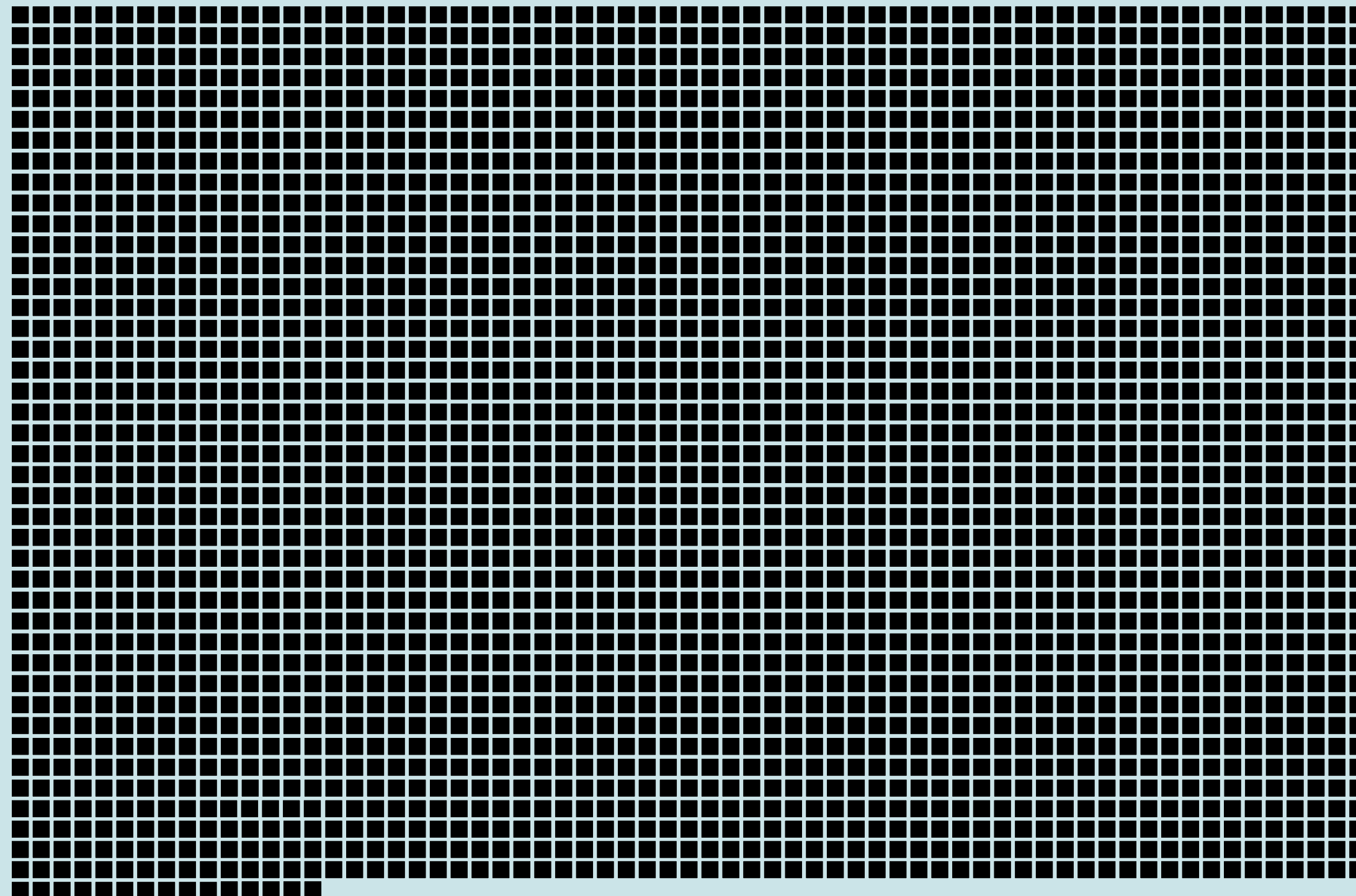
Our Impact

Environmental performance is interwoven into each of our projects. We prepare annual reports that detail project-level CO₂ savings broken out by Scope 1 and Scope 2 emissions to facilitate customer reporting under SBTi.³

Lifetime CO₂ Savings Across Our Portfolio

That's the equivalent of 27,152 cars being taken off our roads each year.⁵

■ = 10 cars



784,237

total metric tons of CO₂ saved⁴

2021: Annual CO₂ Savings

109,463
annual metric tons of CO₂ saved



Scope 1

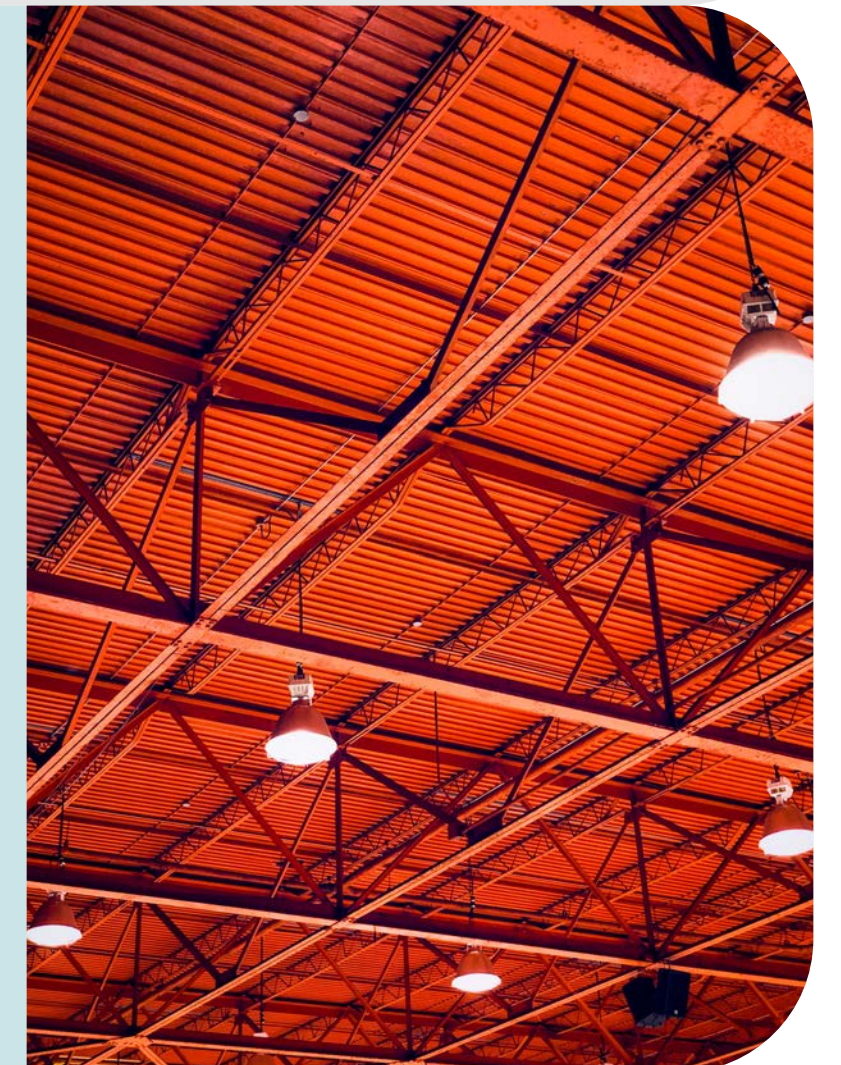
Direct emissions that occur at an organization's location (e.g., natural gas-fired furnaces, oil-fired boilers, etc.)

5,184
annual metric tons of CO₂ saved

Scope 2

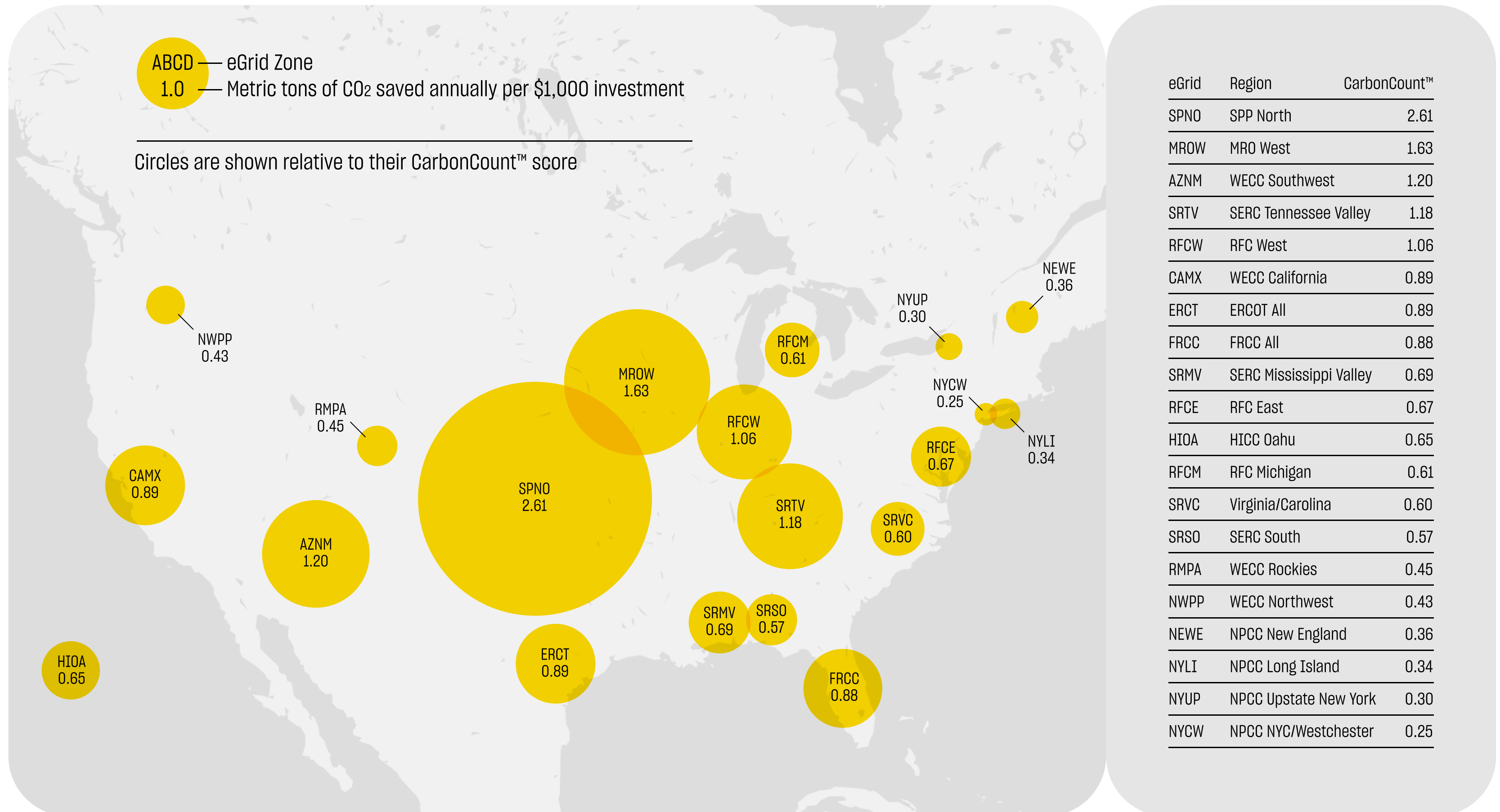
Indirect emissions that are generated elsewhere in service to an organization (e.g., purchased or acquired electricity, steam, etc.)

104,279
annual metric tons of CO₂ saved



Annual CO₂ Savings per \$1,000 of Investment


Metrus measures the efficiency of its investments in reducing CO₂ (metric tons) by using CarbonCount™ as a scoring tool.⁶ Higher ratios mean greater carbon reduction per \$1,000 of investment.⁷ The data below represents the average scoring for Metrus projects located within 20 different regional eGrid zones.⁸ Results vary based on the CO₂ mix of the local grid and type of efficiency upgrades.




2021: Total Annual Energy Savings

Our projects include a wide range of energy-efficiency improvements that generate both electric and thermal energy savings.⁹

In 2021, our portfolio saved a total of 1,171,662 MMBtu of energy. That's equivalent to 202,011 barrels of oil.¹⁰

 **320,737,425**
kWh of electricity saved


 **215,995**
gallons of fuel oil saved

 **457,142**
therms of natural gas saved

2021: Total Water Savings

According to the EPA, office buildings, hospitals, hotels, and schools, among other commercial and institutional facilities, use 17% of the public water supply, making the sector the 2nd largest consumer in the country.¹¹

Metrus has projects with water efficiency measures across private sector business, higher education, and healthcare customers. With our new projects added in 2021, water savings in our portfolio are expected to increase by more than 400%.

 **8,791,980**
gallons of water saved

Case Study

Daimler Trucks North America

Vehicle Manufacturing



▶ Total Metrus investment
\$6.56 million

▶ CarbonCount™
0.41

As part of its mission to become carbon neutral in its vehicle production by 2025, Daimler Trucks North America (DTNA) sought to make significant energy efficiency upgrades at its Cleveland, N.C. manufacturing plant. It required a provider that was both flexible and scalable in terms of financing, technologies, and program scope. Metrus was the perfect fit. Working with Centrica as its ESCO partner, Metrus enabled DTNA to implement upgrades across seven buildings, generating roughly \$1 million in average annual savings over a 12-year SESA term. The Metrus SESA allows DTNA to expand the program scope as its needs evolve; deeper savings are anticipated as subsequent projects are rolled out nationwide.

Case Study

Kuakini Medical Center

Healthcare



▶ Total Metrus investment
\$5.96 million

▶ CarbonCount™
0.65

Kuakini Medical Center urgently needed to replace its chillers and improve its energy efficiency to ensure the comfort of the hospital's patients and improve sustainability. Unable to incur new debt, Kuakini partnered with Metrus to develop and finance the first efficiency project of its kind in Hawai'i, using a Metrus Sustainable Energy Services Agreement (SESA). Metrus paid for 100% of the project's design and implementation through its SESA financing structure. This enabled Kuakini to avoid upfront project costs while receiving the benefits of equipment upgrades, including increased patient comfort, improved system redundancy, and reduced downtime risk. During the SESA term a series of new LED lighting upgrades were rolled into the project that created additional savings for the hospital.

Case Study

Fortune 100

Warehousing & Distribution



▶ Total Metrus investment
\$74.28 million

▶ CarbonCount™
0.95

Metrus navigated an uneven landscape of utility rates and landlord requirements to implement energy-efficiency upgrades across this Fortune 100 company's sprawling enterprise. Working with its ESCO and lending partners, Metrus crafted a Sustainable Energy Services Agreement (SESA) that featured the flexibility and scalability required to ensure the projects, spread across 56 sites, are economically viable and rapidly deployed. Taken together, the projects reduce electricity demand for lighting by 71%. They will reduce CO₂ emissions by 66,495 metric tons annually, which is the equivalent of taking 14,461 cars off the road each year. There have been eight project tranches in two years; more projects with this customer are underway.

Our Commitment

Metrus is committed to accelerating and scaling climate action by financing, owning, and operating sustainable energy projects. We work with our partners, customers, and coalitions to speed up the transition to a low-carbon future by providing Sustainable Energy as a Service to get projects done now. Our projects eliminate financial barriers, increase resiliency in the built environment, and reduce GHG emissions.

Our Partnerships



\$175 million

The Department of Energy’s Better Buildings Challenge is a partnership of businesses, manufacturers, cities, states, universities, and school districts committing to improve the energy efficiency of their buildings by at least 20% over 10 years. Metrus was one of the first financial allies to join this program. After hitting its initial investment commitment, Metrus is 95% of the way to meeting its latest \$175 million commitment.



In 2021, Metrus became a signatory to the internationally-recognized Principles for Responsible Investment (PRI), publicly demonstrating our commitment to responsible investing at a global level. We join an international cadre of investors and asset owners who believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation.

AMERICA IS ALL IN

\$200 million

The “America Is All In” initiative (formerly “We Are Still In”) is a diverse coalition of U.S. leaders who support halving U.S. emissions by 2030 and reaching net zero emissions by 2050. As part of this ongoing initiative, Metrus increased its financing commitment from \$100 million of sustainable energy projects to \$200 million and is now 40% of the way towards its new target.



Metrus joined the Business Council for Sustainable Energy (BCSE) which is dedicated to implementing market-based approaches for clean, efficient, and sustainable energy products and services. BCSE brings together a broad range of stakeholders, policymakers, environmental organizations, and business and industry executives to move the energy sector and energy policy toward a cleaner, sustainable and diversified future.

Other key partnerships



Diversity, Equity, and Inclusion

Metrus is dedicated to creating a work environment that reflects our commitment to diversity, equity, inclusion, empowerment, and anti-racism. We respect and learn from different viewpoints and lived experiences. We welcome, support, and benefit from the perspectives of people who differ in race, culture, ethnicity, gender identity, physical ability, religion, and sexual orientation. We believe that having diverse employees, business partners, and community relationships is vital to delivering our services and achieving our mission of bringing energy efficiency and clean energy projects to life. At Metrus, diversity of thought and experience is respected and viewed as essential to excellence.

End Notes

- 1) Sites are unique locations that may be incorporated in multiple projects.
- 2) Performance is determined by measured and verified savings using the Efficiency Valuation Organization's International Performance Measurement and Verification Protocol (IPMVP): <https://evo-world.org/en/products-services-mainmenu-en/protocols/ipmvp>. Each calendar year may not align with a project's annual period; therefore savings are weighted between calendar years based on the project's substantial completion date.
- 3) U.S. Environmental Protection Agency eGRID Scope 1 and 2 Emissions: <https://www.epa.gov/greeningepa/greenhouse-gases-epa>.
- 4) All conversions into CO₂ are based on U.S. EPA eGRID regional emission data: <https://www.epa.gov/egrid>.
- 5) U.S. EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.
- 6) Used Alliance to Save Energy Carbon Count to calculate CO₂ (metric tons saved annually) / \$1000 invested: <https://www.ase.org/carboncount>.
- 7) Each \$1,000 investment represents the cost of installing the energy efficiency upgrades in that eGRID region.
- 8) U.S. EPA eGRID regional emission data: <https://www.epa.gov/egrid>.
- 9) Savings in 2020 are determined by measured and verified savings using IPMVP when available. Otherwise, expected savings are included. In instances where the calendar year may not align with a project's annual period, savings are weighted between calendar years based on the project's substantial completion date.
- 10) Electricity, natural gas, and fuel oil savings were individually converted to MMBtu, and total MMBtu was converted to equivalent barrels of oil using data from the U.S. EPA: <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references#oil>.
- 11) U.S. EPA WaterSense: <https://www.epa.gov/watersense/types-facilities>.

