



Project Targeting – Illustrative Project Criteria

In sourcing and evaluating potential project opportunities, the Partnership will focus on the project's return profile and some or all of the following criteria:

	Target Characteristics		Illustrative Criteria ¹
1	Geographic	➔	<ul style="list-style-type: none"> Dense urban environments offering relative ease of install and follow-on sales Energy markets and utilities provide substantial financial incentives for demand savings Regulations have resulted in mandated energy efficiency, fuel conversion or disclosure requirements
2	Location	➔	<ul style="list-style-type: none"> Focus on the United States and Canada Local climates with high amount of variability (e.g. hot summers and cold winters) Utility regions with blended electricity costs over \$0.10/kWh
3	Building	➔	<ul style="list-style-type: none"> Ideally buildings larger than 300k square feet Annual pre-project utility expenses of at least \$1.2m Contains large, end-of-life equipment for a simpler and higher cost retrofit
4	Sector	➔	<ul style="list-style-type: none"> Commercial buildings, including office and retail Municipal, Universities, Schools and Hospitals (MUSH) Large multi-family residential, especially with central equipment and fuel conversions
5	Owner Profile	➔	<ul style="list-style-type: none"> Owners with future portfolio sales opportunities, such as real estate funds and retail companies Limited access to or desire to use capital, providing demand for 3rd party financing Lack of energy efficiency expertise
6	Project Profile	➔	<ul style="list-style-type: none"> \$2 - \$5m in total project cost² Target 25% energy savings over existing energy usage Typical project has 5 year simple payback with a 10 year ESA contract
7	Project type	➔	<ul style="list-style-type: none"> Projects will target the machine room such as HVAC and deemphasize multi-tenant space where possible Associated controls to maximize the savings on new, efficiency equipment Additional upgrades to maximize returns as needed

¹ The project selection criteria listed above are provided for illustrative purposes only. The Partnership may pursue projects that do not meet certain of the criteria above if it determines the project would otherwise meet the Partnership's return and other objectives.

² The Partnership may pursue projects that are less than \$2 million or more than \$5 million in size. The Partnership may pursue a limited number of larger projects, up to \$25 million in project size (subject to the per-project concentration limits set forth in the Partnership's definitive documents).