



Aegis Energy Services, Inc & Schwab House

A Partnership In Public and Private Financing

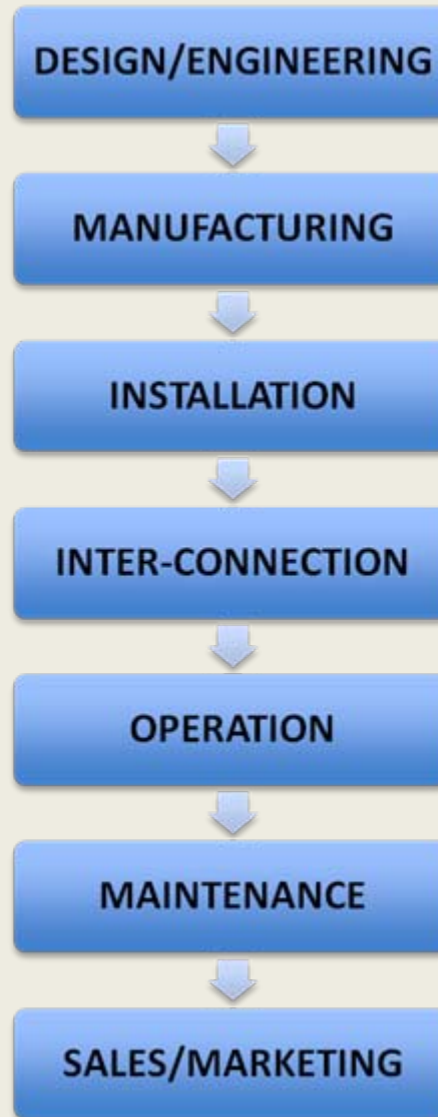
Modified Presentation of November 2, 2010 CHPP Meeting
Austin, Texas
Lee Vardakas, General Manager

Aegis Energy Services: Who we are...

- ✓ Largest Installer of small modular CHP in Northeast
- ✓ In business for 25+ years.
- ✓ Installer of 375+ CHP systems.
- ✓ Privately held company headquartered in MA

How we are organized:

Vertically Integrated

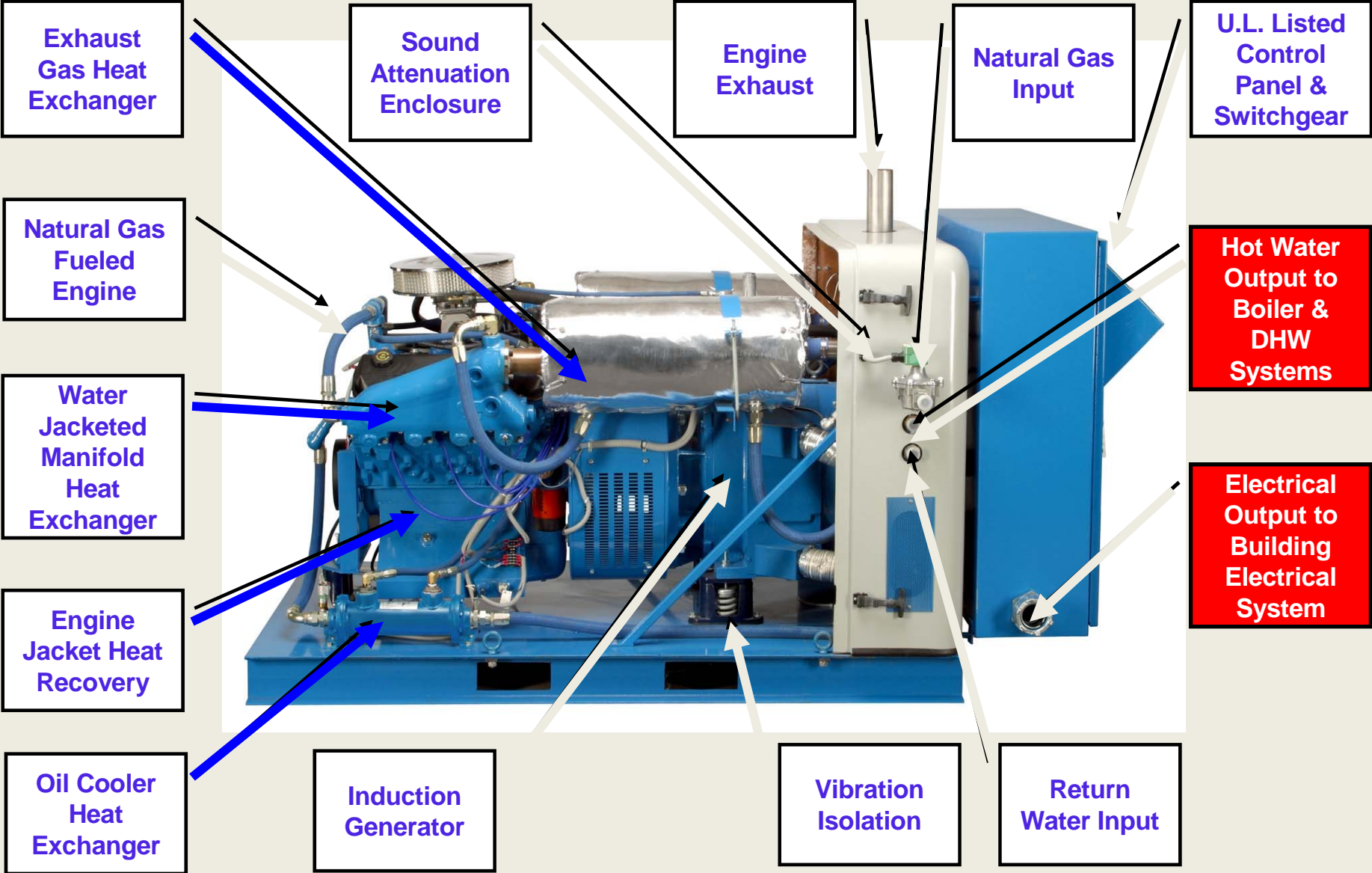


Our products:

Aegen Thermopower 75 LE Module
Available with Induction and Synchronous
Based Generators



Our product "architecture":

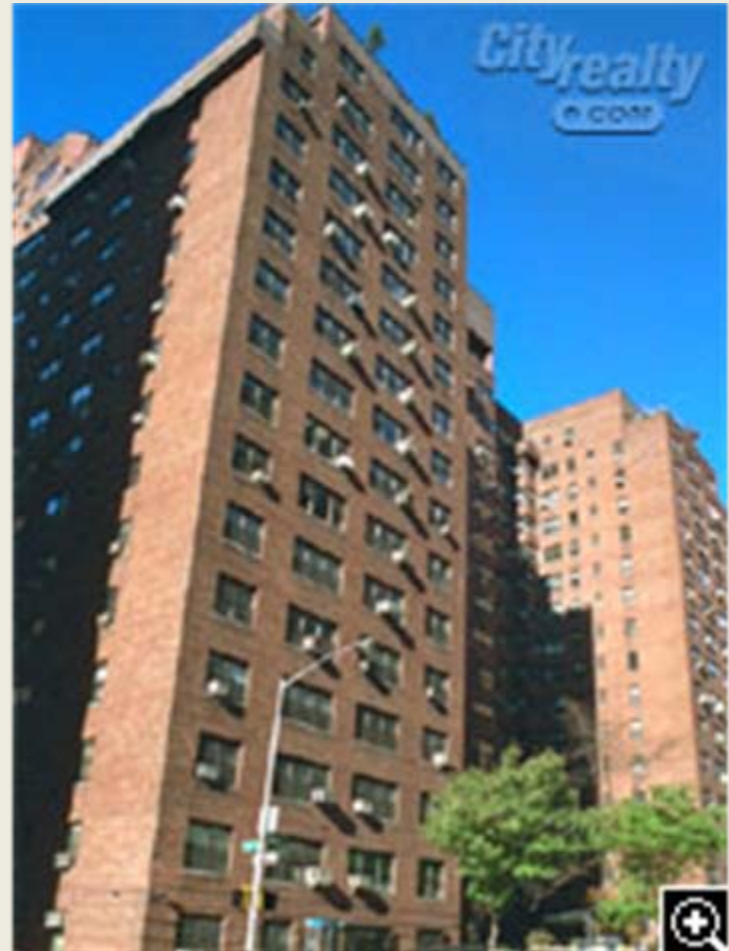


Typical End Users for our products:

- Hotel/Resort
- Housing Authority
- Commercial/Industrial/Recreational
- Condo/Co-op/Apartment
- JCC/YMCA
- Retirement Home/Assist Living/ Extended Care Facility
- School Authority/Government

A specific site: Schwab House

- 650 unit condominium
- 1 million sq ft
- Located on Manhattan's West Side
- Goal: To reduce energy costs and GHG emissions



April 2008:

“Conditions on the ground” in NYC

1. Highest Electric rates
2. Overstretched transmission grid
3. “Plan NYC”-reduce GHG 30% by 2030
4. 80 % GHG emissions come from buildings

Aegis' Proposed Solution to Schwab

- Turnkey installation of 300kW CHP system
- Four Aegen TP-75LE Modules
- Produce 2.2 million kWhrs electricity/year
- Supply 225,000 therms hot water for space heating, DHW, and absorption cooling (40T).
- DHW storage, absorption chiller, cooling tower
- Total project price: \$1.6 million

June 2008:

“Conditions on the ground”

New financial realities...

- Credit markets tightening as subprime crisis expands (June 07 failure of Bear Stearns subprime hedge funds)
- Wall street retreating as uncertainty in debt losses grows

Earlier in the process....
Schwab House applies for a grant
from NYSERDA

(New York State Energy Research Development Authority)



NYSERDA PON# 914 Grant description:

*Combined Heat and Power (CHP) Program
Opportunity Notice (PON 914) \$10 Million
Available*

**The New York State Energy Research and
Development Authority (NYSERDA) announces a
program to support: Category A: Demonstration
of DG/CHP systems at
industrial/commercial/residential facilities*

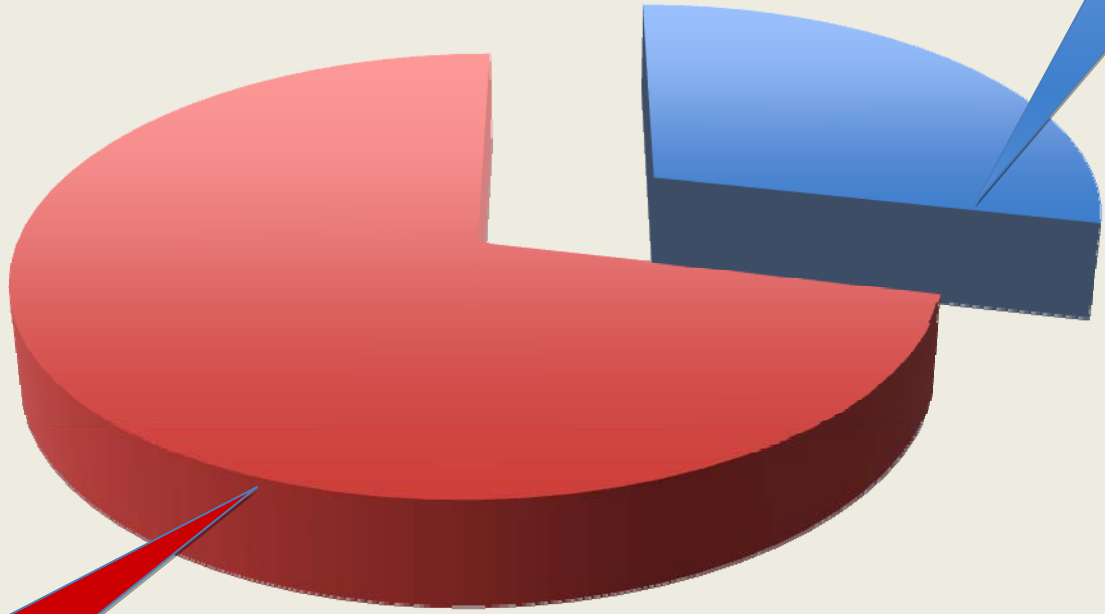
*Cost Share Maximum NYSERDA Award: DG/CHP
Demonstration Projects 30% to 60% \$1,000,000*

Financing:

Schwab House CHP Project financing

PUBLIC FINANCING (NYSERDA GRANT) \$400k

THE REST??



How to address “The Rest?”:

Aegis Energy Services'
Shared Savings Program

Aegis Shared Savings Program:

Energy Savings for Schwab House with ZERO CAPITAL OUTLAY!!

- ✓ Aegis installs, owns, operates and maintains system
- ✓ No capital outlay or maintenance fees for Schwab
- ✓ Heat/Hot water at 14% discount
- ✓ Electricity at 14% discount
- ✓ 12 year agreement
- ✓ Schwab house owns system after 12th year
- ✓ Schwab can purchase equipment anytime at reduced cost

Additional Schwab CHP Plant Benefits

- Reduce demand on grid by producing 30% of own electricity
- Reduce carbon footprint by 813 tons (EPA calculator)
- Reduce energy consumption by 13%
- Provides a model for other NYC buildings
- Executive Director Lance Kolb gets named “**Green Manager of the Year**” by NY Association of Real Estate Managers

September-December 2008:
(Did I mention the financial crisis?)

The Financing ball is now in Aegis' court.....



Credit markets frozen:
Unprecedented uncertainty in
economy.



POWERVESTORS LLC

Solicit private investors to fund investment vehicle bundled
with multiple Shared Savings Program contracts.

Fund also has access to credit facility.

April 2009:
Schwab House CHP system
and contract become part of
Powervestors LLC portfolio.



Powervestors LLC Portfolio: 16 CHP systems across 4 sites

1. Trump Village Housing Coop NY
2. New Haven Public Schools CT
3. Schwab House Housing Coop NY
4. Bay Ridge Air Rights Housing Coop NY

September 2009: CHP system on-line



November 2009: Inaugurated by Mayor Bloomberg



“Cogeneration...it’s the right thing to do.”

Mayor Bloomberg

Conclusions:

CHP is recognized as a valuable technology to save energy and reduce carbon emissions.

Despite unprecedented, difficult economic conditions, a valuable CHP project gets funded as result of financing from both the public and private sectors.

Private sector investors give support for the income stream “generated” by CHP systems.