

Energy Efficiency Financing



Green Mountain ACE Hardware: Money Up Front and Money Back Moves Lighting Project Forward



We partner with HBC Energy Capital to make it easier for customers to finance — and ultimately finish — their energy efficiency projects.

Bob Macauley
Xcel Energy Financing
program manager

Green Mountain ACE Hardware in Lakewood, Colorado needed a lighting upgrade.

The 32,000 square foot flagship store had inefficient fluorescent T-8 lighting that needed to be replaced by something much more energy efficient.

Owner Todd Erwin knew an upgrade would save him energy and money over the life of the new equipment, but the timing for a capital cost wasn't quite right when he initially received information.

Fortunately for him, Xcel Energy created an Energy Efficiency Financing program which provided the perfect reason to move forward with the project.

A smart solution

Local lighting contractor Wild Ideas Light Company was the first to work with Erwin.

"This is a big store with 20-foot ceilings in some areas and we knew we could double the light output by switching to high-efficiency lighting," explains Ian Osborn, Owner of Wild Ideas Light Company. "The floors are white but they started to look a bit dirty as the lighting aged."

Osborn recommended ENERGY STAR® rated LEDs with a hybrid tube to allow for smaller ballasts. He liked their reliability and the fact that they require very little maintenance. They were also eligible for Xcel Energy rebates.

"People don't believe it," explains Osborn. "They look at the numbers and think they can't be true. But we can give them better light, a brighter environment, an Xcel Energy rebate, and cut their energy use in half."

Erwin looked over the information and was waiting for just the right timing. Then he learned about a new financing program.



Project Highlights

Project	Replace old lighting with high-efficiency LED lighting
Project Cost	\$81,000
Xcel Energy Rebates	\$22,400
Estimated Annual Energy Savings	155,568 kWh
Payback Term	5.1 years

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Colorado

"We redeveloped our financing program in 2016," says Bob Macauley, Xcel Energy Financing program manager. "We used to give people a list of vendors who could offer them financing and wish them well. We decided to formalize the program and partner with HBC Energy Capital to make it easier for customers to finish their energy efficiency projects."

The goal was to provide more value to the customer through a user-friendly process. The new program saves customers time they would otherwise spend determining whether they could complete a project. Now, Macauley and HBC Energy Capital do the legwork. Applicants simply access an online portal to enter top line information. HBC then matches the company's information with lenders who offer proposals to finance the project. There is no cost and no obligation.

"In this case, the situation was perfect because one of the options provided to Erwin was a cash flow positive proposal," explain Jeremy Epstein, HBC Energy Capital Senior Associate. "The energy cost savings associated with the project exceed the monthly finance payments. That means they were saving more than they were spending on a monthly basis. You can't ask for a better scenario than that."

The project estimate compiled by Epstein showed a five year plan with monthly payments of \$1,183. The estimated monthly savings of making the upgrade was \$1,330. That meant a positive cash flow each month of \$147.

The icing on the cake came in the form of what's called a progress payment. Rather than waiting until the project was fully installed to receive payment, Erwin received half of the money up front.

"The rebate was pretty surprising because it was more than a quarter of the total project cost," Erwin says. "To be able to finance it with money up front made the decision obvious."

"You no longer need to let these projects sit on the shelf when someone else's money can help you move it forward, and you can still have money in your pocket," adds Macauley. "The longer you wait, the more money you lose. It's the cost of doing nothing."

Moving forward

With a lighting plan, rebates and financing all in place, Erwin had the new LED lighting installed over the course of two months.

"It was pretty evident that it was going to improve the shopping experience," he says. "It made the products pop and enhanced the visual aspect of the whole store."

Shoppers can see the difference. And Erwin now sees a process that makes great business sense. He'll consider other energy efficiency projects in the future knowing rebates and financing are all on the table.



Project Financing Estimate

Term	5 years
Monthly Savings	\$1,330
Monthly Payment	\$1,183
Net Monthly Positive Cash Flow	\$147

Contact HBC Energy Capital for fast, customized financing solutions for all of your commercial energy efficiency projects.

There are three ways to get started:

1. Visit www.hbcenergycapital.com/get-started/xcelenergy
2. Call **720.724.7673**
3. Email info@hbcenergycapital.com

HBC Energy Capital will return a financing proposal for most projects within two business days.

For more information about Xcel Energy's rebate programs, visit xcelenergy.com/Business or call the Business Solutions Center at **855.839.8862**.