



*Building Name*  
**Auto Dealership Retrofit-Sample**

*Proposal Name*  
**LED Replacement**

*Thursday, December 29, 2016*



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Auto Dealership Retrofit-Sample  
123 LED Way  
Atlanta Georgia 3200

Hi John,

Many businesses are searching for various means to reduce their operating expenses. In many cases, the search need not be any more tedious than simply looking at the something most of us take for granted on a daily basis – our lighting systems. By carefully analyzing the equipment and usage patterns of these systems, we can uncover hidden expenditures that are draining a company's resources. To assist you in disclosing these hidden costs, we are pleased to offer you this detailed analysis of your lighting system based on our preliminary audit of your facility with your team.

This proposal illustrates energy saving measures that we recommend and the financial benefits of investing in a light retrofit project at your facility. Please let me know if there are any questions you have about this proposal or any of the recommendations. We are looking forward to working with you.

Richard

Vice President  
Gator Energy  
Phone: 3528798786  
Email: [info@gatorenergy.com](mailto:info@gatorenergy.com)



## Executive Summary

We understand that you are always looking for ways to reduce costs, improve processes, and generate new revenues to make your business more profitable. With this in mind, we have performed a lighting audit and assessment to identify ways to meet these profit improvement objectives.

We have tried to do our homework to understand your business objectives, the issues you face in implementing your strategies, along with the business environment where you operate. This includes our understanding of your energy costs, maintenance schedules, and sustainability initiatives. Based upon that research and our extensive lighting experience, we have created the following proposal of our recommendation for improving the areas and spaces examined during the survey of your facility with a new lighting solution.

You will find a project overview, financial summary, and upgrade summary detailed below. These sections provide you with an analysis of the total estimated material and labor costs, energy and maintenance savings, simple payback, net present value, and return on investment for the project in a combined format that shows you the value you will receive by moving forward with this project.

### Project Overview

#### Cost of Project

Total Material Cost	\$111,358
Total Labor Cost	\$0
Less Rebates and Incentives	\$(41,740)
<b>Net Cost of Project</b>	<b>\$69,618</b>

#### Annual Operating Savings

Energy Savings	\$48,889
Maintenance Savings	\$10,115
<b>Total Annual Operating Savings</b>	<b>\$59,004</b>

#### Operating Savings Over 10 Years

Energy Savings	\$488,896
Maintenance Savings	\$101,150
<b>Total Operating Savings Over 10 Years</b>	<b>\$590,046</b>

<b>Payback Period (years)</b>	<b>1.1</b>
<b>Net Present Value</b>	<b>\$380,969</b>
<b>Internal Rate of Return</b>	<b>144%</b>



### Financial Summary

Total Cost	Net Cost	10 Year Operating Savings	Payback (years)	NPV	IRR
\$111,358	\$69,618	\$590,046	1.1	\$380,969	144%

### Upgrade Summary

Total Cost	Total Incentives	Net Cost	Total Energy Savings <sup>1,2</sup>	Maintenance Savings	10 year NPV <sup>3</sup>	Payback (years)
\$111,358	\$41,740	\$69,618	\$488,896	\$101,150	\$380,969	1.1

1. Energy cost = \$0.1000/kWh; Annual energy cost escalation = 0.00%
2. Energy savings are averaged over 10 year analysis period
3. Assumed cost of capital = 6.00%
4. Product tax rate = 7.00%
5. Service tax rate = 0.00%



## Cash Flow

We understand that finalizing a project like this often takes time. But each day you delay your upgrade to the energy efficient lighting we have recommended, you are missing out on the opportunity to reduce your operating expenses. As shown in the chart below, the lost opportunity continues to compound over time.

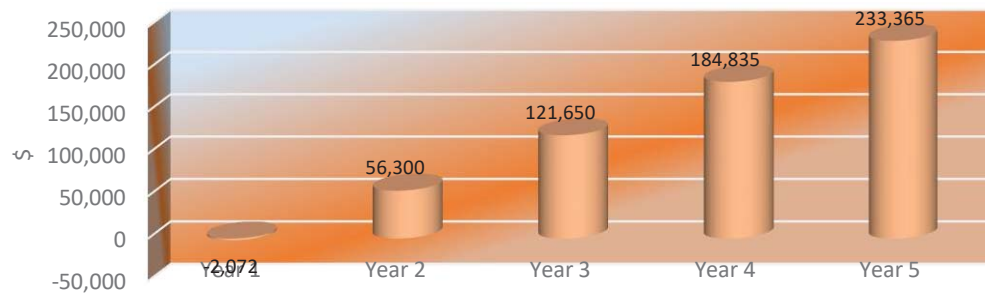
### 10 Year Cash Flow Analysis (Years 1 to 5)

	Year 1	Year 2	Year 3	Year 4	Year 5
Product Costs	\$111,358	-	-	-	-
Incentives	\$41,740	\$0	\$0	\$0	\$0
Energy Savings	\$48,890	\$48,890	\$48,890	\$48,890	\$48,890
Maintenance Savings	\$18,656	\$9,483	\$16,460	\$14,296	\$(360)
Net Cash Flow	\$(2,072)	\$58,373	\$65,350	\$63,186	\$48,530
Cumulative Cash Flow	\$(2,072)	\$56,300	\$121,650	\$184,835	\$233,365

#### NET CASH FLOW



#### CUMULATIVE CASH FLOW

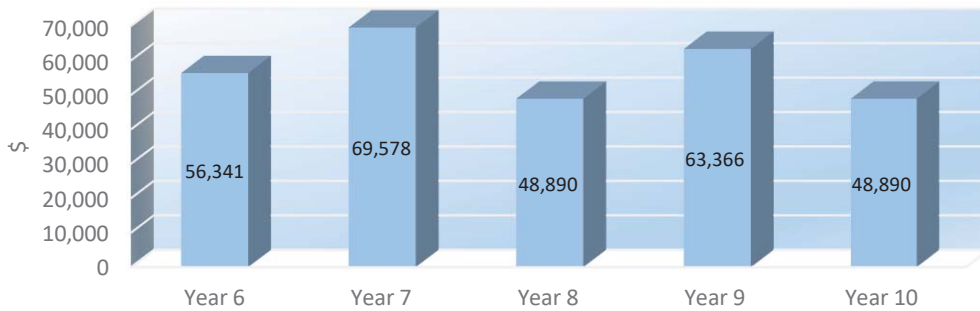




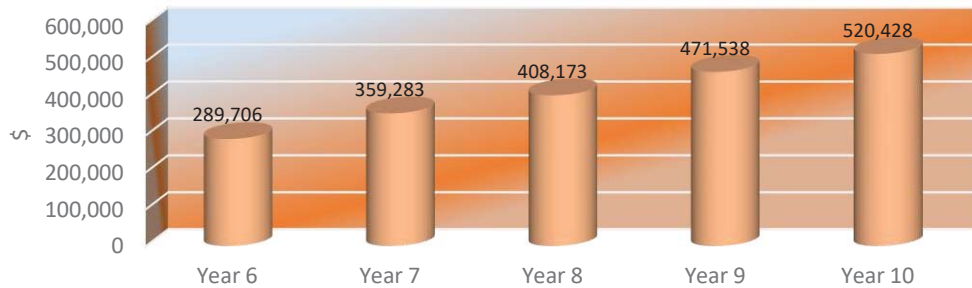
### 10 Year Cash Flow Analysis (Years 6 to 10)

	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Product Costs	-	-	-	-	-	\$111,358
Incentives	\$0	\$0	\$0	\$0	\$0	\$41,740
Energy Savings	\$48,890	\$48,890	\$48,890	\$48,890	\$48,890	\$488,896
Maintenance Savings	\$7,451	\$20,688	\$0	\$14,476	\$0	\$101,150
Net Cash Flow	\$56,341	\$69,578	\$48,890	\$63,366	\$48,890	\$520,432
Cumulative Cash Flow	\$289,706	\$359,283	\$408,173	\$471,538	\$520,428	\$520,432

**NET CASH FLOW**



**CUMULATIVE CASH FLOW**

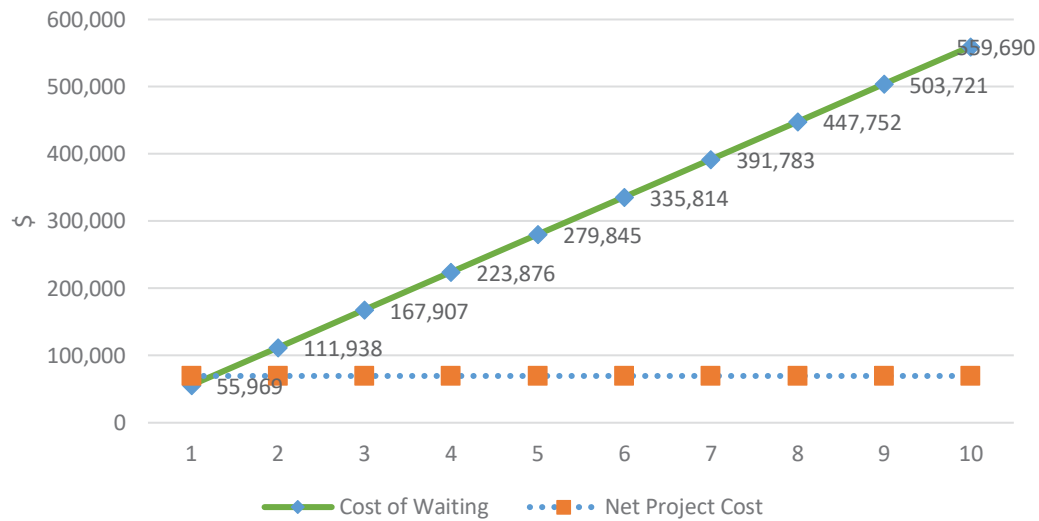




## Cost Of Waiting

The cost of waiting shows the amount of cash your company will be losing if you do not move forward with the proposed lighting upgrade today. Each year that you do not move forward with the proposed solutions means another year of lost opportunity cost.

Monthly	Yearly	10 Years
\$4,664	\$55,969	\$559,690





## Energy Usage and Costs

Over time, the largest single cost for lighting your facility is your energy costs. It is therefore critical for you to understand how much energy you are using and what it is costing you with your existing lighting systems versus the proposed lighting systems.

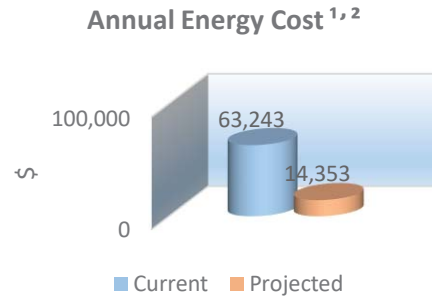
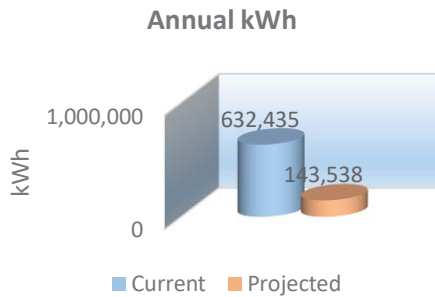
Presented below is a summary of these energy costs and usages based upon our survey, research of your business, and/or our best estimates based upon industry averages.

### Annual Energy Usage

Current Usage (kWh)	Projected Usage (kWh)	Reduction	Current Cost <sup>1,2</sup>	Projected Cost <sup>1,2</sup>	Financial Savings	Percent Saved
632,435	143,538	77%	\$63,243	\$14,353	\$48,889	77%

1. Energy cost = \$0.1000/kWh; Annual energy cost escalation = 0.00%
2. Energy costs are averaged over 10 year analysis period

### Energy Comparison



1. Energy Cost = \$0.1000/kWh; Annual energy cost escalation = 0.00%
2. Energy costs are averaged over 10 year analysis period





## Operational Overview

While energy is the largest long-term cost of lighting, the cost for maintaining your lighting system can be a significant expense of your overall operational lighting expense. Maintaining your lighting system is critical to achieving the productivity you are trying to achieve with your lighting levels and maintenance is not free. Understanding the impact of longer lasting lighting systems on your operational costs is critical.

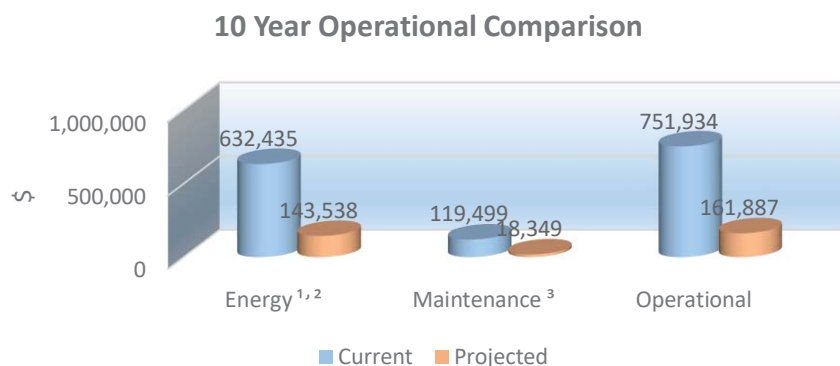
The summaries below provide you with an operational dashboard of projected overall operational savings anticipated from the implementation of the proposed lighting system.

### Operational Savings Summary

Operational Area	Current Annual	Projected Annual	Reduction	Current 10 Year	Projected 10 Year	Reduction
Energy <sup>1,2</sup>	\$63,243	\$14,353	77%	\$632,435	\$143,538	77%
Maintenance <sup>3</sup>	\$11,949	\$1,834	85%	\$119,499	\$18,349	85%
<b>Total</b>	<b>\$75,193</b>	<b>\$16,188</b>	<b>78%</b>	<b>\$751,934</b>	<b>\$161,887</b>	<b>78%</b>

1. Energy cost = \$0.1000/kWh; Annual energy cost escalation = 0.00%
2. Energy costs are averaged over 10 year analysis period
3. Maintenance costs are averaged over 10 year analysis period

### Operational Savings Comparison



1. Energy cost = \$0.1000/kWh; Annual energy cost escalation = 0.00%
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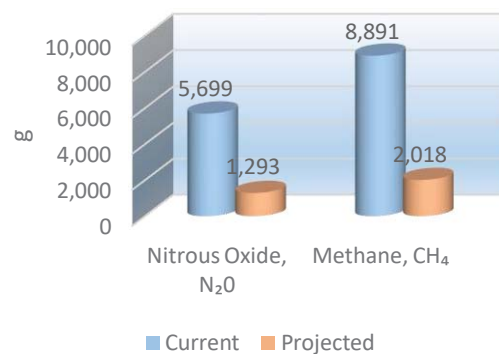
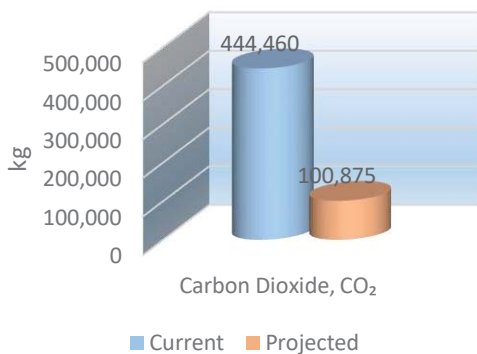
## Environmental Footprint

Greenhouse gas emissions are an enormous contributor to pollution. Companies everywhere are struggling to meet government regulations to comply with reduction of greenhouse gases. Outlined below is the projected environmental impact your new lighting system will have that includes the reduction in the amount of CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> that you can avoid with the installation of your new lighting solution.

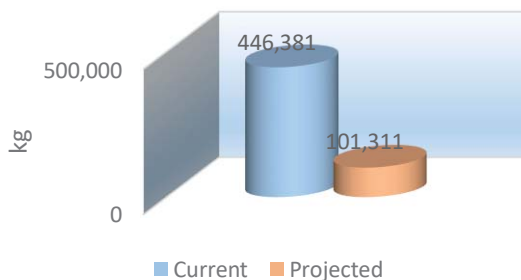
### Greenhouse Gas Comparisons<sup>1</sup>

Greenhouse Gas	Current <sup>1</sup>	Projected <sup>1</sup>	Avoided	Environmental Effect
Carbon Dioxide, CO <sub>2</sub> (kg)	444,460	100,875	343,585	Greenhouse Gas, Global Warming
Nitrous Oxide, N <sub>2</sub> O (g)	5,699	1,293	4,406	Greenhouse Gas, Global Warming
Methane, CH <sub>4</sub> (g)	8,891	2,018	6,873	Greenhouse Gas, Global Warming
Nitrogen Oxides, NO <sub>x</sub> (g)	388,846	88,253	300,593	Smog, Acid rain, Global Warming
Sulfur Oxides, SO <sub>x</sub> (g)	841,012	190,877	650,135	Acid rain

1. Average emission rates per kWh are based on estimates from eGrid 2012



### Greenhouse Gases Produced<sup>1</sup>



### Comparable Metrics

Barrels of oil consumed: 802

Urban forests (acre): 283

Fewer cars on the road: 73

Gasoline consumed (gallon): 38,829

1. Average emission rates per kWh are based on estimates from eGrid 2012



## Appendix

Within this Appendix we have documented any of the assumptions we have made based upon our research of your business regarding government incentives, utility incentives, financial assumptions, installation assumptions, and maintenance assumptions.

### Financial Assumptions

Analysis Period (years)	10
Payback Calculation Method	Cash Flow Payback
Cost of Capital	6.00%
Energy Cost	\$0.1000/kWh
Energy Cost Annual Increase	0.00%
Product Tax Rate	7.00%
Service Tax Rate	0.00%

### Disclaimer

This proposal is good for 30 day from date of delivery. The projected energy and costs savings contained in this proposal are estimates based upon data obtained during the preliminary walk through of your facility and information obtained from your employees.

Products Used

Company Part Number	Product Type	Manufacturer Name	Manufacturer Part Number	Description
12.5PAR30G4/930FL40/277V	Lamp	Green Creative	12.5PAR30G4/930FL40/277V	12.5w PAR30 LED Lamp, 3000K, E26 Base, 277V, 40 Beam Flood
15T5HE/4F/840/DIR	Lamp	Green Creative	15T5HE/4F/840/DIR	15w 4ft T5 LED Tube, 4000K, G5 Base, Ballast Compatible
19PAR38HO/830FL40/277V	Lamp	Green Creative	19PAR38HO/830FL40/277V	19w LED PAR38 Lamp, E26 Base, 3000K, 120-277V, 40 Beam Angle
21CDLA6/830/277V	Fixture	Green Creative	21CDLA6/830/277V	8.5 / 13.5 / 21w 6" Commercial Down Light, 3000K, 120-277V
21CDLA6/840/277V	Fixture	Green Creative	21CDLA6/840/277V	8.5 / 13.5 / 21w 6" Commercial Down Light, 4000K, 120-277V
24T5HO/4F/830/DIR	Lamp	Green Creative	24T5HO/4F/830/DIR	24w LED T5 Tube, G5 Base, Ballast Compatible, 3000K
24T5HO/4F/840/DIR	Lamp	Green Creative	24T5HO/4F/840/DIR	24w T5 LED Tube, G5 Base, Ballast Compatible, 4000K
27CDLA8/840/277V	Fixture	Green Creative	27CDLA8/840/277V	12 / 19 / 27w 8" Commercial Down Light, 4000K, 120-277V
32CDL8G4DIM/840/277V	Fixture	Green Creative	32CDL8G4DIM/840/277V	8" 32w LED Retrofit Ki, 4000K, 120-277V, 0-10V Dimming
AFB50U641KSBS	Fixture	MaxLite	AFB50U641KSBS	50w LED Flood Light, 4100K, 120-277V, Black Finish
EH-18170-XXX	Additional Item	Prodigy Lighting	PRO-EH-18170-XXX	18W LED Emergency Driver, For Internal Driver LED Tubes AC 100-2
EL-1248-XXX	Additional Item	Prodigy Lighting	PRO-EL-1248-XXX	12W LED Emergency Driver, For External Driver LED, AC 100-277V,
HN-H-G24Q-26W-4000K-G3	Lamp	Lunera	HN-H-G24Q-26W-4000K-G3	13w LED Replacement for 4-pin CFLs, 4000K, G24q series
LBS-700N	Occupancy Sensor	IR Tec	LBS-700N	Line Voltage Wall Switch Sensor, PIR, 40' X 30' Coverage
LOD-T8-900NF-4100K	Lamp	LED One Distribution	LOD-T8-900NF-4100K	14w 3ft LED T8 Tube, 4100K, G13 Base, Ballast Bypass, 100-277V
PCR277	Photosensor	Prodigy Lighting	PCR277	Photocell & Receptacle
PRAL-300-50K-UNV-T3-SF-SL	Fixture	Prodigy Lighting	PRAL-300-50K-UNV-T3-SF-SL	300w Prime LED, Type 3 Distribution, 120-277V, Silver Finish, SF
PRAL-300-50K-UNV-T5-SF-SL	Fixture	Prodigy Lighting	PRAL-300-50K-UNV-T5-SF-SL	300w Prime LED, Type 5 Distribution, 120-277V, Silver Finish, SF
PSS5Q90VT-SL	Additional Item	Qssi	PSS5Q90VT-SL	90° Quad Square Vertical Tenon for 5" Square Pole, Slips 2 1/2" SL
PSS5SVT-SL	Additional Item	Qssi	PSS5SVT-SL	5" Single Square Vertical Tenon, Silver Finish
PSS5T180HT-SL	Additional Item	Qssi	PSS5T180HT-SL	5" 180° Twin Square Horizontal Tenon, Silver Finish
RTUS22-S-40W-30K	Fixture	ATG	RTUS22-S-40W-30K	40W 2x2 LED Troffer, 3000K, 120-277V
SDR10-40-LA8-40K-M-RM-CL-D21	Fixture	Lumen optics	SDR10-40-LA8-40K-M-RM-CL-D21	49W 10" LED Retrofit Kit, 4000K
T5N341	Fixture	Forest Lighting	T5N341	14w 3ft Under Cabinet Fixture, 4100K, 100-277V
T8T241	Lamp	Forest Lighting	T8T241	12w 2ft LED T8 Tube, Ballast Bypass, 4100K, G13 Base
T8U441-15	Lamp	Forest Lighting	T8U441-15	15w Univ8 LED T8 Tube, With & Without Ballast, 4100K, G13 Base
WPFC28HU4010XX-AL	Fixture	ATG	WPFC28HU4010XX-AL	28W LED Full Cut-Off Wallpack, 4000K, Aluminum Finish
WPFC60HU4010XX-AL	Fixture	ATG	WPFC60HU4010XX-AL	60W LED Full Cut-Off Wallpack, 4000K, Aluminum Finish