

RealTerm Energy has successfully upgraded over 350 projects across North America.

We have successfully installed over 350,000 LED streetlights and smart controls since 2013.

Our experience with utilities is substantial, having worked with approximately 80 regulated, unregulated, municipal- and investor-owned utilities in that time.

In every project we have completed with municipal buybacks of the assets, streetlighting costs have been substantially reduced after the acquisition and upgrade to LED technology, giving the municipality greater control of the assets, better quality lighting more quickly and the ability to add smart city devices that better serve their constituents.

In four of the states where buyback legislation is allowed, RealTerm Energy has completed 70 buyback projects, with another 9 pending in NY. Below are the results from RealTerm Energy conversions:

70

Number of Municipalities who acquired and upgraded to LED technology with RealTerm Energy

\$181

Average Annual Cost/light/year under Utility ownership

\$67

Average Annual Cost/light/year under Municipal ownership (post LED upgrade)

61%

Average Cost Reduction after acquisition and conversion (including maintenance costs)

52-82%

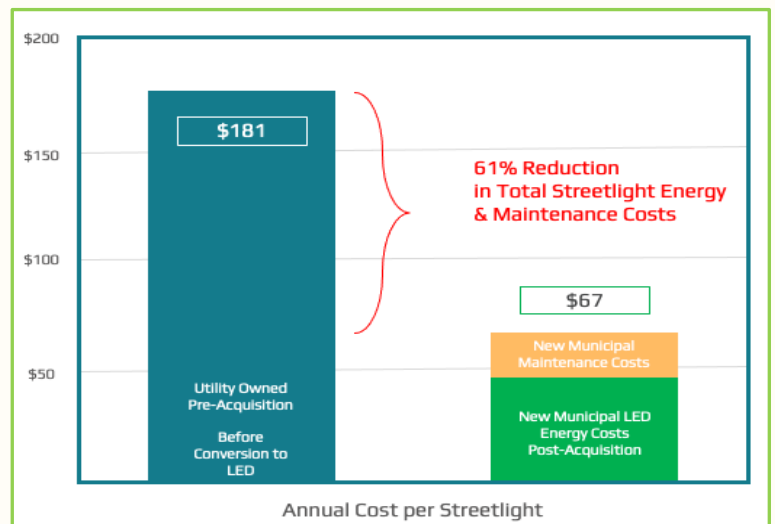
Range of Energy Cost Reduction upon conversion to LED

4.18

Average payback of project costs including acquisition (in years)

Buyback States

Massachusetts
Connecticut
New York
Maine



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Rationale for Purchasing Streetlights from Utilities

- **Many utilities are slow to adopt LED technology**, resulting in higher costs to Local Governments, monies that could be better used for increased resident services and/or improved local infrastructure
- **Municipally owned lights allow greater control** over color temperature, design and luminaire selection
- **Generally, the upgrade costs under municipal ownership are considerably lower** as projects are competitively bid (as opposed to in-house utility conversions)
- **Utility upgrades are frequently one-for-one replacements**, without conducting proper photometric design to minimize consumption cost and provide uniform lighting
- **Municipal ownership offers significantly lower maintenance costs**
- **Municipalities control maintenance scheduling**, resulting in faster repairs and replacements than if on a utilities timetable (a constant complaint from municipalities is the delay in a utility servicing lights that are out of order)
- **Gives the municipality additional control** to install smart lighting controllers and other smart city devices to provide future revenue opportunities
- **Utilities often have greater priorities for their work crews** that take precedence over streetlight repairs or conversions
- **Municipally-owned lights allow the municipalities to get credit** for their greenhouse gas emission reductions upon conversion

In states where municipalization is permitted (Rhode Island, Colorado, Vermont, California, etc.) many cities have already acquired or soon will acquire their lights to convert on their own with clear financial and aesthetic advantages, post-acquisition.

Financing the Acquisition and Upgrade Costs

Tax-Exempt Lease Purchase financing (TELP) can be used to allow the municipal or county buyer to obtain low interest terms that **do not require any up-front capital** and use the significant annual energy and maintenance savings to completely service the loan until repayment, usually in 5-10 years. During that time, **the project can create a positive cash flow each year during the term.**

Thus, the energy and maintenance savings can pay for the entire project, **including acquisition costs.**

