

PBC Web Site Case Study

The building in this case study is a six-story, 100,000 square foot multi-tenant building in Los Angeles, CA. The building was outfitted with a combination of T-12 40 Watt lamps and T-8 32 Watt lamps in 3 lamp fixtures.

The T-12 lamps were powered by outdated magnetic ballasts that had a high ballast factor. The T-8 lamps were served by electronic ballasts, but these too had a high ballast factor.

The plan was to replace all the existing lamps with new generation T-8 28 watt lamps with ballasts with a low ballast factor and de-lamp the fixtures from 3 lamps to 2 lamps with a reflector kit.

The total cost of this project was \$85,535. The rebate from the utility company (LA Department of Public Works) LADWP was \$43,499, leaving the expense to only be \$42,036.

Based on estimated energy savings of \$40,762 per year, the payback would be estimated at about 13 months.

However, if the company does not want to pay money out of pocket to pay for this lighting upgrade and would actually prefer to generate cash from day one, a 36 month financing option was made available for the full project amount. This allowed the company to utilize the rebate immediately and still realize a cash input.

In this case, monthly payments would be \$2800 per month compared to energy savings of \$3400 per month, which led to an immediate positive cash flow of \$600 a month for the length of the finance agreement. After year three, the cash input reverts to the full \$3400 a month. Over a five year period, \$146,000 is estimated as a contribution to the bottom line based on projected energy savings.

Proposed by:

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Graybar Financial Services®
 Financing, Simplified

"Optimize Energy Efficiency while providing Capital Conservation"

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Lease Financing Options
Prepared Exclusively For

Richard Lumiere
SOME COMPANY
123 SOMESTREET
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100,000 Square Feet

Project Information **Lighting Retrofit**

Total Project Investment (Net of Sales Tax) **\$85,535.00**

Utility Incentive / Rebate **\$43,499.00**

Financed Investment Excludes above rebate amount that you will receive from utility company **\$85,535.00**

Projected Annual Energy Savings **\$40,762.00**

Capital Lease	24 Mos	36 Mos	48 Mos	60 Mos
Projected Monthly Energy Savings (Projected Annual Energy Savings / 12 months)	\$3,396.83	\$3,396.83	\$3,396.83	\$3,396.83
Monthly Lease Payment	\$3,972.14	\$2,801.38	\$2,184.04	\$1,840.22
Estimated Monthly Cash Flow	(\$575.30)	\$595.45	\$1,212.80	\$1,556.61

36 Month Cash Flow Option

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
Energy Savings Inflows	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00
Rebate Inflow	\$0.00	\$43,499.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Inflows	\$3,396.83	\$84,261.00	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00
Financing Outflows	\$2,801.38	\$33,616.61	\$2,801.38	\$33,616.61	\$2,801.38	\$33,616.61	\$0.00	\$0.00	\$0.00	\$0.00
Net Cash Flow	\$595.45	\$50,644.39	\$595.45	\$7,145.39	\$595.45	\$7,145.39	\$3,396.83	\$40,762.00	\$3,396.83	\$40,762.00
Annual Generated Cash Flow per Sq.		\$0.51		\$0.07		\$0.07		\$0.41		\$0.41
Cummulative Cash Flow		\$50,644.39		\$57,789.78		\$64,935.17		\$105,697.17		\$146,459.17
Cummulative Cash Flow per Sq. Ft.		\$0.51		\$0.58		\$0.65		\$1.06		\$1.46

A lighting upgrade can provide significant Energy Savings often allowing a project to be leased and self funded.
Leasing a project conserves working capital and may simultaneously generate a positive monthly cash flow.
Often an operating lease can be structured to meet off balance sheet requirements.
Graybar Financial Services offers simple and effective lease finance plans to help you complete projects quickly.

Telephone
800-241-7408

* Lease payments and cash flow calculations are estimates and subject to change and credit approval. Monthly payments quoted may require a down payment and do not include applicable tax. Other terms and conditions available. Each transaction requires a one time documentation fee of \$100, billable with first payment. Not all rates or are available in certain states due to applicable laws. We reserve the right to modify these rates based on market conditions.