



Growing the U.S. Commercial Solar Water Heating Market

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PRESENTATION FOR ISES

Who is Nextility?

- Founded by three entrepreneurs under the age of 25 in 2009 in Washington, DC as Skyline Innovations
- Mission: Break down the barriers to renewable energy adoption from small to mid-size commercial customers
- Started with solar water heating
- Have added solar PV and energy brokerage
- Grown from three employees in Washington, DC in 2009 to over 60 employees in DC, California, and Puerto Rico

What Barriers Needed Breaking Down?

UP FRONT COST

- Average commercial systems cost between \$100,000 - \$1 million (\$80 – \$120 per square foot)
- Solar water heating has lots of fixed costs, hard to gain economies of scale on small commercial projects

What Barriers Needed Breaking Down?

LOW NATURAL GAS PRICES

- Most US Water Heating done with Natural Gas
- Prices range from \$0.70 - \$1.10 per therm (\$0.024 - \$0.038 per kWh)
- Total monetary savings is low, simple project payback period is long



What Barriers Needed Breaking Down?

LONG-TERM UNCERTAINTY

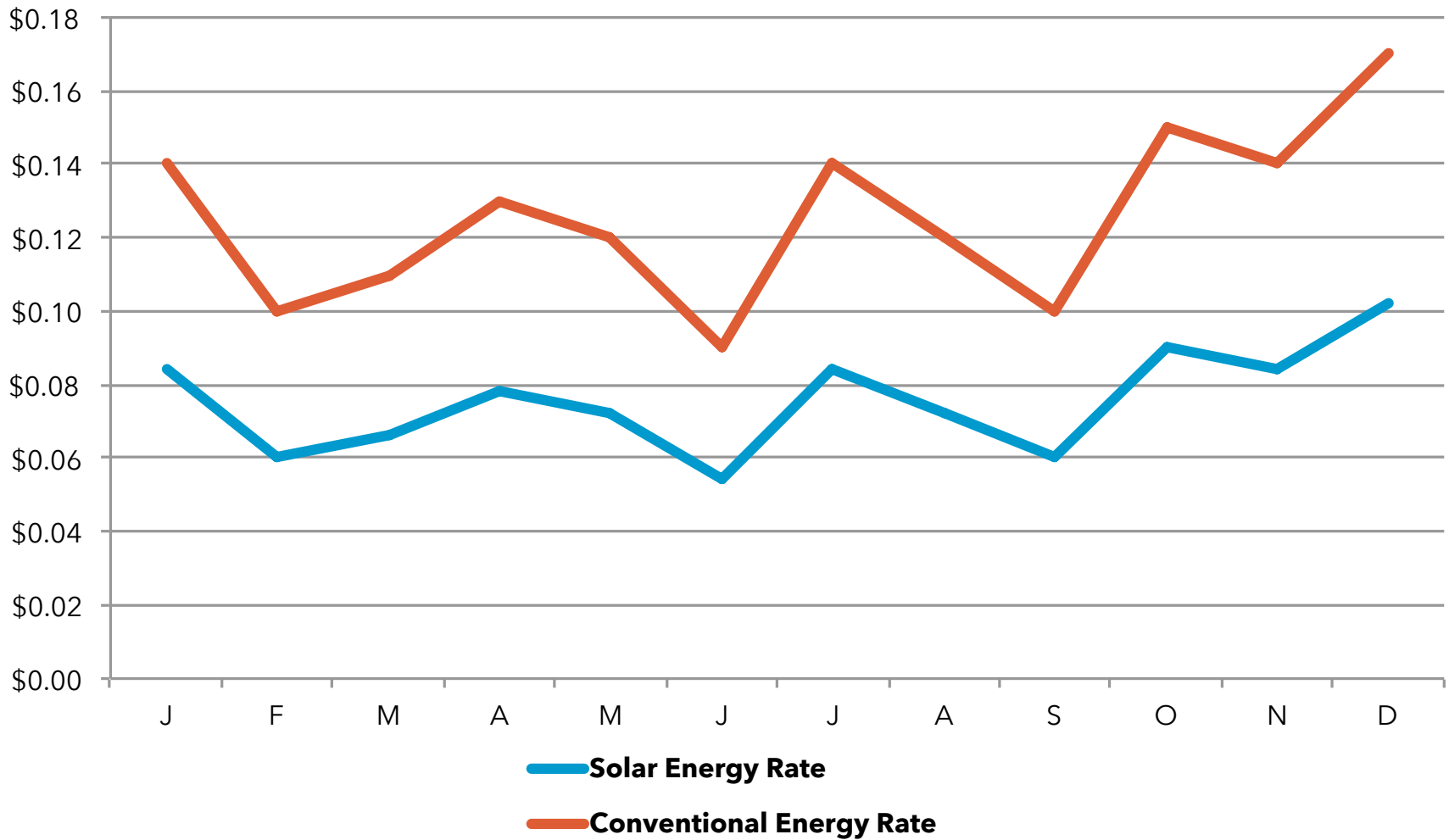
- Solar Water Heating system Performance less understood than PV
- Most commercial system sizing for maximum total energy offset, not financial optimization
- Customer and installer incentives not aligned

How Does Nextility Overcome This Uncertainty?

NEXTILITY FINANCING MODEL

- Nextility pays for 100% of installation of system for qualified buildings
- Bills the customer through an indexed power purchase agreement, guaranteeing the rate will always be below the utility rate
- Provides 24/7 remote system performance monitoring and covers 100% of all maintenance over the length of the contract

Price-Indexed Energy (PIE)



Price-Indexed Energy (PIE)

BEFORE SOLAR

Utility Energy Bill



CONTRACT

Your Savings

Savings Shared
with Nextility

Utility Energy Bill



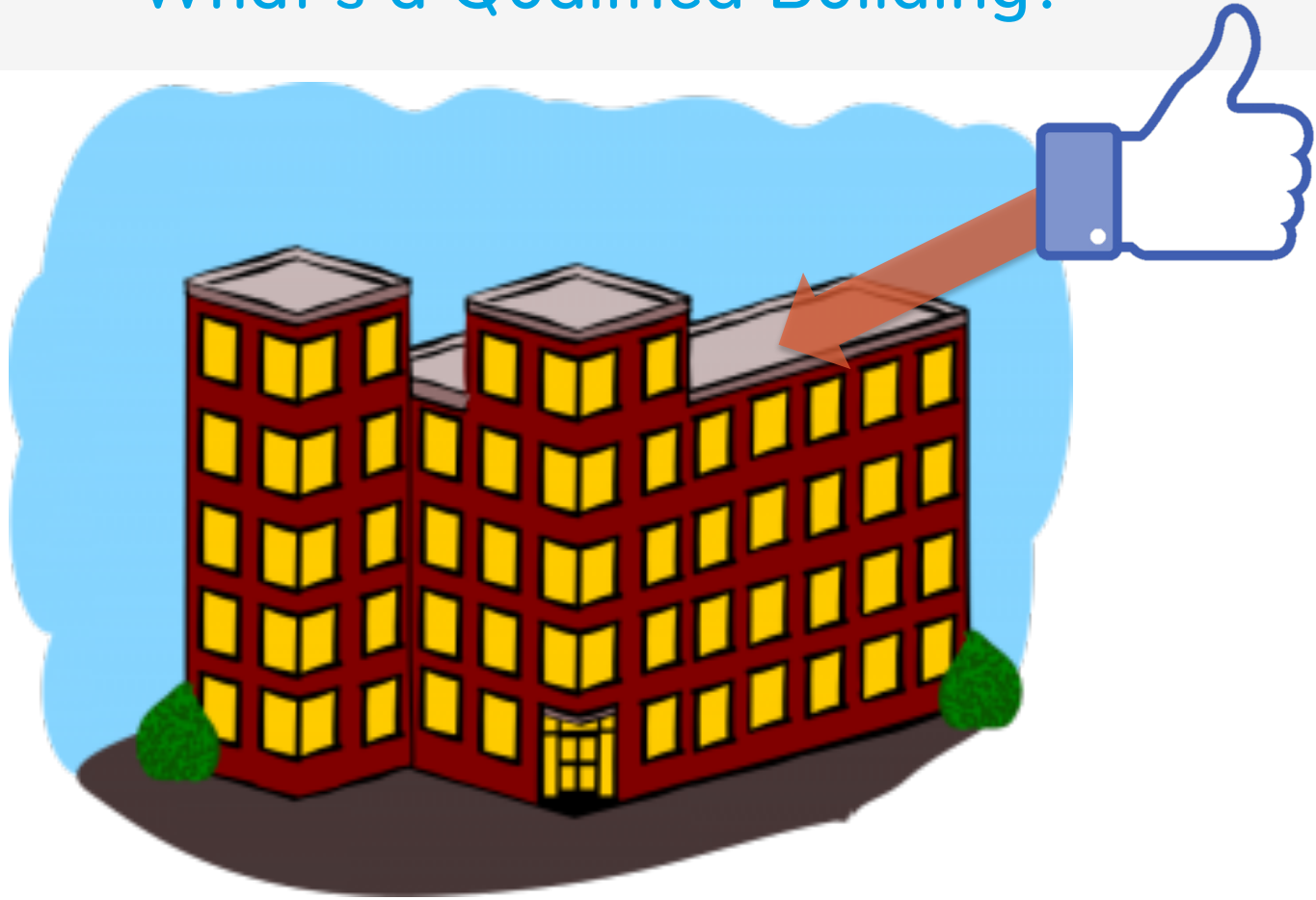
AFTER CONTRACT

Your Savings

Utility Energy Bill

**CUSTOMER TAKES
FULL OWNERSHIP
OF THE SYSTEM,
BENEFITTING FROM
100% OF ENERGY
SAVINGS**

What's a Qualified Building?



>1,500 square feet

What's a Qualified Building?



Multifamily: 40 units / 60 residents



College Dormitories: Minimum 100 residents



Hospitality



Industrial Applications



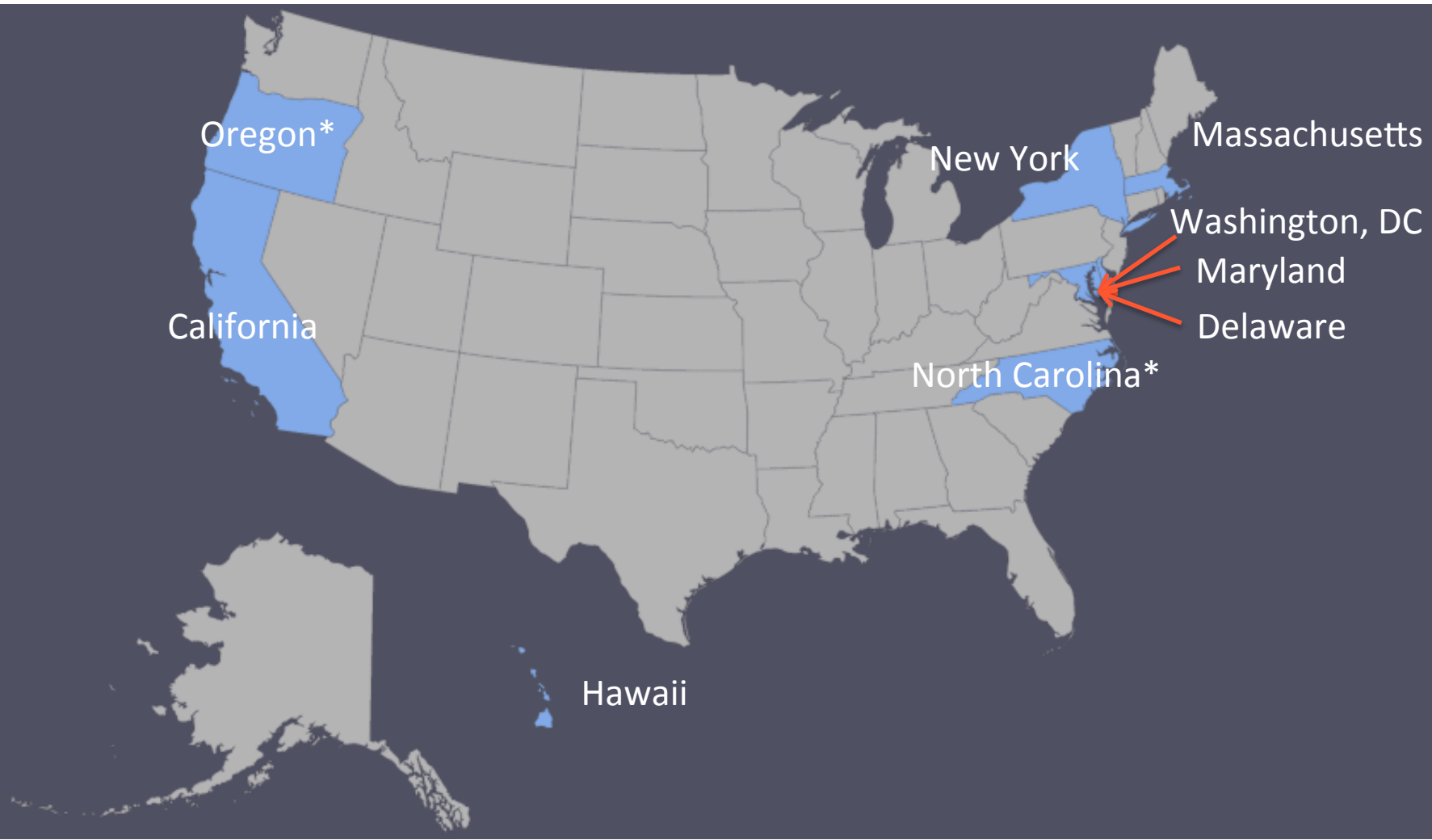
Really, any commercial property using >1,500 gallons of hot water daily on a single, central water heating system

How Does the Financing Model Work?

FINANCIAL INCENTIVES

- 30% Federal Investment Tax Credit
- Local State Incentives
 - Solar Renewable Energy Credits
 - State Tax Credits
 - State Cash Grants
- Nextility partners with solar project funds

Which US States Support Solar Water Heating?



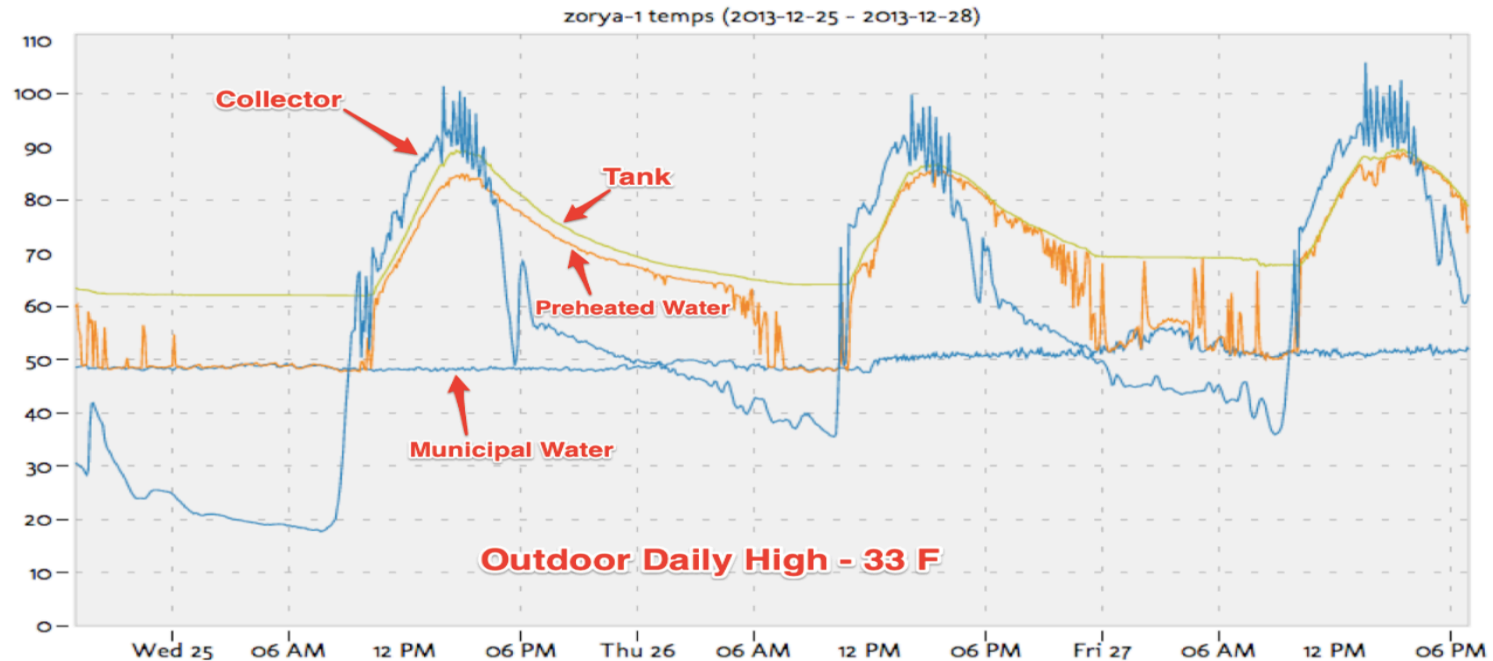
What About System Performance?

SkyBox



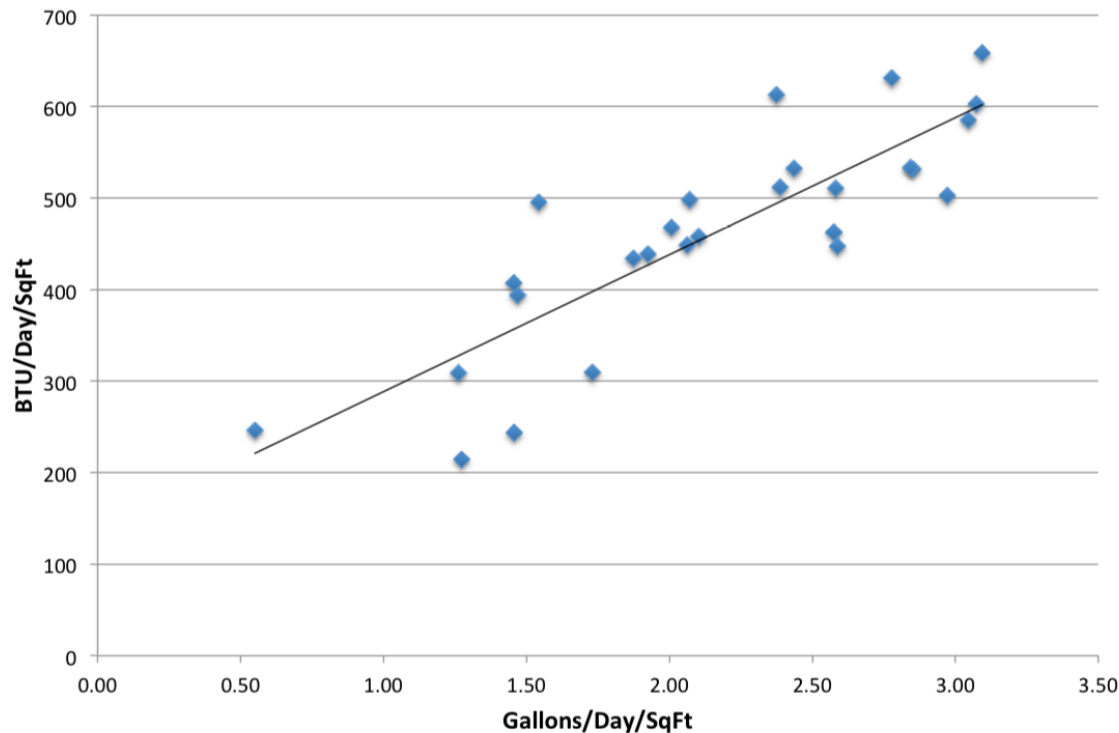
What About System Performance?

EUREKA!



- Remote connectivity to all systems
- 15 points of measurement
- Automatic flagging of maintenance issues

What About System Performance?



- Best predictor of system performance? Ratio of gallons per day hot water use per total square feet of collectors
- Nextility has used many different collectors, both tubes and flat plates. Collector performance matters, but often not as much as system configuration

And Customer Billing?

ReeBill

nextility
ENERGY FRIENDLY

Service Address: COLLEGE PARK CAR WASH INC
8616 BALTIMORE AVE
COLLEGE PARK, MD 20740

Billing Date: 08/06/2014
Page: 1
Account No: 2010000000

Service	Current Month	Previous Month	Current Charge	Previous Charge	Pay Agreement	Total Amount Due	Due Date
Gas	\$106.48	\$106.48	\$0.00	\$0.00	\$106.48	\$106.48	08/15/2014

Billing Summary

Summary Detail	Washington Gas	WGS	Summary Total
Previous Bill Amount	\$106.48	\$106.48	\$106.48
Current Month Adjustment	\$0.00	\$0.00	\$0.00
Current Month Total	\$106.48	\$106.48	\$106.48
Current Month Total	\$106.48	\$106.48	\$106.48
Amount Due	\$106.48	\$106.48	\$106.48

Customer Service

For inquiries outside of your local calling area
For service emergencies
For service emergencies outside of your local calling area
To contact WGS

1-800-768-7688
TTY: 1-800-768-7688
For service emergencies
1-800-768-7688 Press 1 then 1
1-800-768-7688 Press 2 then 1
1-800-768-7688 Press 3 then 1

Send other correspondence to:
Washington Gas
6700 Capital Plaza
Springfield, VA 22151-4294

Please detach this stub and return with payment. Make checks payable to **WASHINGTON GAS** or pay online at www.washingtongas.com

10 Constitution Avenue, NW
Washington, DC 20004
703-768-7688

ADDRESS SERVICE REQUESTED

COLLEGE PARK CAR WASH INC
7106 RIDGEWOOD AVE
CHEVY CHASE, MD 20815

Service Address: COLLEGE PARK CAR WASH INC
8616 BALTIMORE AVE
COLLEGE PARK, MD 20740

Account No: 2010000000 Page: 2

Month	Current Reading	Previous Reading	Current Meter	Previous Meter	CCF (ft ³)	Unmetered (See Light)	Total CCF (ft ³)	Connection	Total Charges
12/1/13	18721114	17701114	101,794	90,000	101,794	0	101,794	1,007	108.9

Upload Utility Bill

Compute

Service	Start Date	End Date	Total	Calculated
Gas	2014-09-02	2014-10-01	\$45.88	\$45.88
Gas	2014-08-03	2014-09-02	\$46.29	\$46.29
Gas	2014-07-02	2014-08-01	\$165.35	\$165.35
Gas	2014-06-03	2014-07-02	\$198.48	\$198.48
Gas	2014-05-02	2014-06-01	\$314.64	\$314.65
Gas	2014-04-03	2014-05-02	\$349.34	\$349.34
Gas	2014-03-06	2014-04-03	\$1,112.28	\$1,093.49
Gas	2014-02-04	2014-03-06	\$2,412.31	\$2,415.28
Gas	2014-01-06	2014-02-04	\$2,858.84	\$2,858.84
Gas	2013-12-03	2014-01-06	\$1,838.27	\$1,838.25
Gas	2013-10-30	2013-12-03	\$904.50	\$904.47
Gas	2013-10-01	2013-10-30	\$209.25	\$209.22
Gas	2013-08-30	2013-10-01	\$209.96	\$209.96
Gas	2013-08-01	2013-08-30	\$178.25	\$178.24
Gas	2013-07-02	2013-08-01	\$146.87	\$146.85
Gas	2013-06-03	2013-07-02	\$139.94	\$139.93
Gas	2013-05-02	2013-06-03	\$270.11	\$270.10
Gas	2013-04-03	2013-05-02	\$329.35	\$329.35
Gas	2013-03-05	2013-04-03	\$735.79	\$735.50
Gas	2013-02-04	2013-03-05	\$1,454.42	\$1,454.82
Gas	2013-01-03	2013-02-04	\$1,736.07	\$1,736.09
Gas	2012-12-03	2013-01-03	\$768.00	\$768.22
Gas	2012-10-31	2012-12-03	\$684.13	\$684.33
Gas	2012-10-01	2012-10-31	\$198.85	\$193.01
Gas	2012-09-30	2012-10-01	\$0.00	\$147.32

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1004 20th Street NW, 2nd Floor | Washington, DC | 20009 | T 202 739 5297
www.nextility.com

Account Number: 1000157
Issue Date: 08-20-2014
Due Date: 09-19-2014
Balance Due: 114.73

College Park Car Wash
7106 Ridgewood Ave
Chevy Chase MD 20815-5148

Service Location
College Park Car Wash Inc.
8616 Baltimore Ave
College Park MD

From: 07-02-2014 To: 08-01-2014
w/ Renewable: 228.26 w/o Renewable: 165.16 Value: 63.12

Prior Balance: 61.08
Payment Received: 0.00
Manual Adjustments: 0.00
Other Adjustments: 0.00

Your Savings: 9.47
Renewable Charges: 53.66
Late Charges: 0.00
Balance Forward: 61.08

Balance Due: 114.73

- Character recognition software breaks apart customer utility bill
- System production data from Eureka! spliced in
- Determines monthly customer savings to the penny

Working with Nextility

- As with every financed solar project there are three major factors:
 - Cost of installation
 - Fuel price
 - Available Incentives
- Every project has an install cost that makes it work for our model
 - (Often, that install cost is impossible to hit)
- So, we target the following states where incentives make it easiest to compete
 - DC
 - Maryland
 - California
 - Hawaii

Thank You!

nextilityTM
ENERGY FRIENDLY

George Washington University
Washington, DC



Tuelyn Terrace
Los Angeles, CA



Harbor House
Annapolis, MD



4600 Connecticut Condos
Washington, DC

