

INDUSTRIAL LED APPLICATION & FINANCIALS

Case Study

This case study focuses on a steel service center headquartered in Temperance, Michigan. The company is a supplier in the metal industry for both heat resistant and corrosion resistant alloys.



See How This Company...

SAVED MONEY

\$373,000, 84% annual return on investment

INCREASED LIGHT LEVELS

+36% Increase in lighting levels

REDUCED MAINTENANCE

3x longer lasting lamps expected to last 50,000 hours

ACCESSED REBATES

\$25,768 estimated redeemed rebates and incentives

INCREASED SAFETY

100% reduction of Mercury levels in lighting

REDUCED CARBON FOOTPRINT

Removed 201 tons of CO² annually

BEFORE



AFTER



Office space before and after T8 fluorescents were replaced with X-Series LED T8 tubes. 15 watt X-Series tubes are a direct replacement for 32 watt fluorescents.

FINANCIAL OVERVIEW

CURRENT ANNUAL LIGHTING COST

Energy (kWh)	\$769,620
Energy Bill Savings	\$87,737
Maintenance Cost	\$13,677

Current Annual Lighting Cost \$101,414

LED LIGHTING COST

Energy (kWh)	475,373
Energy Bill Savings	\$54,193
Maintenance Cost	\$3,923

LED Annual Lighting Cost \$58,115

LED RETROFIT COST

Estimated Material Cost	\$59,266
Estimated Installation Cost	\$25,000
Estimated Sales Tax	\$3,556
Purchase Price (Tax Included)	\$87,822
Utility Company Rebates	(\$25,768)
Federal Tax Incentives	TBD

Total LED Retrofit Cost \$62,055

ENVIRONMENTAL IMPACT

CO2 Offset/yr	201 tons
CO2 Equiv. Trees Planted	9,195

ANNUAL LED SAVINGS

Energy (kWh)	294,247
Energy Bill Savings	\$33,544
Maintenance Cost	\$9,754
HVAC	\$4,151

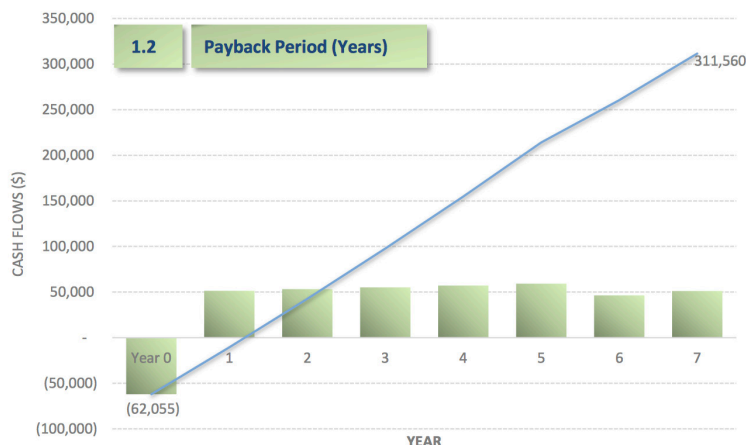
Total Annual Savings \$47,450

FINANCIAL SUMMARY

Net Purchase Price	\$57,033
LED Annual Savings	\$47,450
Monthly Cost of Waiting	\$3,954

Payback Period	1.2 Years
IRR (7 Year)	84%
Total LED Lifetime Savings	\$373,614
Net LED Lifetime Savings	\$311,560

Annual & Cumulative Customer Cash Flows



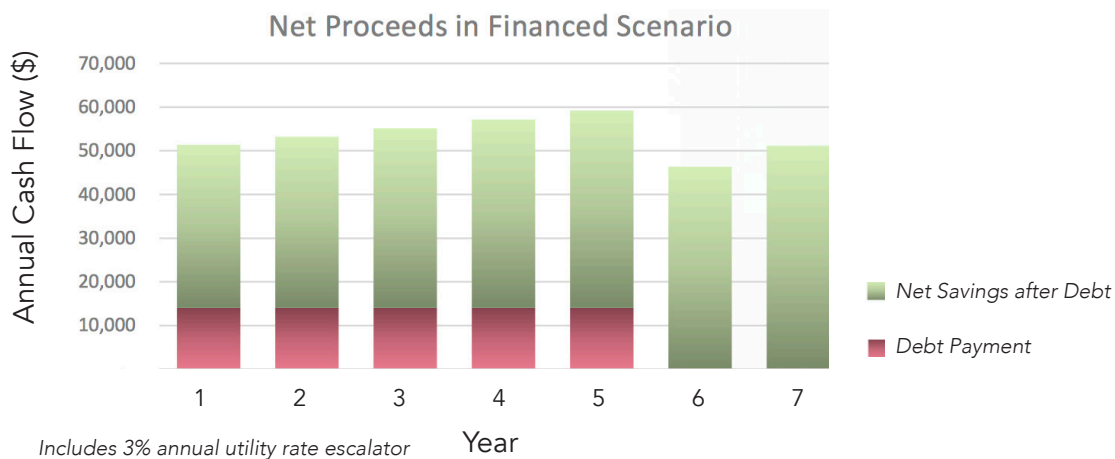
A SOLUTION THAT PAYS FOR ITSELF

Because of the size and predictability of the savings created by an LED upgrade, projects make great candidates for financing. Often, the debt payments from a loan or lease will be less than the savings created by the project, resulting in net savings from day one.

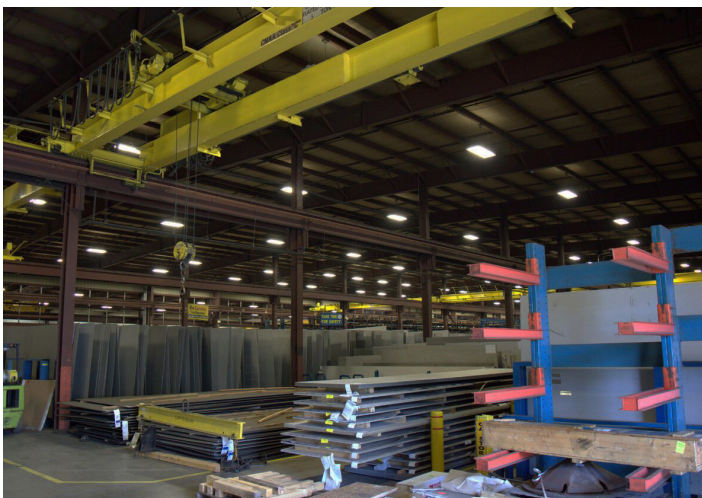
The analysis below shows your expected project cash flows in a financed scenario:

<i>Amount Borrowed</i>	<i>\$62,055</i>	<i>Monthly Savings</i>	<i>\$3,954</i>
<i>Loan Term</i>	<i>5 Years</i>	<i>Monthly Debt Payment</i>	<i>\$1,171</i>
<i>Interest Rate</i>	<i>5.0%</i>	Net Monthly Savings	\$2,783

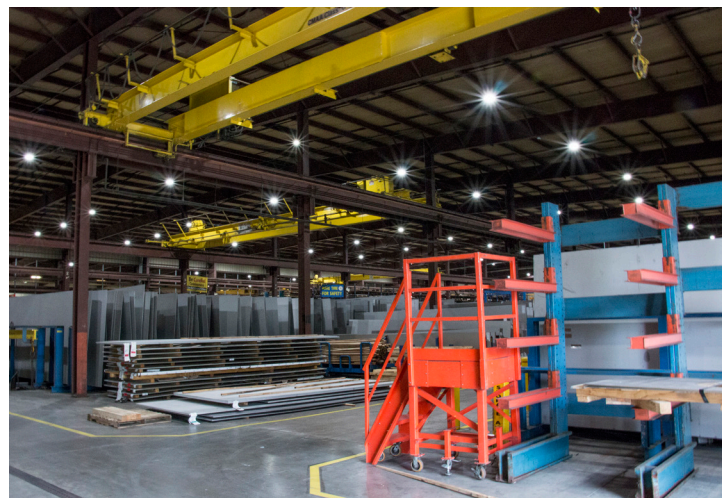
CUSTOMER RETAINS 100% OF SAVINGS AFTER THE LOAN TERM



BEFORE



AFTER



Manufacturing space before and after T5 fluorescent high bays were replaced with Apollo LED fixtures. Apollo LED fixtures are rated for 50,000 life hours, while fluorescent T5 tubes are rated for less than half of that.



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