



## Room Trading Program FAQ

The hotel industry consumes a considerable amount of energy and has an interest in taking control of their energy costs, but have faced a variety of challenges in gaining access to capital to move forward with solar & energy efficiency projects. This FAQ will outline what you need to know to get started in offering the htpNRG hotel finance solution.

Contact Intelligen with any questions you have about the program: [admin@intelligen.energy](mailto:admin@intelligen.energy)

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## Links To Intelligen Webinars and Resources For The htpNRG Program

### **Webinar introducing the program:**

- <http://www.commercialsolarfinance.com/hotelsolarfinance.html>

### **Link to the resources page with flyer, form submission, and other resources:**

- [http://www.commercialsolarfinance.com/uploads/7/2/1/8/72181571/hotel\\_resources\\_page.pdf](http://www.commercialsolarfinance.com/uploads/7/2/1/8/72181571/hotel_resources_page.pdf)
- Link to submit a hotel for review: <https://app.hatchbuck.com/OnlineForm/72465329849>

**We would advise you to create a simple lead capture form on your website similar to this form:**

- <https://app.hatchbuck.com/OnlineForm/72763042490>

**Link to the webinar recording from 10/5/17 with the detailed process:**

- <https://intelligenenergy.egnyte.com/dl/zvC8isNedF>
  - Slide deck of the presentation:  
<https://s3.amazonaws.com/s3.systematicrevenue.com/MediaFiles/5ad0981de267a5736cc9da9ea478b9508fe86848795e528e9f44c8daf40cb961.pdf>

**Link to landing page with the following resources:**

- [http://www.commercialsolarfinance.com/uploads/7/2/1/8/72181571/hotel\\_resources\\_page.pdf](http://www.commercialsolarfinance.com/uploads/7/2/1/8/72181571/hotel_resources_page.pdf)
  - htpNRG/Intelligen 3-page flier for hotel owners
  - Link to form to submit with hotel interest
  - Link to form to submit a request for a sales assistance with a hotel
- Link webpage where you will upload signed estimate agreement, utility bill, & solar design if you are a solar contractor.

## The Hotel Roller Coaster

For most hotels, January and July represent stark differences; typically cash-flow negative in the winter months, with strong revenues in the summer. This wide pendulum swing in finances has made the ~40%/50% of hotels nationwide face access to capital challenges without a strong personal guarantee.

Due to the fragmentation of the hotel industry, their room cost of acquisition is much higher relative to other industries. In the car rental industry, there are three major players that account for most rentals; in the airline industry there are only four - yet Expedia charges 5% to process a plane ticket or car rental. In the hotel industry, there are 20,000 independent operators for about 53,000+ hotels in the United States. This has resulted in services like Expedia charging in excess of 20-35% of the room booking. When hotels use a third party booking site, many are undercutting the hotel's booking rate and impact their value and brand in the market.

When hotels engage in the htpNRG program, the Electronic Vouchers (EVs) that the hotel owner will need to honor have come through loyalty programs. These patrons are using the EVs purchased by their company (traveling business people), or through loyalty programs where they choose the hotel as a way to redeem their points/miles.

**Sales points:**

- These hoteliers aren't interested in hearing about the savings potential over 20 years, they are looking at their financials for tomorrow and next month.

- Hotels that are 4-star and above and part of a large chain likely already have access to capital for hotel improvements. Utilize the Intelligen.energy Client Review process to get them pre-qualified for one of the options available (vouchers, leases, loans, & PPAs).

## Preferred Hotel Profile

Use the following points to qualify your hotel's opportunities:

- 60 rooms minimum - Ideally 80+
- Near major highway intersections on the edge of urban centers
- 2-3 star rating
- Low and long units (less than 4 stories normally)
- 25% + Vacancy rate (Conversely less than 65% occupancy rate)
- Owner has a voice in operations
- Over 120,000 kWh in annual electric usage

## Who Are The Players Involved In The htpNRG Program?

- The hotel and **hotel owner** or authorized manager
- **htpNRG** - A hotel management company offering empty room contracts in return for energy upgrades.
- The **financier** - the company providing financing for the energy upgrades
- **Intelligen.energy** - managing the sales and development of the system and overseeing partner EPCs. (Bart Bibler - Sales, Kamil Pianka - Development)
- The **EPC / Contractor** - building and maintaining the project

## htpNRG Hotel Offer Details

On average, hotels across the United States have 65% occupancy rate. When a hotel signs up for the program, htp calculates how many EVouchers (EVs) will be needed to pay for their solar/LED upgrade. Hoteliers have provided feedback that this financing solution is much more appetizing than the standard solar loan/lease/PPA offers since htp does not require a personal guarantee, only for the hotel to honor the EVs. htp will use no more than 7% of the hotels room.

[Click this link to access a sample fact sheet that outlines the number of rooms and value of the HTP offer to the hotel.](#) For example:

- Ask the hotel owner what their average occupancy rate is. htp will verify using the STR report.
- 60 room hotel would need to provide a maximum of five rooms per night available for redemption of the vouchers.

- htp will arrange for the vouchers to be used through their partner network.
- If the hotel books the rooms, then the htp room vouchers won't be usable. If there are rooms available, htp will book them (up to five per night for this example).
- The hotel is required to honor the voucher and give the guest the same privileges as a typical guest (the cost for hosting a voucher guest is called the "avoidable cost;" the typical avoidable cost for hotels to pay for the linen, house keeping, and other services range from \$6-\$9 per room per night).

## Sales Process

The offer to the hotel is quite compelling: we will put solar and/or LED on your property, and you need to let us gain access to XX numbers for rooms for the next 20 years where we will send people through our voucher program. Here is the process:

- Submission process:
  - Give the hotel the initial pitch, enough to get this form submitted (note only the required items are needed to get you a fact sheet) (**\*\*bookmark this link for easy access!\*\***): <https://app.hatchbuck.com/OnlineForm/72465329849>
  - Intelligen and htp will work together to generate the one page "Fact Sheet Agreement" that outlines the number of rooms needed and initial financial value to the hotel within 24 hours.
  - Present the "Fact Sheet Agreement" and template htp Room Trading Agreement (Exhibit A as noted in the "Fact Sheet Agreement" signature block). Once signed, the hotelier can pay the mobilization fee the following ways:
    - Option 1: Collect a check and mail to Intelligen (attn: Intelligen Accounting, 2370 South Linden Rd, Suite 100, Flint MI, 48532.
    - Option 2: Email Intelligen and our accounting department will send an invoice to the hotel owner for the mobilization fee. Be sure to include both your's and the hotel's info to ensure that the correct mobilization fee is invoiced (admin@intelligen.energy)
  - If necessary, text these two numbers to schedule a call with an htp expert to help you close the deal: 810-602-5163 & 413-824-9573. Be sure to include the following in the text:
    - Your name
    - Hotel name, city, state, number of rooms
    - Time desired to get on a call with htp and your hotel prospect
- In Summary: Now that the hotel has been submitted, reviewed the fact sheet and paid the \$40/room fee outlined in the Fact Sheet Agreement, the full mobilization will take place.
- The full htp Room Trading Agreement will be generated once a site survey and detailed feasibility study and final Solar PV design have taken place.

- Once the htp Room Trading Agreement has been signed, the solar project can move forward with permits, approvals, and other steps that you would expect in a typical solar development and installation process.

## FAQs

- How are most costly installations paid for?
  - If you already know certain upgrades will need to be paid for (main panel upgrade, roof, solar canopy), we can model in the additional cost to the “Fact Sheet Agreement” quantity of rooms needed.
  - If the added costs are discovered through the feasibility study, then htp will recalculate how many additional rooms will be needed to fund the additional cost of the project. Keep in mind we don’t want to talk about “cost” to the hotel, we want to think and talk in terms of # of rooms needed to make produce enough energy to meet their goals.
- If the hotel fails the HTP analysis, can they still qualify for other finance options through Intelligen.energy?
  - Yes - the hotel can move forward with the Client Review to determine the hotel’s finance ability and types of options they qualify for. Since the mobilization fee is separate, the hotel will still need to pay the \$575 Client Review fee to get pre-approved for loans/leases/PPAs through Intelligen.
- Will these EVouchers cannibalize the current rates I can get for my rooms?
  - No. The guest didn’t buy the voucher online with dollars, instead they redeemed miles/points, or their employer purchased the htp EVouchers. This way, the hotel owner will have greater flexibility to list their available rooms where they want, and not feel compelled to pay the fees that most online and third party booking sites charge for the room.
- Is there a personal guarantee from the Hotel Owner?
  - No. There is a guarantee on the hotel to honor the vouchers for the 20 year agreement. This commitment will pass on to the new owner if the hotel is sold.
- What locations can we apply this program in?
  - The 50 U.S. states are the simplest to do. htp is able to carry out the projects in Puerto Rico - if you are interested in locations outside of the 50 U.S. states please be patient as we develop a comprehensive list and process that will be used.