



Gas Heat Pump Technology

June 7, 2011



- **Where we've been**
 - Initial Plan and Activities for market segments
 - Initial Plan and Activities in sales channels
- Where we are now based on adjustments
- Where are we going?



Initial Market Segments:

Custom Homes

High Density Housing

Schools

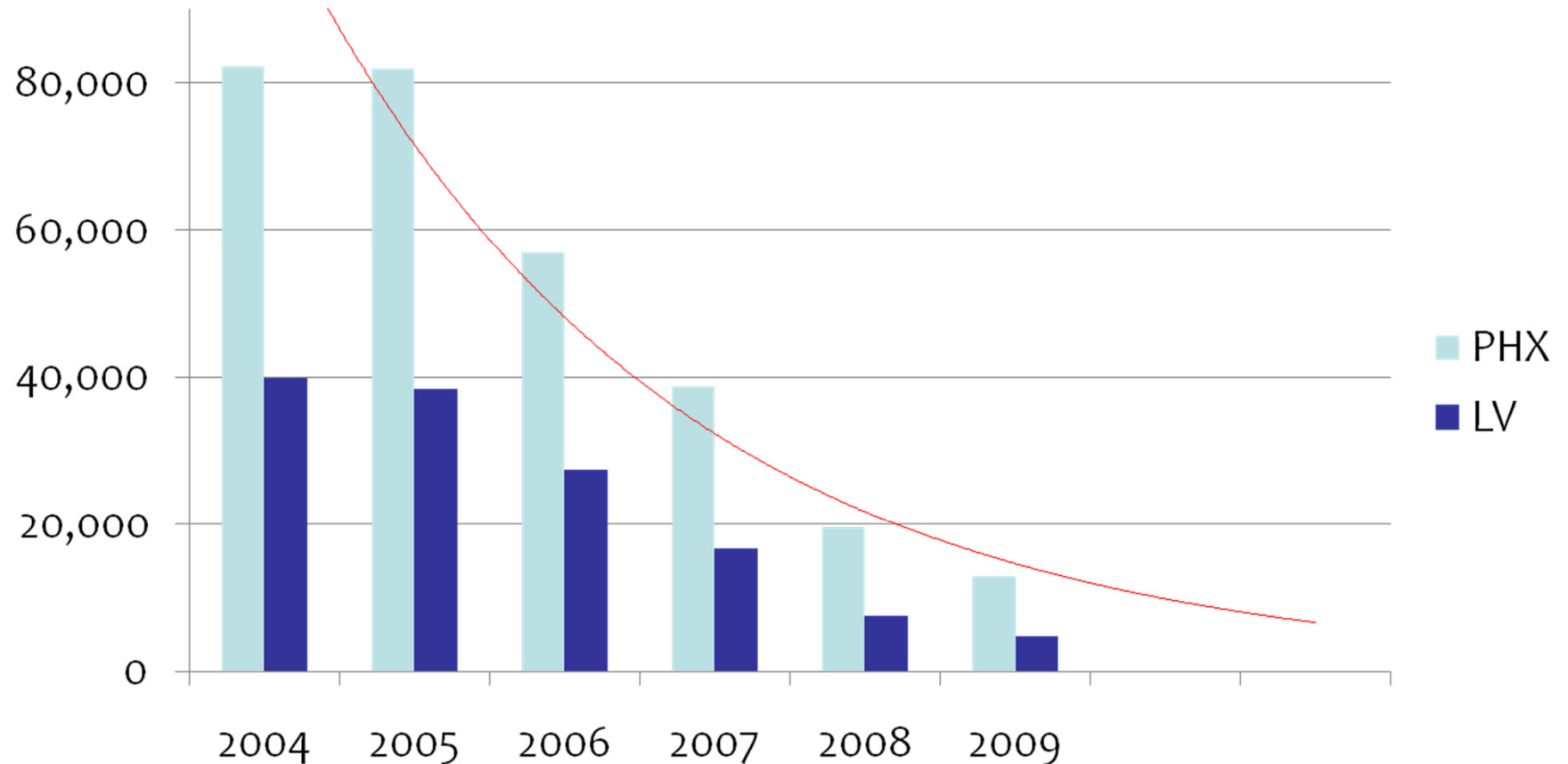
Hospital / Nursing Homes

Government

Electric Utilities



Residential Building Permits Authorized



Residential Opportunity is NOT now

Residential - Historical status

- Mega development
- High density housing

Residential - Current Status

- 60% of the home builders are out of business
- Arizona home building permits – previously 2nd in the nation, now 49th

Current Drivers

- Until high density homes are being built, on hold

Focus on the custom home market only



Initial Market Segments:

Custom Homes/High Density Housing

Schools

Hospitals / Nursing Homes

Government

Electric Utilities



Schools - Historical status

- Tempe Union High School
- Central Plant (chiller) & Annex Buildings

Schools – Current Status

- Tempe Union High School (Request for Quote)
- College of Southern Nevada (AISIN / NextAire GHP training lab)
- Gateway Community College (Starting with PGHP)
- Phoenix Union High School (Starting with PGHP)

Current Drivers

- State mandate, retrofits EE <8 year pay back period
- First cost, O&M, environmental, quiet, comfort

Still strong, slower sales cycle & financing



Initial Market Segments:

Custom Homes/High Density Housing
Schools

Hospitals / Nursing Homes

Government

Electric Utilities

Hospitals / Nursing Homes - Historical status

- Site Emissions
- Industrial central plant (chiller) mind set

Hospitals / Nursing Homes - Current status

- Working with State & Federal Environmental Protection Agency (EPA)
- EPA website eGrid and Energy Star for commercial buildings to calculate emissions based on source energy

Current Drivers

- Federal mandate/calculate primary source energy
- First cost, O&M, environmental, quiet, comfort

Still strong, slower sales due to site emissions



Initial Market Segments:

Custom Homes/High Density Housing

Schools

Hospitals / Nursing Homes

Government

Electric Utilities

Government - Historical status

- Not Made in the USA
- Timing of base budgets

Government - Current Status

- Solution to Department of Defense 3% Energy Reduction Mandate (Executive order)
- All buildings require a GHP review!

Current Drivers

- Calculate primary source energy
- First cost, O&M, environmental, quiet, comfort
- Use the PGHP as the introduction

Very strong market, tremendous opportunity

Fort Huachuca Success Story

- Largest operation in AZ & NV (1,600 buildings / 7.8M sq ft)
- Multiple Projects coming
- 7 units on the TMAC Building
 - Energy savings of **35-45%**
 - **Model** for other government facilities with (national potential)



Now a directive to use the GHP



NEXTAIRE

INTELLI CHOICE
ENERGY

"The system that they have significantly reduces the energy usage,"

"The system that they have significantly reduces the energy usage, reduces the electrical construction requirements, eliminates the chillers, and eliminates the water requirements for cooling. The system overall reduces construction costs, provides significant LEED points, and reduced maintenance over life of the building."

We have installed this system on Ft. Huachuca with great success and have been given a directive for our other contracts on Ft. Huachuca to design in this system for any applicable HVAC requirements on Ft. Huachuca."

"Design in the GHP system for any applicable HVAC application"

Mike Escarcega

General Manager





Initial Market Segments:

Custom Homes/High Density Housing
Schools
Government
Electric Utilities



NEXTAIRE

INTELLI CHOICE
ENERGY

River Point Solar Research Park



Staying true to GREEN &
Renewable, this customer
has the AISIN/NextAire
GHP



Providing Power to Arizona Public Service

 Committed to smart, sustainable technology.



New Market Segments:

Apartments/Condominiums



Regency Towers

Las Vegas, Nevada





NEXTAIRE

INTELLI CHOICE
ENERGY

Chiller (retrofit)

- Common area HVAC Upgrade of 200 + tons
- Replacing Chiller systems
- Cooling towers
- Water source HP
- Environmental Savings
- Operating cost savings



Converting old buildings to high efficient GHP's

 Committed to smart, sustainable technology.



NEXTAIRE

INTELLI CHOICE
ENERGY

Multi-zone Cooling & Heating GHP

NEXTAIRE

Packaged Roof-top GHP

Providing HVAC solutions TODAY

 Committed to smart, sustainable technology.

Questions



There is a better way to cool off!

NEXTAIRE