

REDAPTIVE®

INDUSTRY GUIDE FOR
FINANCE AND FACILITY LEADERS

The true cost of deferring energy upgrades and the **4 steps to take control**

How industrial organizations are turning
aging, deferred infrastructure into a
coordinated modernization program.

Get Started →



**Aging infrastructure has
become a compounding liability.**

**Energy volatility
is the accelerant.**



THE TARGET

**Aging infrastructure:
past its service life**



THE ACCELERANT

**Energy volatility:
rates · demand · grid**



THE RESULT

**Higher costs and rising risk:
the cost of waiting**

The question is no longer if
deferring facility improvements
will cost more. It's at what multiple.

WHY NOW

Four forces, hitting at once

Each is manageable alone. Together they compound and all land on the same place: your aging infrastructure. Two act on the equipment. Two raise the cost of leaving it there.

Their convergence is what makes waiting expensive.

Replacement costs

Rise in HVAC equipment prices since early 2021; all-time high 2026.

+52%

[BLS PPI / FRED]

Aging assets

Efficiency lost in systems nearing 20 years of service.

25-40%

[ASHRAE / Solace]

Energy cost

Industrial electricity escalation since 2022, vs. 0.7%/yr before.

+4.5%/yr

[EIA]

Demand + grid

U.S. demand growth, 2005–20 vs. 2020–26; grid variability rising.

0.1%→1.7%

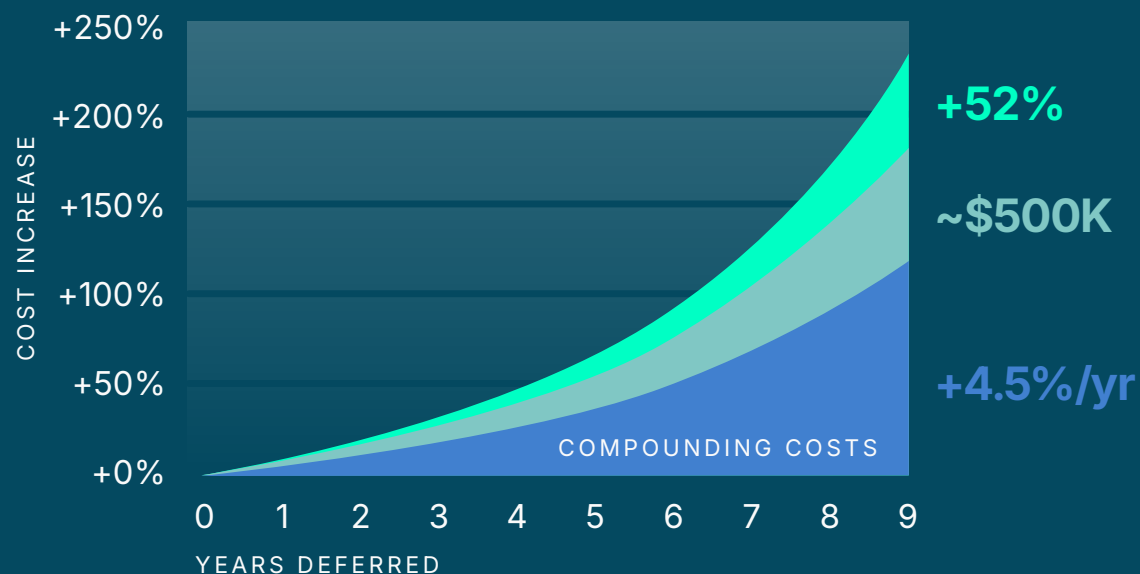
[IEA / NERC]

WHY WAITING COMPOUNDS

Waiting isn't flat. It compounds.

Deferring facility improvements doesn't remove the cost. It delays it while three cost layers keep climbing, each on its own schedule.

+236% Total cost by year nine
versus acting now



An escalating premium, as failure odds and project costs keep climbing toward a **+236% total by year nine.**

Aging equipment burns more energy for the same output.

Degrading equipment runs 25–40% below rating, as electricity costs climb.

Failures impact production.

The probability of failure rises every year the equipment stays in place, and when it fails, production stops with it.

Hardware costs are growing faster than inflation.

Same scope costs more to deliver the longer you wait, up 52% since 2021.

THE COST NO ONE BUDGETS FOR

The biggest cost isn't on the energy bill

The cost curve on the previous page counts what deferral costs you in dollars spent. It doesn't count what deferral costs you in dollars never earned. Aging infrastructure caps what the business can win: the order a line couldn't fill, the capacity that wasn't there, the customer who didn't renew.

Aging infrastructure is a strategic risk.

Modernized infrastructure is efficient, reliable, and a competitive advantage.

The decisions closing today are increasingly made on that axis.

Next →

Managed as a cost

Competes for a slice
of a constrained budget.
On simple payback,
it usually loses.

Managed as a foundation for revenue

Competes in a different
category entirely.
Against a lost contract,
the math is easy.

WHAT IT LOOKS LIKE IN PRACTICE

Sustainability commitment to a **portfolio transformation**

A multinational plastics manufacturer's sustainability commitment meant upgrading aging systems across every location. A degrading chilled-water system had capped one line's production by 10% for six months a year, and cost the organization an \$18M customer contract before it was replaced. That wasn't a maintenance cost. It was capacity the business never got to sell.

The fix wasn't capital. It was the capability to fund and deploy one coordinated program across every system at once, turning a distributed risk into a managed, scalable one, with results across cost, capital, and capacity.



HVAC



Process cooling



Mechanical



LED Lighting



On-site solar



Thermal insulation

16 sites · 3M sq ft in program scope

\$24M

10-year gross energy and maintenance savings*

\$12M

CapEx avoided through program financing*

153.5M

kWh reduction over 10 years*

* Published, redaptive.com

THE COST OF DELAY

Waiting costs you twice

Delay doesn't just postpone the work. It adds two separate costs, modeled independently on the same 56-site portfolio: the project costs more to build, and the savings it would have delivered never arrive.

A delay penalty measured in tens of millions.

(1) Federal Reserve PPI, nonresidential building. Modeled on the Redaptive Value Lever portfolio (56-site, basecase escalation). Illustrative.

(2) Redaptive Value Lever model (56-site, basecase escalation). Illustrative.

COST 1 — INCREASED PROJECT COSTS (5-YEAR)

\$19–35M

in added project cost from waiting five years to start, on the same modeled 56-site portfolio.

Nonresidential construction costs are climbing 3.2–5.6% a year, and every year of deferral locks in a higher price for the same scope.¹

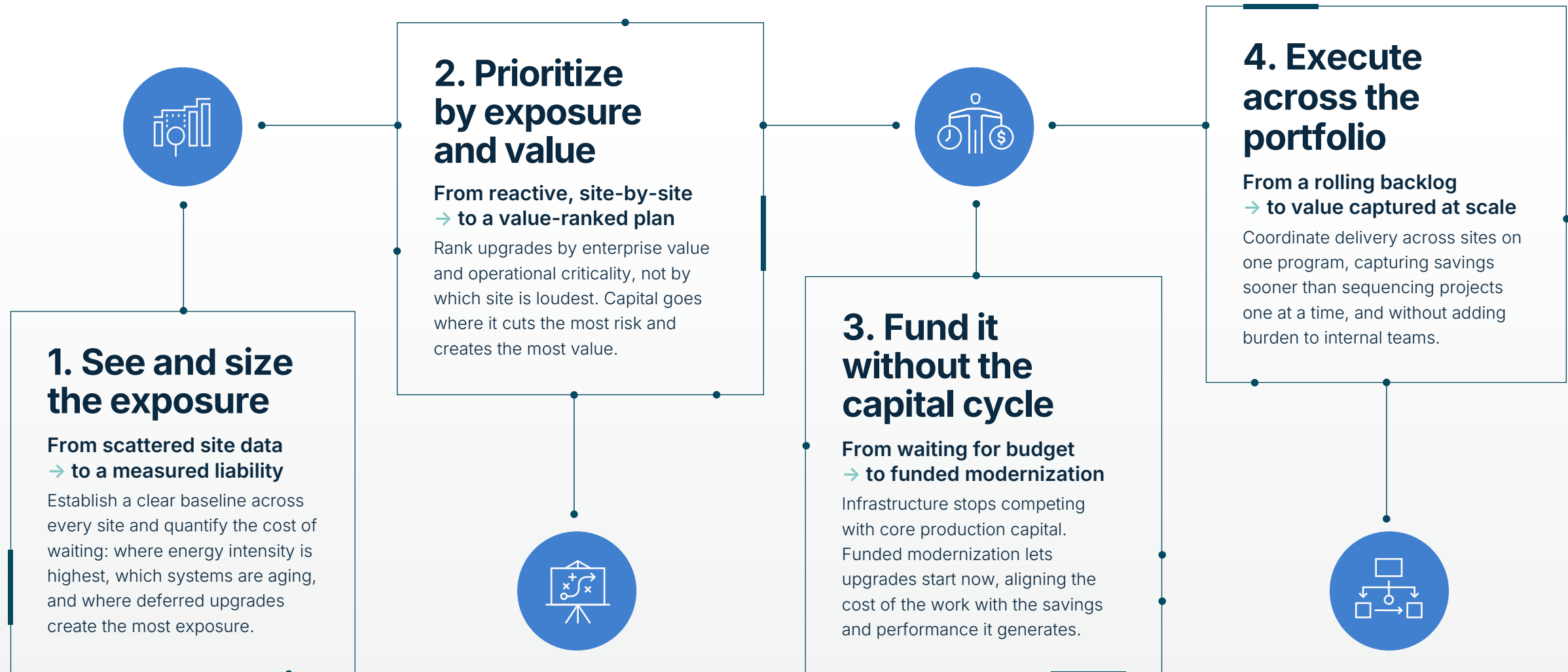
COST 2 — LOST SAVINGS (5-YEAR)

\$19M

in savings never captured by waiting five years to start, on a modeled 56-site portfolio. Every year of deferral is a year of energy and maintenance savings the portfolio never books — and the gap widens as rates escalate.²

Volatility becomes certainty

One coordinated, portfolio-wide modernization program. Four steps.



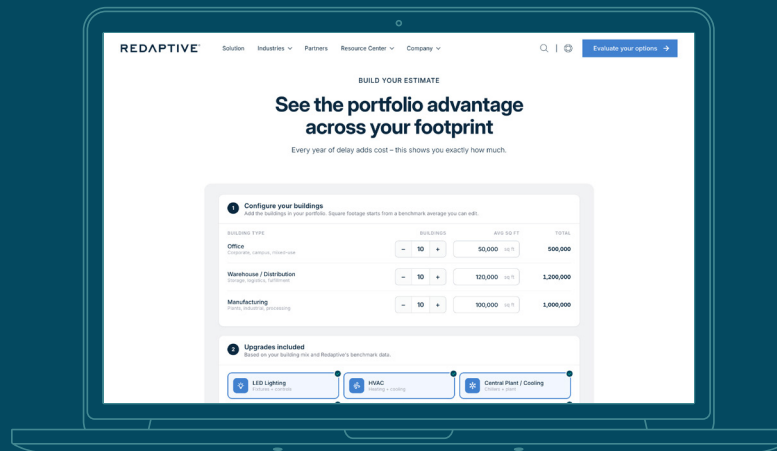


SEE YOUR OWN COST OF WAITING

Learn what deferral is costing you

The Portfolio Assessment is a focused working session that turns a site-by-site backlog into a measured, portfolio-level view of infrastructure conditions, failure exposure, and modernization opportunity.

Calculate your own cost of waiting →



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