



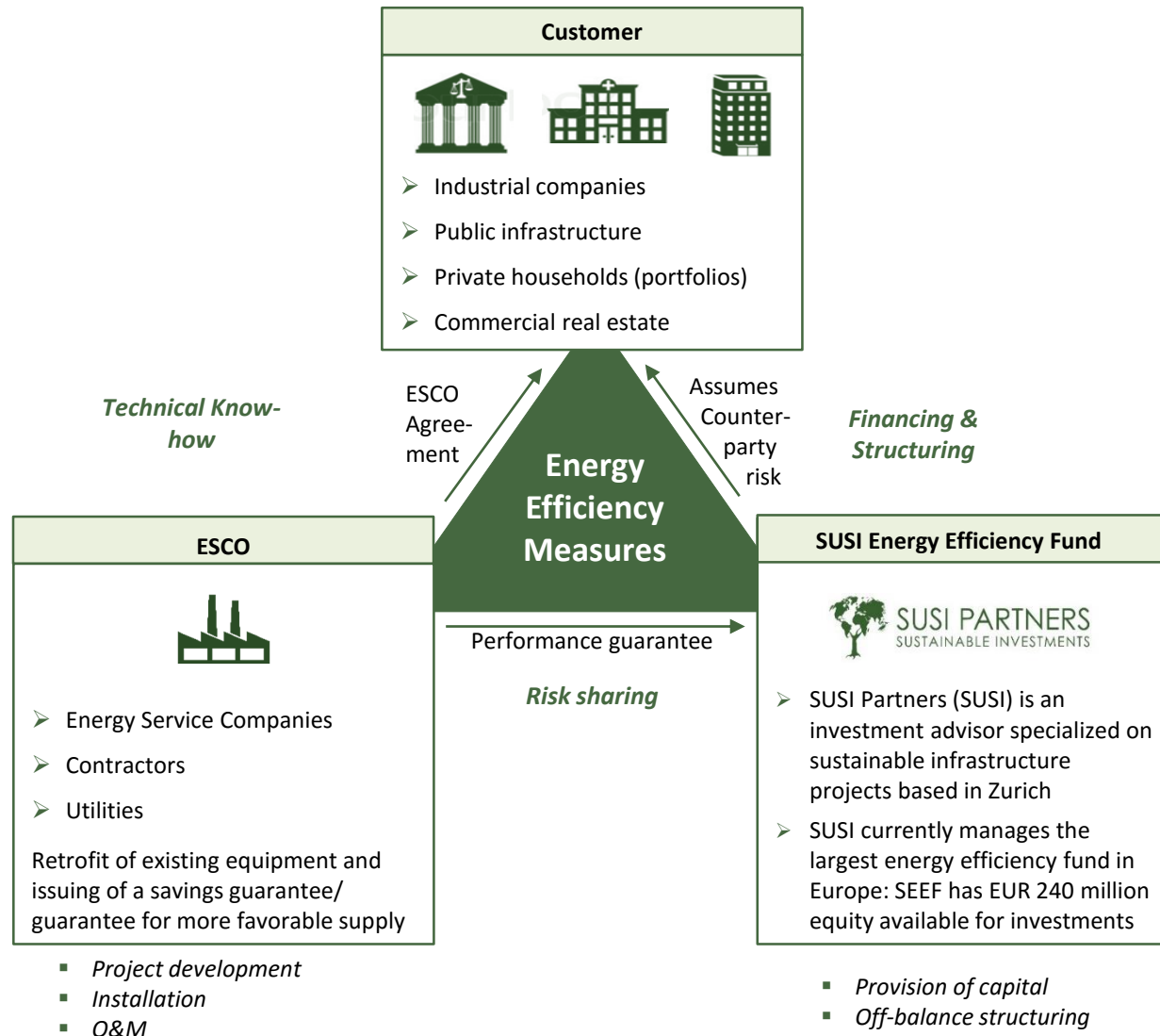
## SUSI Energy Efficiency Fund (SEEF)

ECEEE Industrial Efficiency 2016  
*Business models and financing*

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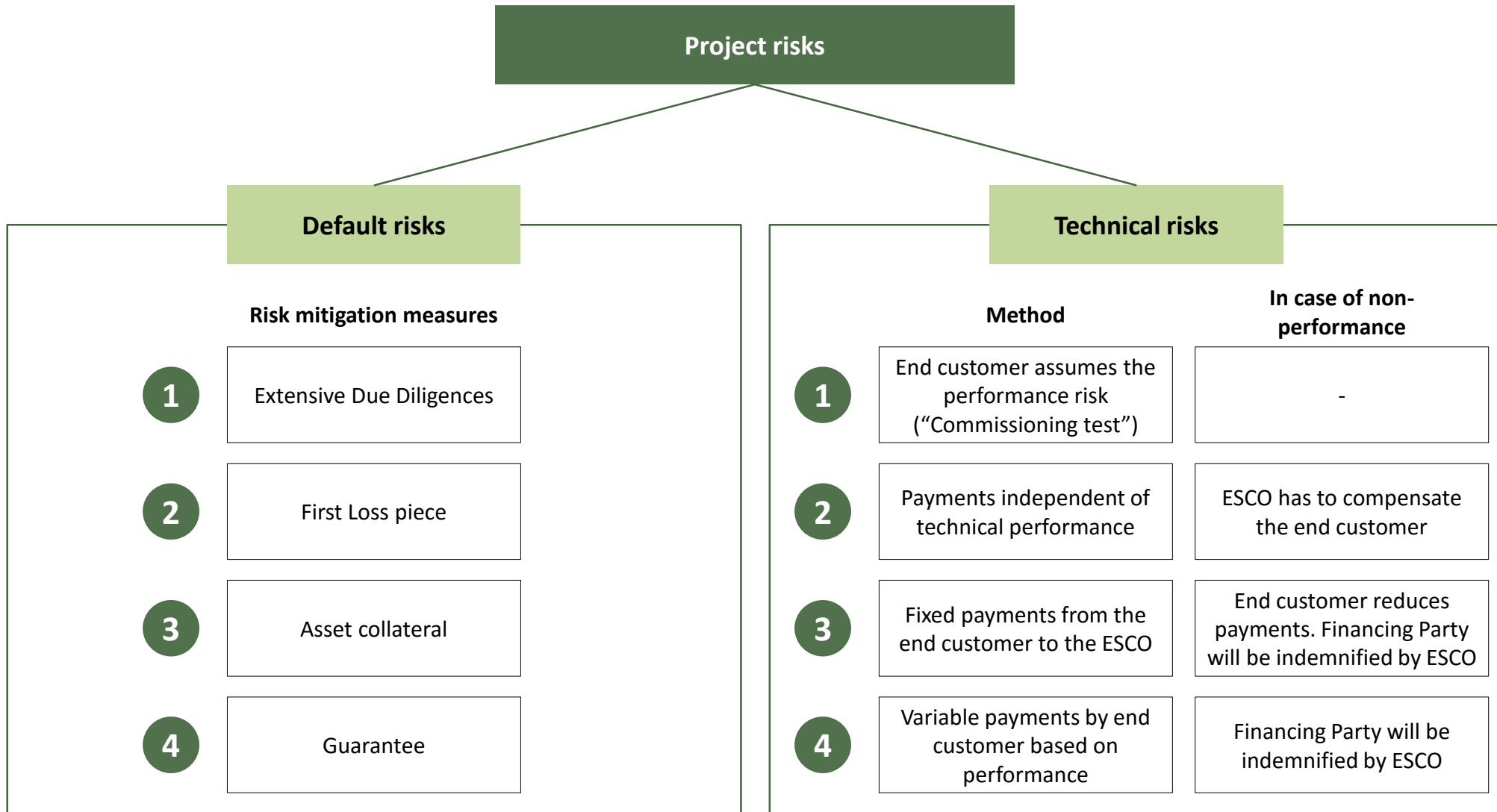
# Co-operative business relationships between Customer, ESCOs and SEEF



## Overview

- The Energy Service Company (ESCO) identifies energy efficiency projects with the customer (e.g. an industrial company, a public infrastructure owner or a portfolio of households or SMEs)
- The ESCO develops and implements the energy efficiency measures and enters into a project contract with the customer
- The ESCO takes the operative risks and is responsible for O&M during the project term.
- The SUSI Energy Efficiency Fund fully finances the measures, develops a suitable financing structure and takes on the customer default risk
- The ESCO guarantees the performance under the project contract with the customer

## How to make energy efficiency projects bankable (1/2) – Separation of risks



## How to make energy efficiency projects bankable (2/2) – Guidelines

### Pre-Conditions

Equity first

Proof of concept &  
Proven technology

Standardization

### Due Diligence steps

Evaluation of ordinary  
and extra-ordinary  
termination rights

Used assets should  
never become an  
“integral” part of  
building

Evaluation of risks of  
changing regulations/  
taxation

### Incorporation of (Re-) Financing clauses

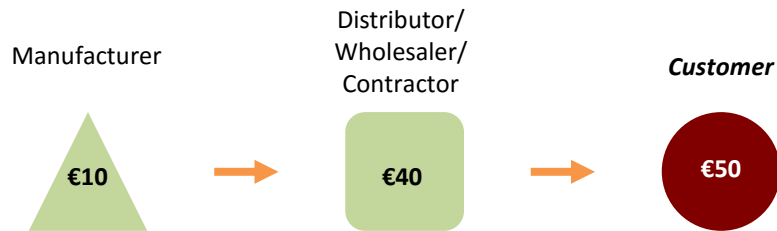
“Step-in-right” in case  
ESCO defaults

Change of Control  
clauses

Leasing: Clear  
description of the  
assets to be leased

## Case Study: Lighting as a Service Business Model (1/2)

### Traditional Lighting Supply Chain



### Lighting as a Service Model

- Installation of equipment at expense of ESCO
- Maintenance typically for 5 years

Customer

€1/  
month

#### Focus on SME

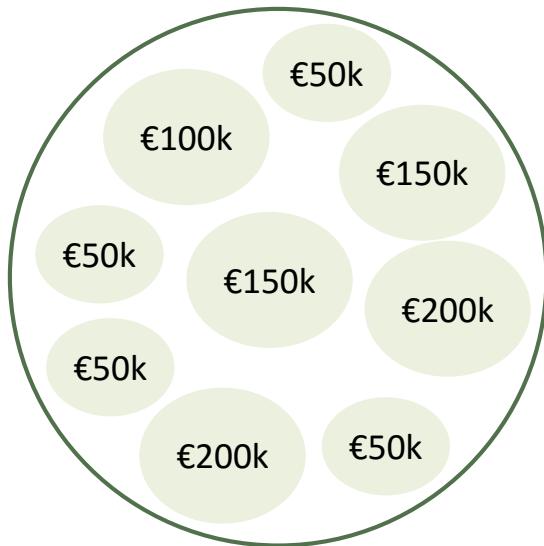
- Standardized Projects
- Quick decision process
- No Off-Balance Sheet requirement
- Risk diversification
- Huge market potential

### Payback comparison of cost savings

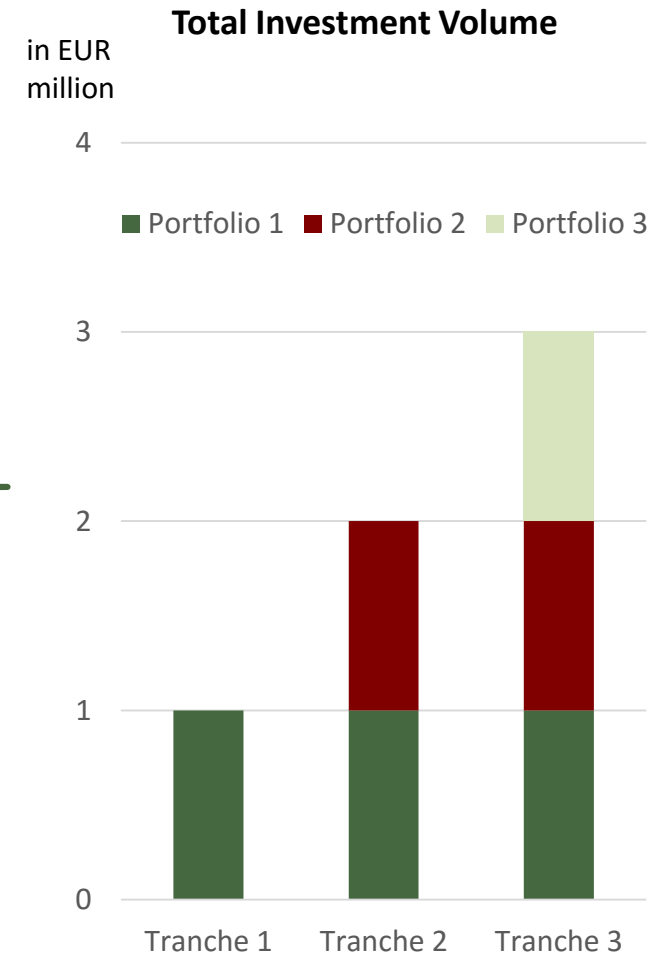


## Case Study: Lighting as a Service Business Model (2/2)

ESCOs aggregate portfolios of deals totalling a predefined specific investment volume (e.g. EUR 1 million)



- Standardized Project contracts enable **SUSI** to finance individual Lighting as a Service project as part of a portfolio approach
- Financing in tranches each worth the investment volume



## Outlook



### *Chances*

- Strong growth projected as Energy Management shifts from Products to Services
- Flexible tailor-made financing solutions will prove to be crucial for market development
- Independence of energy prices – self supply
- Marketing “Green Firm Image” e.g. IKEA, Google



### *Challenges*

- European energy efficiency and energy performance contracting market is immature
- Different regions are in different stages of development due to country-specific legal and political frameworks
- Make energy efficiency projects a “desired” cornerstone on corporate agenda

## Your contact at SUSI



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