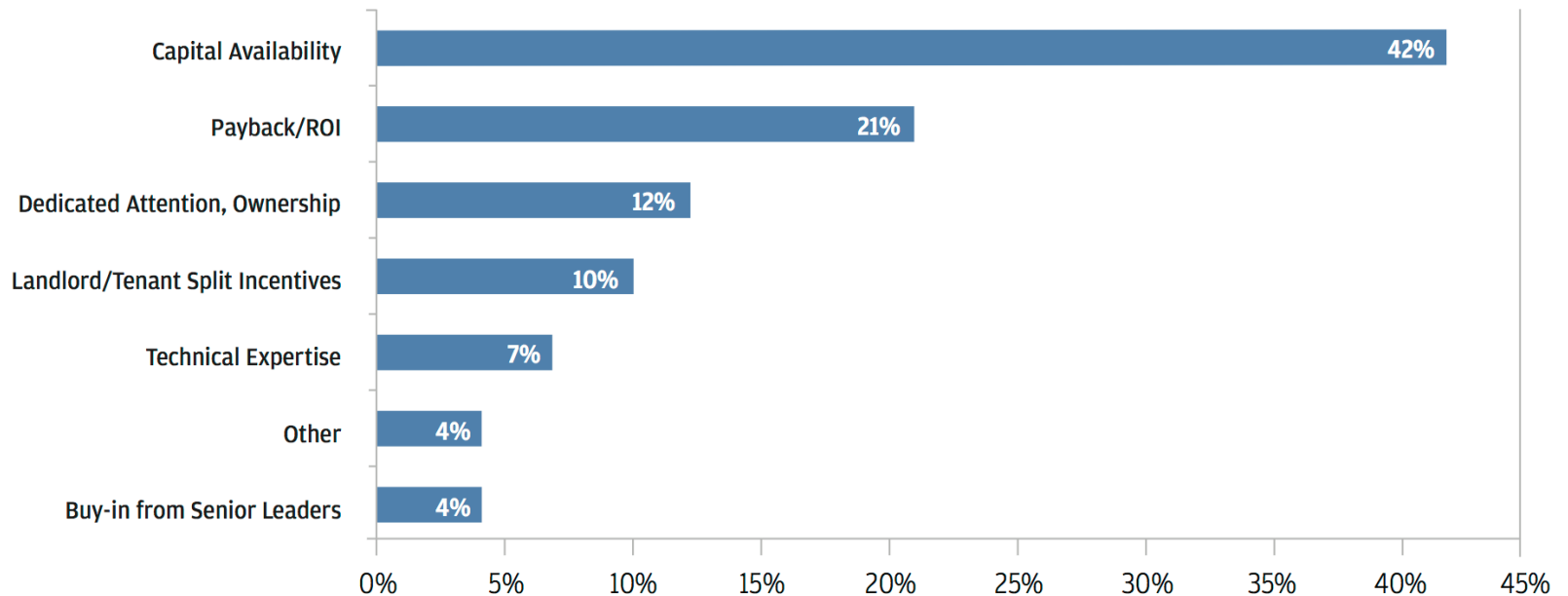


# INNOVATIVE FINANCING OPTIONS FOR FUNDING ENERGY EFFICIENCY

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# Barriers to Energy Efficiency

WHAT IS THE TOP BARRIER TO CAPTURING POTENTIAL ENERGY SAVINGS FOR YOUR ORGANIZATION?



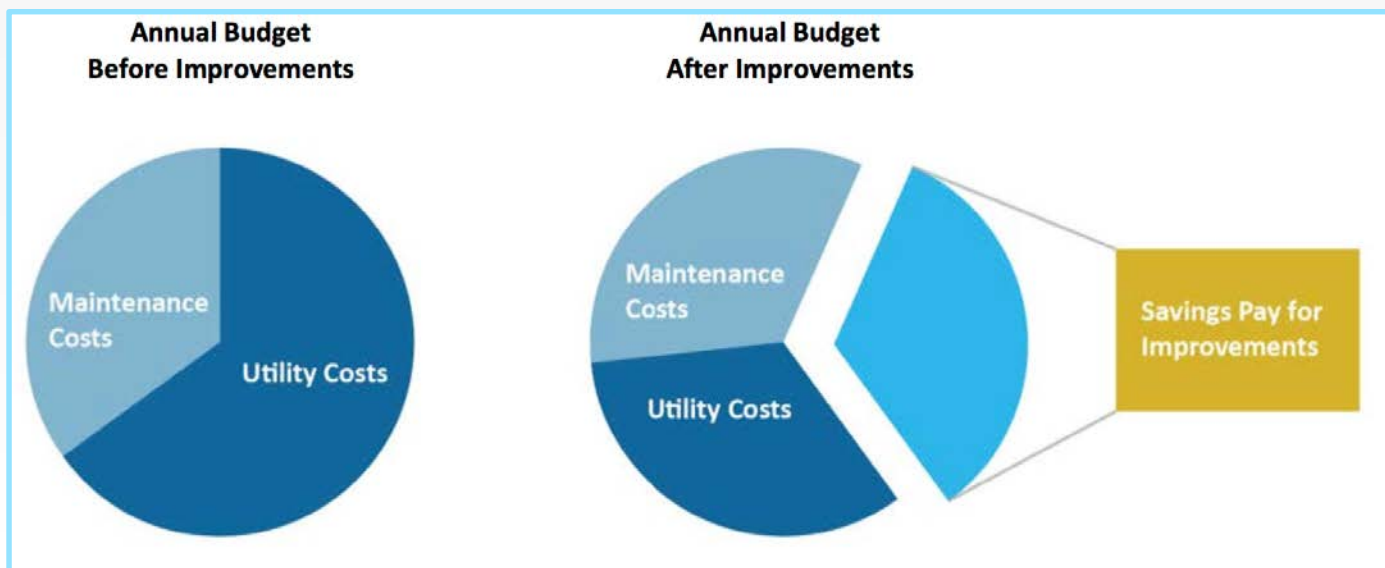
Source: JP Morgan Chase <https://www.jpmorgan.com/jmpdf/1320603368659.pdf>

# CONVENTIONAL FINANCING MECHANISMS

- Bonds
- Traditional Loans
- Revolving Loan Funds
- Leasing Arrangement

# INNOVATIVE SOURCES OF CAPITAL

- Energy Savings Performance Contracts
- “Energy/Sustainability as a Service”



# TYPICAL MEASURES FINANCED

- Lighting equipment replacements
- Building automation upgrades
- Distributed generation systems
- Combined heat and power systems
- Boiler and chiller replacements
- Central plant improvements
- Renewable energy systems
- Plumbing fixture replacements
- Commissioning
- Demand-response technologies
- Utility rate adjustments
- Traffic and street lighting systems
- Occupant training programs
- Energy management services

# ENERGY SAVINGS PERFORMANCE CONTRACTS

- A “turnkey” approach to energy efficiency
- Energy Service Company provides customers with a comprehensive set of efficiency measures
- The savings are sufficient to fund the full cost of the project

# ELEMENTS OF A TYPICAL ESPC

- Comprehensive Measures
- Project Financing
- Savings Guarantee
- Turnkey Service
- Long-Term Capital Lease

# TURNKEY ESPC SERVICES

- Recommend, design, install, & commission energy conservation measures
- Assessment to identify and evaluate project opportunities
- Propose a project with a cash flow from savings to pay for all costs
- Obtain financing
- Train staff members
- Provide ongoing maintenance services (optional)
- Measure and verify savings
- Guarantee the projected savings
- Provide a fixed-cost project, carrying the risk and cost of change orders



# ENERGY AS A SERVICE

- Energy service providers identify, integrate and manage appropriate energy technologies
- They develop, design, build, and fund projects at customers' facilities
- Compensation is directly linked to the customer's actual energy cost savings
- Simple monthly lease with no capex

# SEDAC ASSISTANCE FOR ENERGY EFFICIENCY FINANCING

- Identify, evaluate and prioritize facilities and opportunities
- Review project design, commissioning, and management
- Facilitate access to financing and help evaluate options
- Evaluate service providers and financial institutions
- Measure and verify results
- Help negotiate savings guarantees from service providers
- Help access to incentives from utilities and government programs

# PANEL DISCUSSION