

GUARANTEED ENERGY PERFORMANCE CONTRACTS

A Look Back and Forward

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Energy Services Association of Canada
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ENERGY SERVICES
ASSOCIATION
OF CANADA

PROMOTING
PERFORMANCE
BASED SOLUTIONS

INTRODUCTORY COMMENTS

- Importance of Energy Efficiency
- Introduction to Energy Service Performance Contracts
- Introduce Panelists



ENERGY SERVICES ASSOCIATION OF CANADA

- 6 founding independent energy service companies



- Represent >90% \$450 million/year market for guaranteed Energy Service Performance Contracts (ESPC) – further info at booth 18

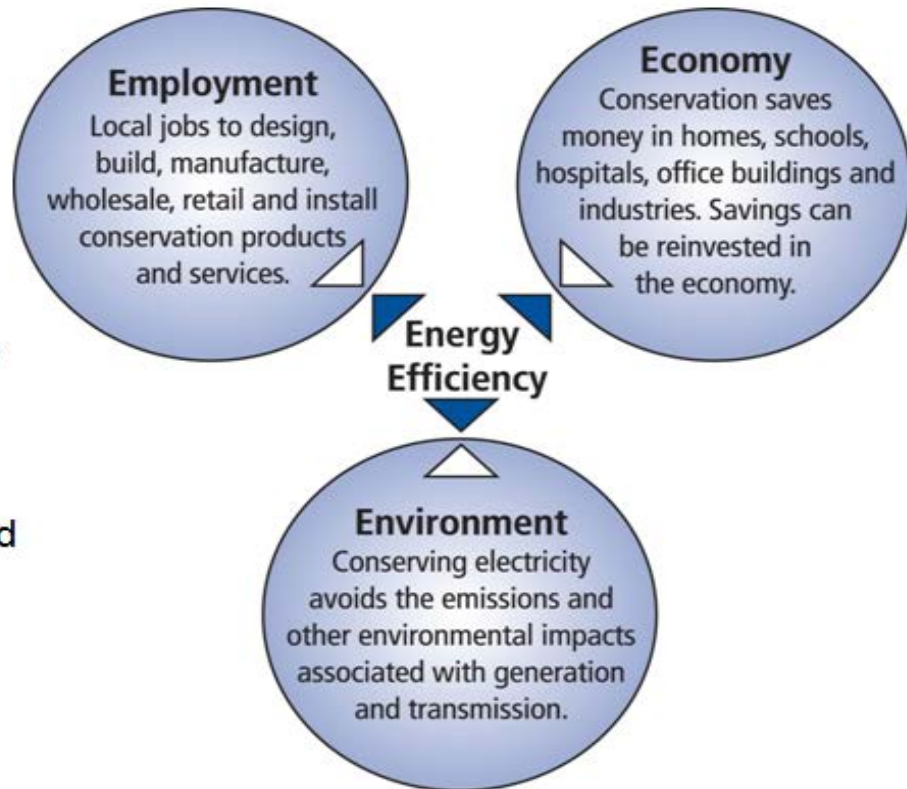


BENEFITS OF ENERGY CONSERVATION

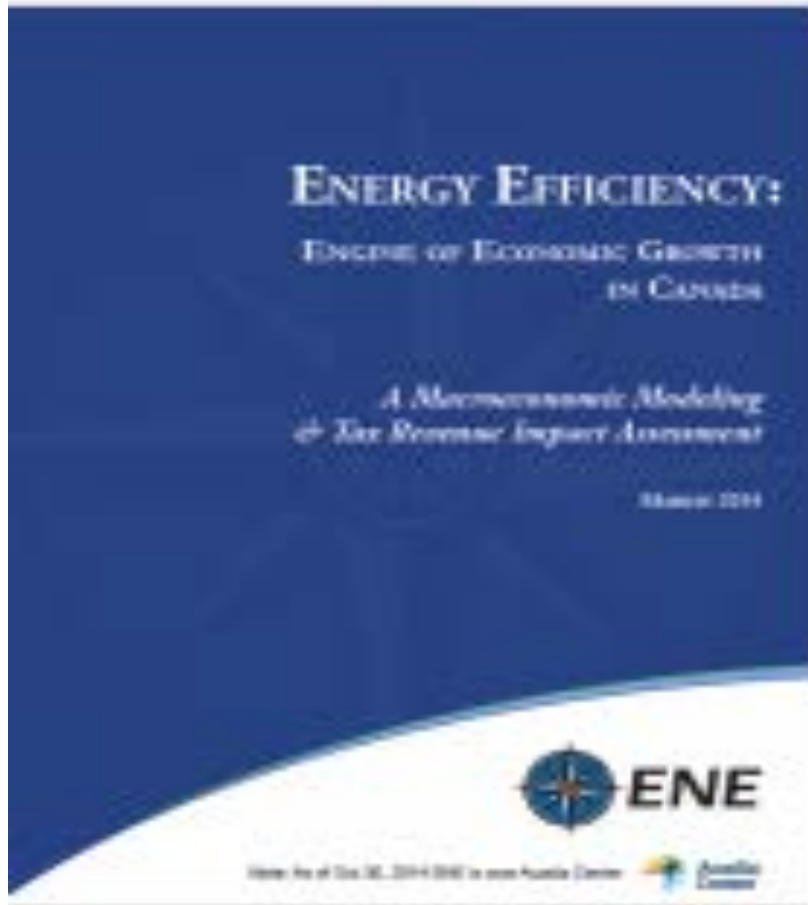
Benefits of Conservation

The Three “Es”:

- **Employment** benefits: labour-intensive, local jobs
- **Economic** benefits: cost-effective for households and makes private sector more competitive
- **Environmental/health** benefits: reduced GHGs, acid rain, smog



ECONOMIC BENEFITS FOR CANADA



Over 15 years

- Inc GDP by \$582 billion
- 305,000 to workforce
- Prov tax rev \$2.7 bil
- Cut 92 MT/yr CO₂



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ENVIRONMENTAL BENEFITS

- **82%** of Canada's man-made green house gas emissions from the production and use of energy
- **2/3** of primary energy consumed in Canada is wasted

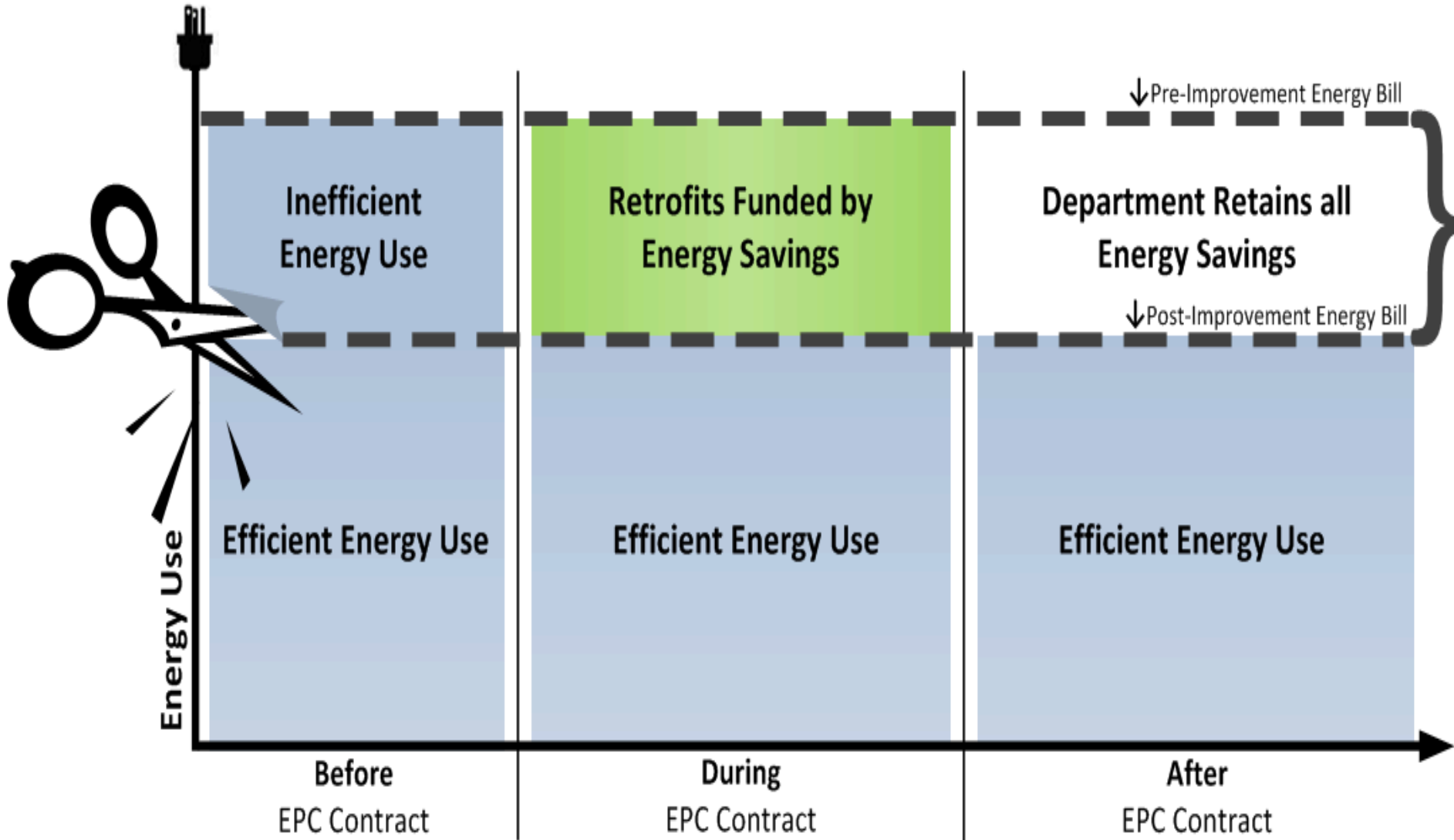


WHAT IS AN ENERGY PERFORMANCE CONTRACT

- Involves: a building owner and energy service company (ESCO)
- Savings financing: comprehensive measures with guarantees that the energy savings will be sufficient to finance the cost of the project
- Performance guarantee: Transfers technical and financial risk to ESCO
- Used since mid 80's; Canadian government created Federal Building Initiative in 1992



ILLUSTRATION OF HOW AN ESPC WORKS



BENEFITS OF ENERGY PERFORMANCE CONTRACTS

- Turnkey – one contract managing many activities
- Releases pressure on capital funding allocations
- Tried and true approach – used by organizations across Canada since 1980s
- Can be used to finance non-energy deferred maintenance projects
- **Not more expensive than alternatives when all staff/management costs included**



PANELISTS

Rick McKenzie

President EnviroVest Energy Ventures Inc
past Director of NRCan's Office of Energy Efficiency

Fred Stanton

Senior Business Consultant, Honeywell Energy Services
Former National Marketing Manager, Scotia Bank

Phil Jago

Director, Buildings Division, Office of Energy Efficiency



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