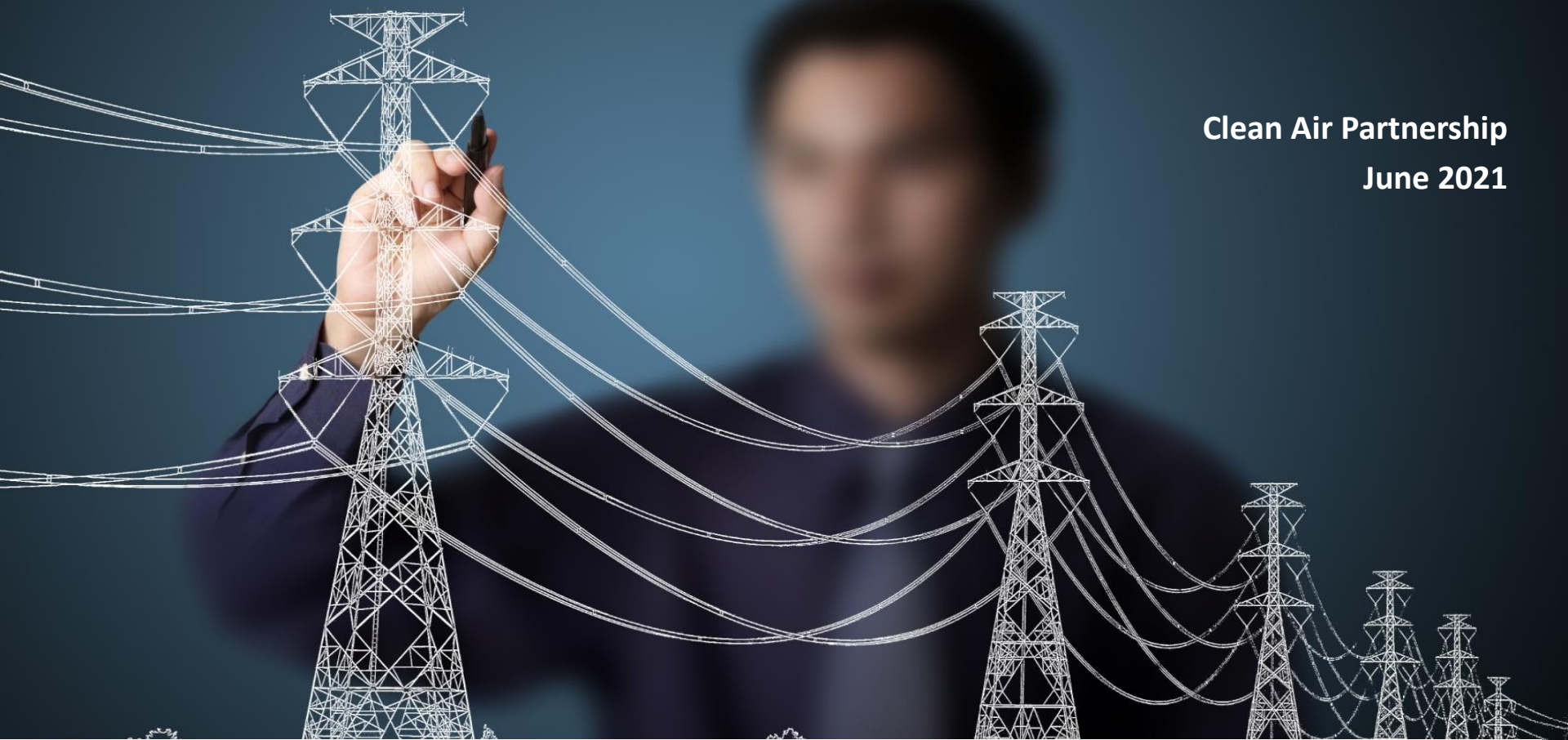


Corporate Energy Managers Workshop – The Art of the Possible

Clean Air Partnership

June 2021



ENERGY SERVICES
ASSOCIATION
OF CANADA

PROMOTING
PERFORMANCE
BASED SOLUTIONS

ENERGY SERVICES ASSOCIATION OF CANADA

- Incorporated August 2010
- 6 founding independent energy service companies



SIEMENS



Honeywell

- Represent >90% \$400 mil/year market for guaranteed Energy Service Performance Contracts (ESPC)



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The Challenge Ahead

Unprecedented financial turmoil

- Canada combined debt \$2 trillion
- Unemployment rate of 8.9% with certain provinces higher
- Energy demand & prices increasing
- Canadian Legislation compliance for carbon
- Targeting Net Zero by 2050



Canada is set to fall short of its 2030 target to slash energy consumption by 30% currently forecasted less than 20% by the deadline

Energy We Waste In Buildings



- Buildings account for **11%** of domestic GHG emissions
- In Canadian climate we **waste 25%+** of the energy we consume
- Canada's buildings **waste approx. \$150 billion** every year
- **75%** of the buildings we will occupy in 2050 are **standing today**

DIY solutions tend to generate between 5 and 10% savings only



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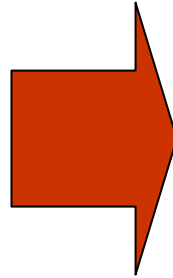
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Hon. Minister McKenna

Where should we focus?

**\$1 spent on more efficient energy use avoids
\$3 in investment in energy supply**

Supply Side



Demand Side



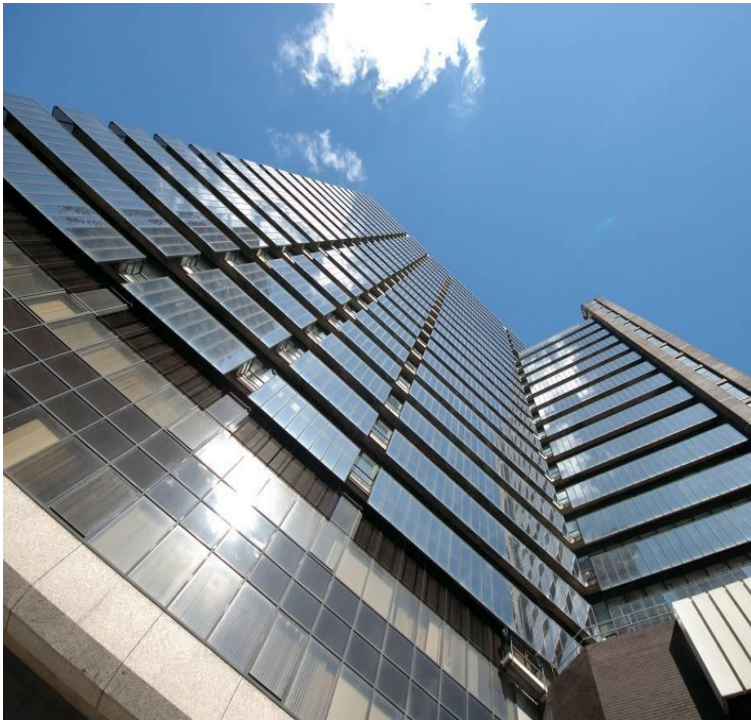
The greenest energy is the energy that isn't generated



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What is an Energy Performance Contract (EPC)?



A **partnership** between a customer (public or private) and an energy services company (ESCO) that allows the customer to **improve the demand-side energy efficiency** of their facilities **without** necessarily up-front capital costs or special loans

\$10-12.5 Billion in new investment
150,000 – 190,000 net new jobs



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Procuring an EPC Requires a Different Approach



- The traditional, price driven tender approach does *not* work when procuring an EPC
- Selection is driven by *energy savings* not price. *Outcome based*
- *Net Zero* focus with whole building life considered
- *Standardization* helps

You are buying energy savings – not equipment



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Emerging Trends....



- **Traditional EPC model through an ESCO with performance guarantee and sometimes private sector financing**
- **Canada Infrastructure Bank**
- **SuperEsco model (finance led)**
- **New stuff**
 - **Inclusion of renewables,**
 - **EV Fleet acquisition**
 - **Extending contract periods for deeper retrofits,**
 - **inclusion of maintenance,**
 - **Federal green bonds**



The Good News Is



Change is happening

Thank you!



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