



**ECONOLER**

# Etihad ESCO, The Implementation of a Super ESCO in Dubai

Asian Clean Energy Forum 2016

Manila, June 10, 2016



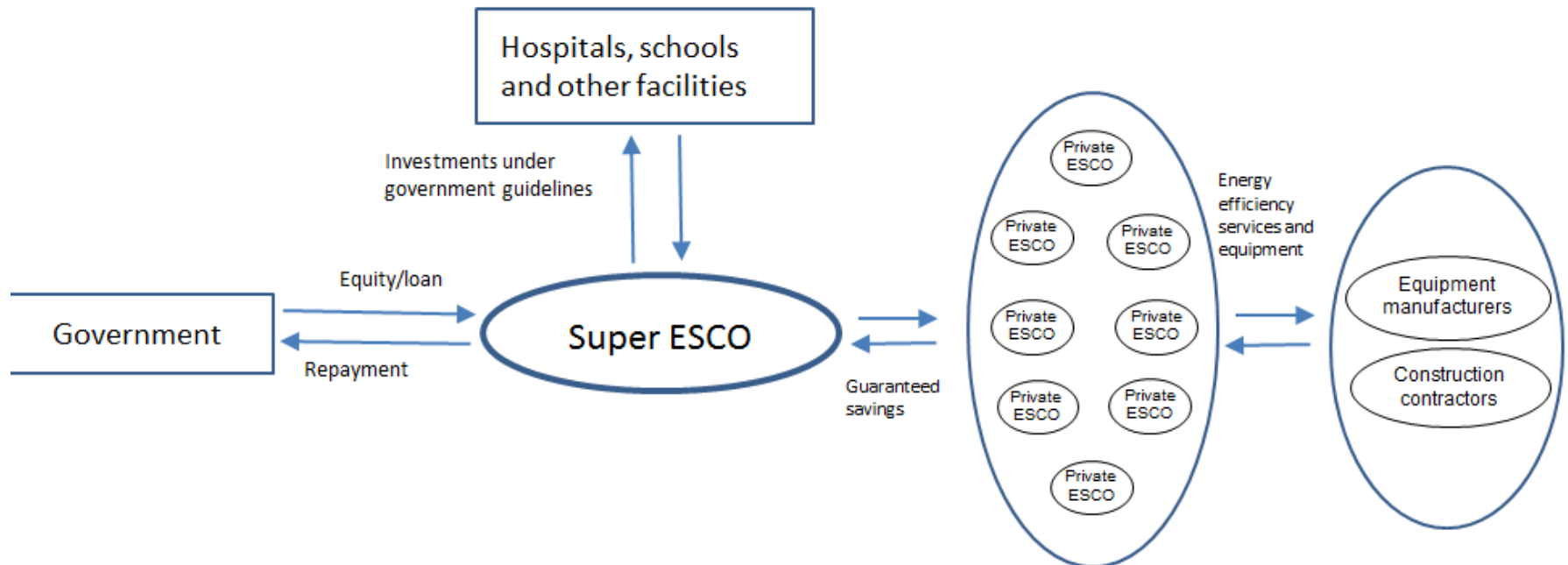
# SUPER ESCO OVERVIEW

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- Entity established by a government entity to initiate and/or support capacity building and the activities of other ESCOs, and to facilitate access to project financing.
- Developed as a way to address barriers such as :
  - Lack of access to public sector facilities
  - Little access to tailored project financing
  - High transaction costs for smaller project

# SUPER ESCO OVERVIEW

## Conceptual Model of a Super ESCO



# ETIHAD ENERGY SERVICES CO. LLC

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- Established in 2013 as an initiative by Dubai Electricity & Water Authority (DEWA) to create a viable market in Dubai for building retrofits using Energy Services Companies (ESCOs)
- Goals for 2030
  - 1.7 TWh of Electricity to be saved annually by 2030
  - 5.6 Billion IG of Water to be saved annually by 2030
  - 1 Million Tons of CO2 to be abated annually by 2030
- Estimate approximately USD 270M saved annually by 2030

# ETIHAD ESCO - MANDATE

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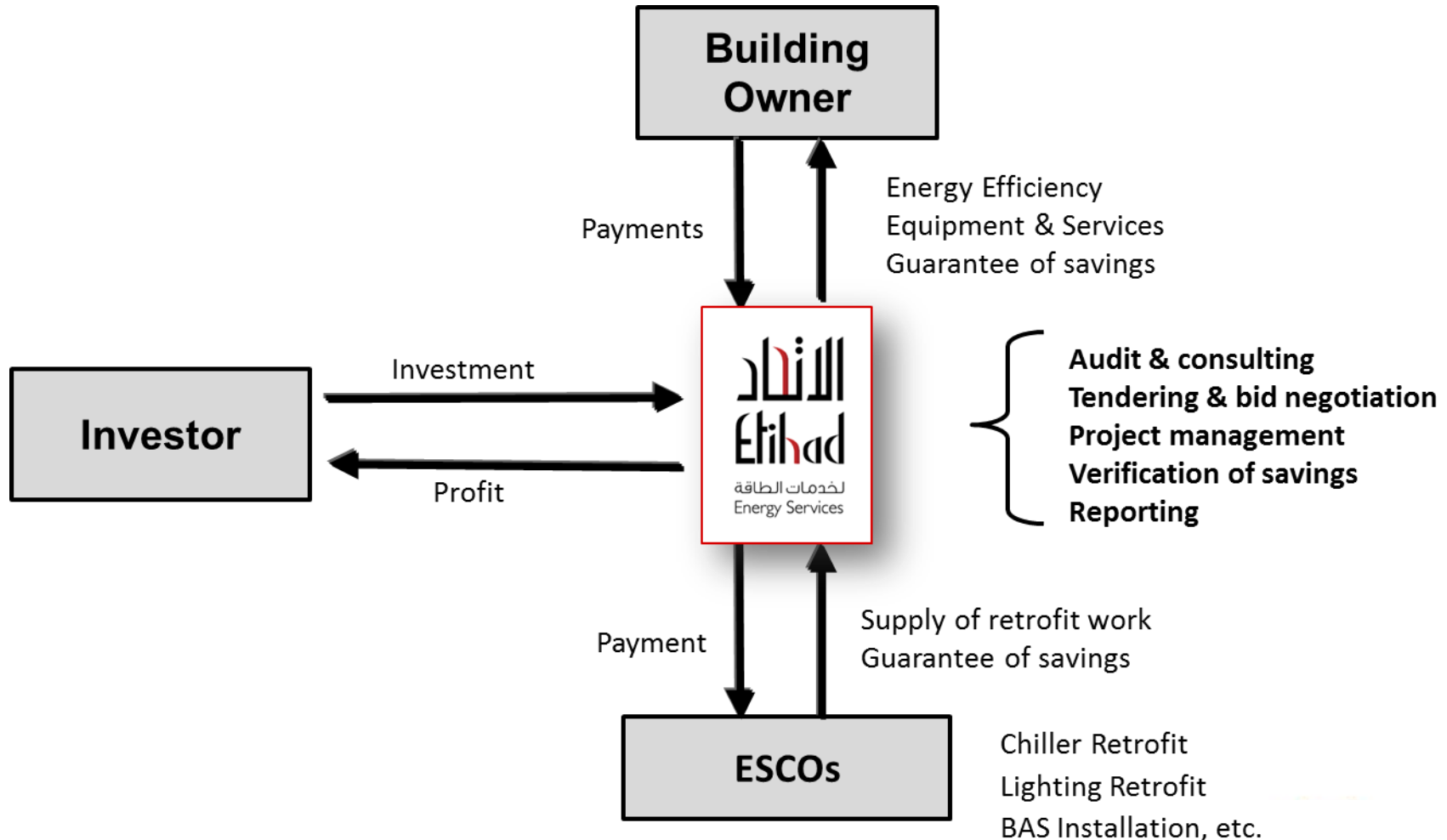
- Create a market for Energy Services Companies (ESCOs) using the Energy Performance Contracting model
- Initial focus on Government buildings (lead by example)
- Portfolio approach vs. single building approach
- Pursue projects on a commercial basis (attractive ROI)
- Help arrange financing for projects when needed

# ETIHAD ESCO - ROLE IN PROJECTS

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1. Prequalify buildings from Owners' portfolio
2. Organize the tendering on behalf of Owners
3. Arrange financing if outside of Owner's budget
4. Follow-up project execution with the ESCO
5. Follow-up during the guarantee phase

# ETIHAD ESCO - MODEL



# CURRENT SITUATION

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- As of now:
  - 2 projects executed with DEWA
    - ✓ Lights replacement in 2 power stations. USD 6M investment, 15 GWh annual savings and 3.5 years payback
    - ✓ Refurbishment of 7 DEWA buildings. USD 4M investment, 5 GWh annual savings and 6 years payback
- Currently implementing the retrofit of 157 staff accommodation buildings (USD 17M)
- 2 other projects in the awarding phase and 6 upcoming projects in their pipeline



# LESSONS LEARNED

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- Government based super ESCO:
  - Gives credibility to a concept not well known in the market
  - Addresses many barriers such as high transaction cost
  - Enables the public sector to improve efficiency in buildings and infrastructure
  - Builds local ESCOs capacity by requesting certification and increasing requirements over time

# THANK YOU

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