

The logo for Etihad Energy Services, featuring the Arabic word 'الاتحاد' (Al-Ithad) in black and red, and the English word 'Etihad' in black and red below it.

لخدمات الطاقة
Energy Services

a DEWA venture

Etihad Energy Services

Energy Efficiency Financing – The Dubai story so far

Stephane le Gentil - CEO

5 November 2014

Etihad ESCO - Purpose

Etihad Energy Services Co. (Etihad ESCO) was established in 2013 as an initiative by DEWA under the leadership of the Dubai Supreme Council of Energy to create a viable market in Dubai for building energy efficiency services (ESCOs)

Etihad ESCO - Goals

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

30,000

Buildings estimated potential for Dubai

Etihad ESCO - Mandate

- **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)
- **Secure financing** for projects

1. Prequalify buildings from Owners' portfolio

- Data analysis & benchmarking
- Site survey
- Establish project feasibility

2. Organize the tendering on behalf of Owners

- Manage the tender process as per applicable regulations/rules
- Negotiate with ESCOs
- Select the best offer and Award the project

3. Secure financing

- Negotiations with Financial Institutions
- Credit risk

4. Follow-up project execution with the ESCO

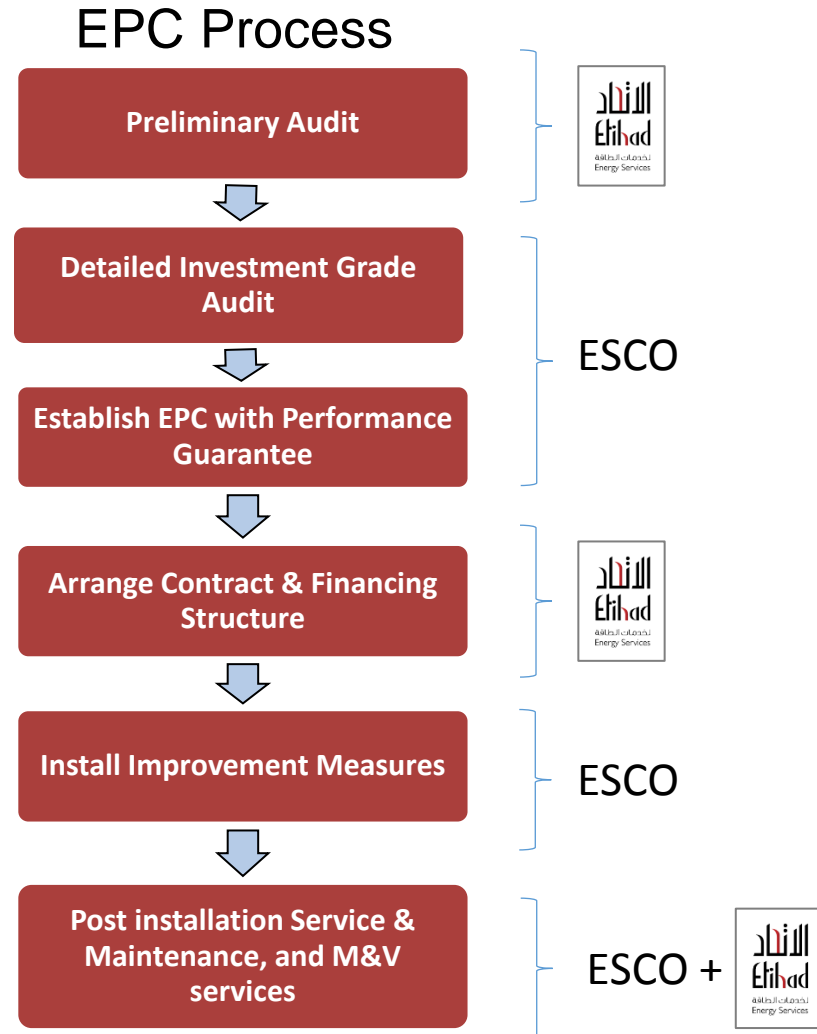
- Ease relation with Owners
- Verify commissioning

5. Follow-up during the guarantee phase

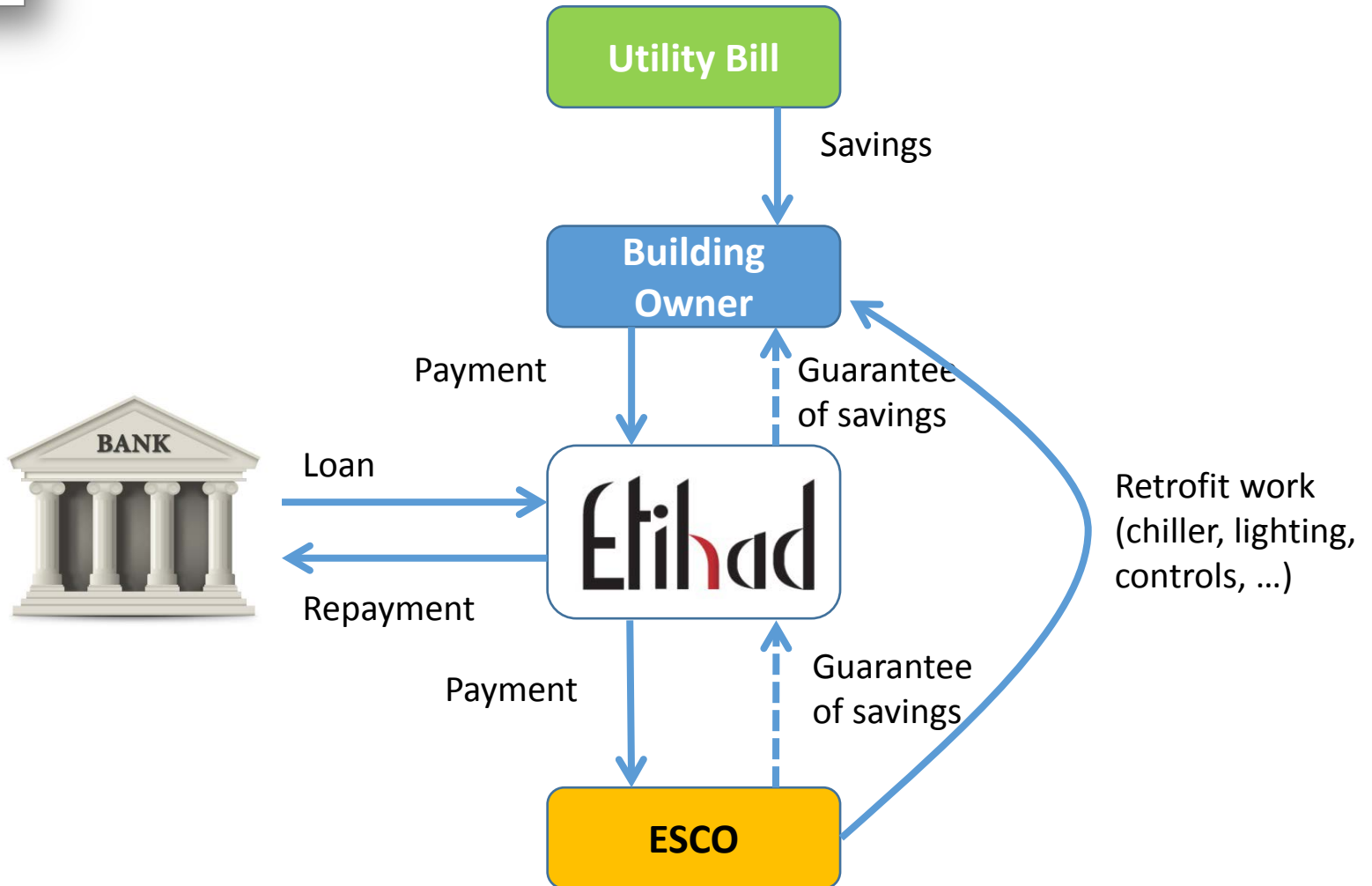
- Verify savings provided by ESCOs
- Liaise with Owners in case of issues
- Manage Contracts

Energy Performance Contracting

- An **Energy Services Company (ESCO)** provides a **comprehensive bundle** of energy efficiency, water efficiency, operational **efficiency solutions**.
- Etihad ESCO provides **turn-key responsibility** including: site audits, ESCO selection, financing, project management, commissioning, and **measurement and verification (M&V)** in accordance with **international standards**.



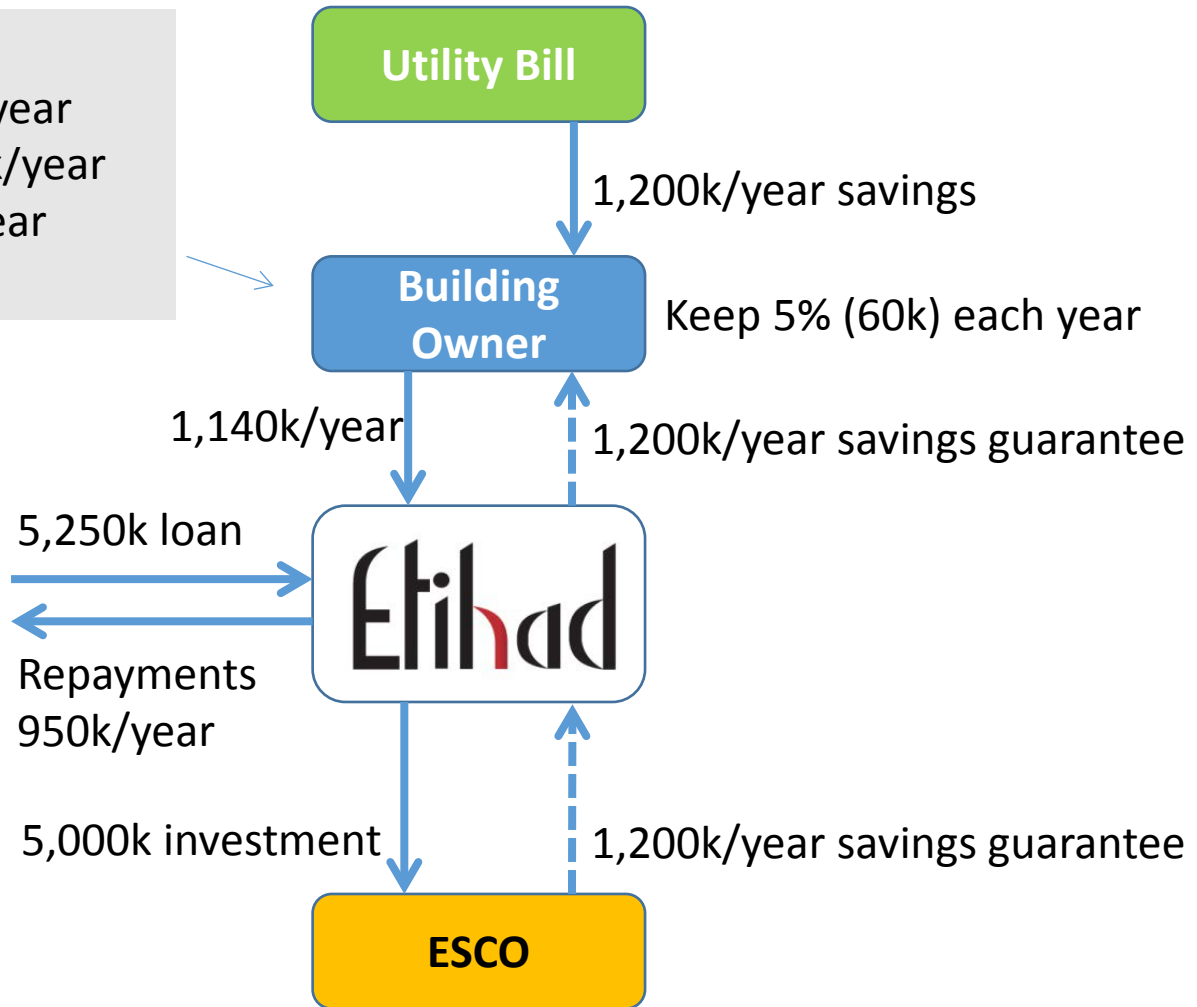
Business Model



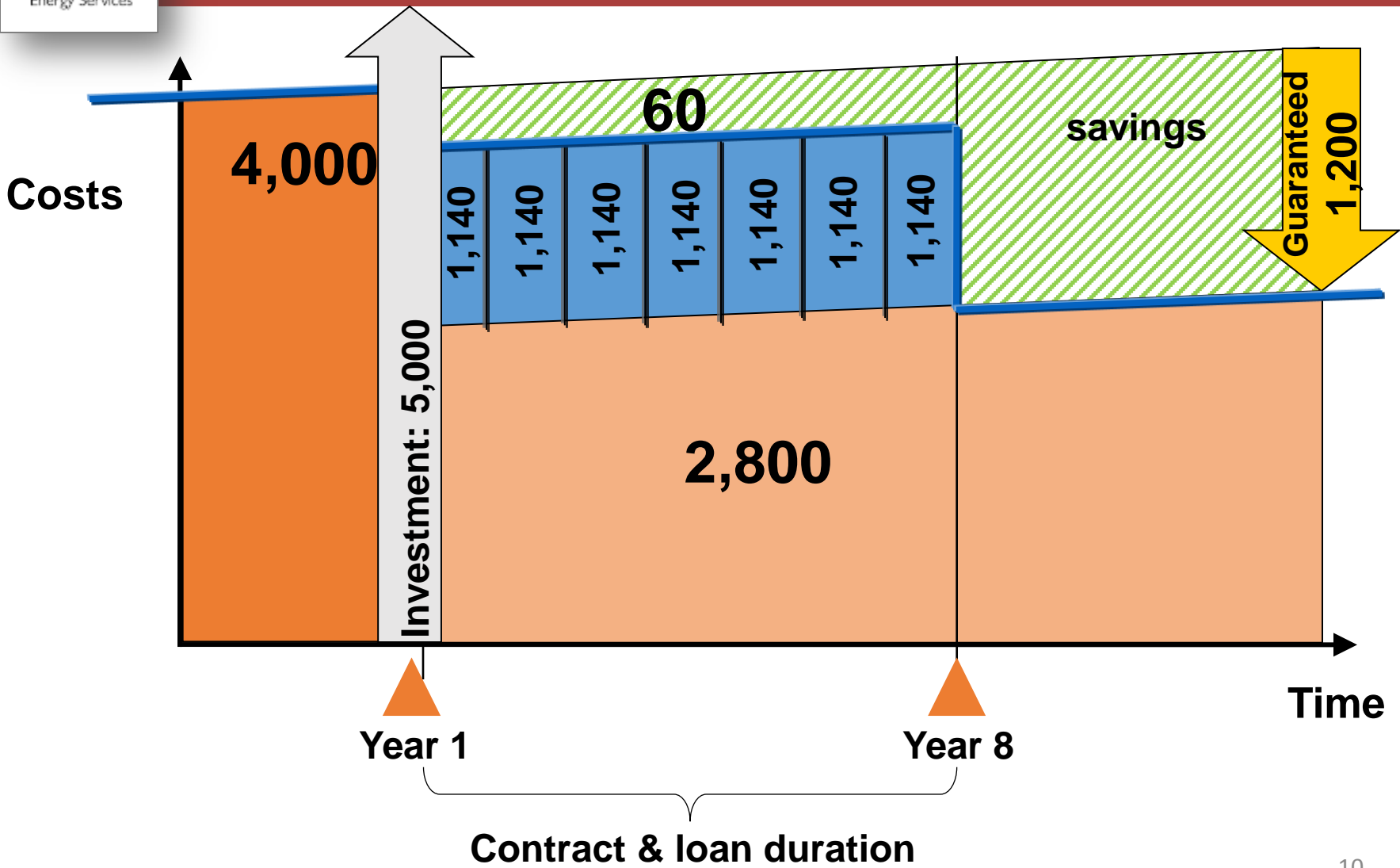
Concrete example with 30% savings

Building owner

Energy bill: 4,000k/year
 Reduced bill: 2,800k/year
 New cost: 3,940k/year
 Benefit: 60k/year

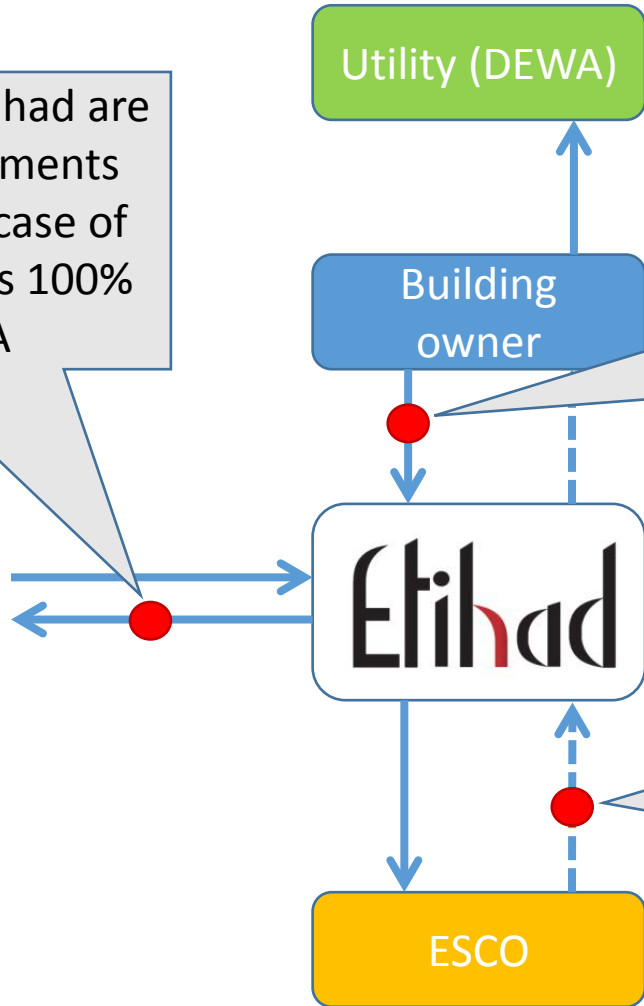


Concrete example with 30% savings



Mitigating financial risks

Loan repayments by Etihad are backed by Owner payments (& ESCO payments in case of shortfall) AND Etihad is 100% owned by DEWA



Owner has to pay for the savings materialized on its DEWA bill

Savings guarantee is backed by contract. Etihad holds bonds that can be cashed if ESCO not performing and not paying for the savings shortfall

Conclusion

Energy Efficiency in Dubai existing buildings makes sense and is financially viable

Risks can be easily mitigated thanks to the use of a proven model (Energy Performance Contracting) and internationally recognized methodologies linked with solid contracts

Financial Institutions looking for secured and steady returns over many years should consider to finance Energy Efficiency projects in Dubai through Etihad ESCO

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A hand in a dark suit holding a glowing, translucent globe. The background is a collage of digital and business-related graphics, including binary code, a world map, and various icons like a globe, a person, and a network diagram. The overall color scheme is dark with red and white highlights.

THANK YOU

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