

# Energy as a Service

Public Sector

September 14, 2022



**2022** MARKET  
TRANSFORMATION  
CONFERENCE

SEPTEMBER 13-15 | West Palm Beach, FL

# Energy as a Service Overview

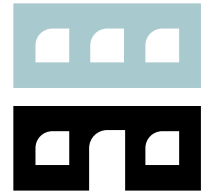
Energy as a Service (**EaaS**) is a model that gives customers access to energy services without requiring upfront cost to pay for improvements.

## Key Features of EaaS Contracts:

- ✔ Payments vary based on actual performance
- ✔ Energy services provider owns, maintains and monitors system(s)
- ✔ Customer agrees to an operating plan for the system
- ✔ Off-balance sheet accounting treatment

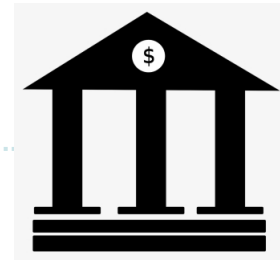


# Sample Energy as a Service Structure



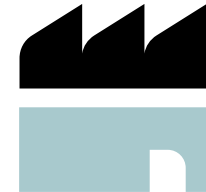
**Customer**

EaaS Agreement



**Financier**

ESPC Agreement



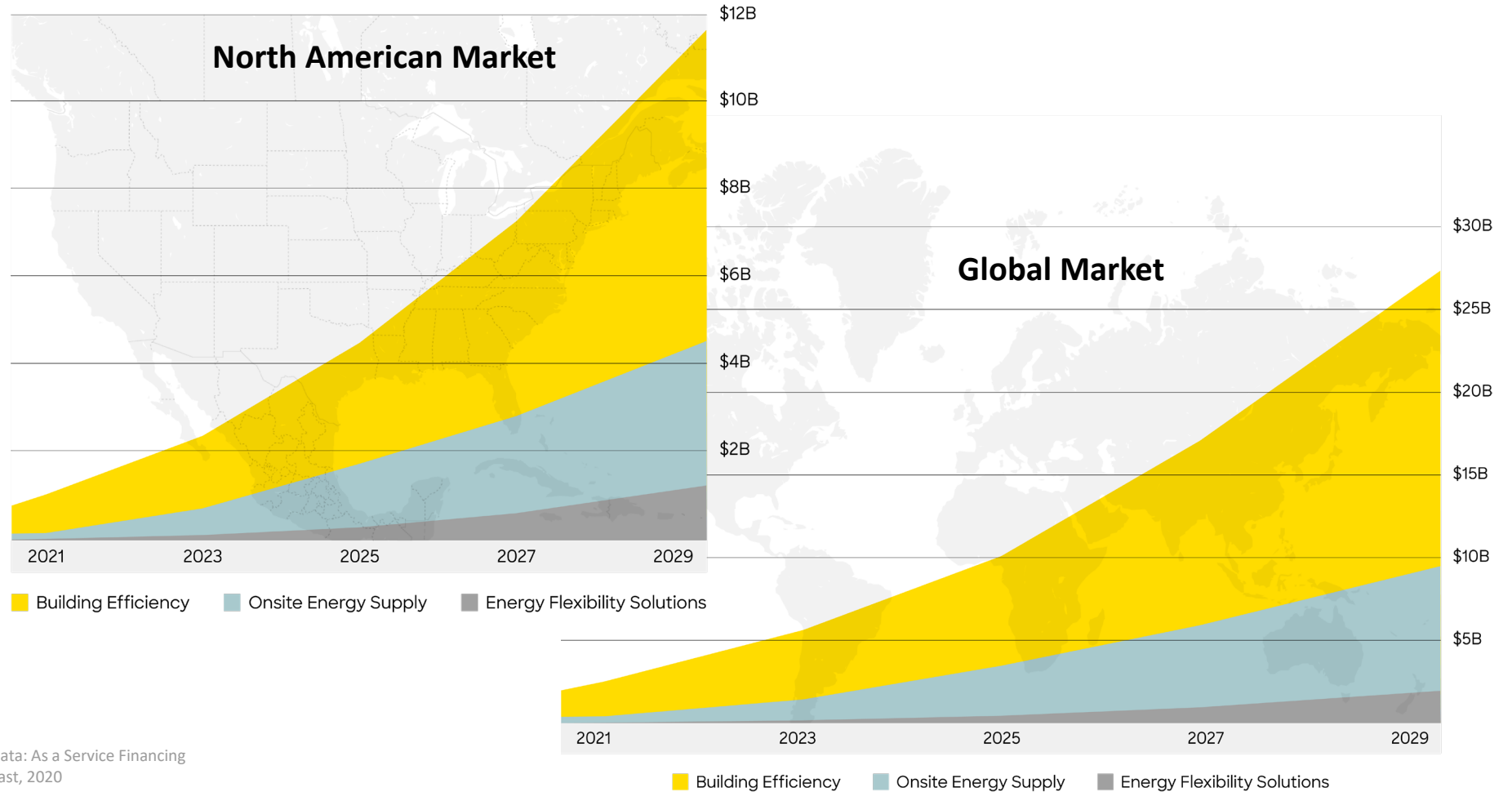
**ESCO**

Financier funds 100% of project cost, owns the equipment, and pays for maintenance and monitoring.  
Customer pays for measured savings and clean energy output

Financier contracts with the ESCO (contractor) to design and construct the project as well as to provide ongoing services

# The Large and Growing Market for EaaS Financing

- North America is expected to account for nearly \$12 billion of the total EaaS financing market in 2029
- By 2029, the total global market for EaaS financing will be approximately \$27 billion



Sources: Market estimates prepared by Guidehouse's Market Data: As a Service Financing for Energy Solutions - Energy as a Service Market Size and Forecast, 2020  
 Note: Source estimates do not include water efficiency.

# Market Approaches for Funding Efficiency Projects

	Performance Contract	Energy Savings Agreement	EaaS	Concession Agreement
Tenor	10 - 25 years	10 - 30 years	10 - 40 years	25 – 99 years
Financing Source	Client or Financier	Financier	Financier	Financier/Developer
Technical Focus	Savings	Savings	Savings + Availability	Availability or Demand
Life Cycle Risk Transfer	No	Potential	Most Likely	Yes
Transaction Monetization (Concession Check)	No	No	Potential	Yes
Equity	No	No	Potential	Yes
Parent Guaranty	No	Yes	Yes	Yes
Taxable Debt	Unlikely	Likely	Yes	Yes
Tax Exempt Debt	Very Likely	Unlikely	No	No
Sponsor Risk	Low	Low	Low / Moderate	Moderate / High

# Public Sector Customer Benefits

Preserves bond dollars and debt capacity for critical projects

Net-positive impacts to credit rating

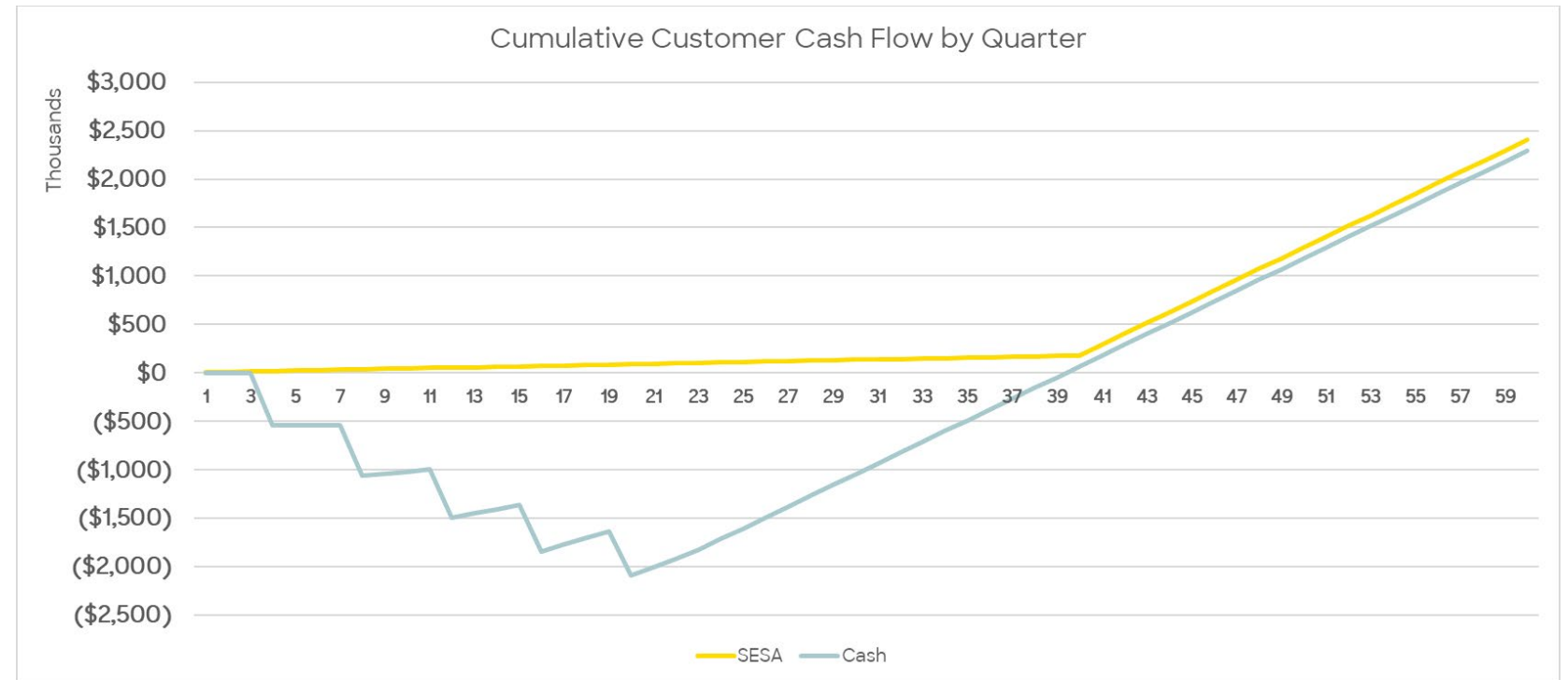
Repeatable model that scales across different measures and facilities

Accelerates achievement of carbon reduction / sustainability goals



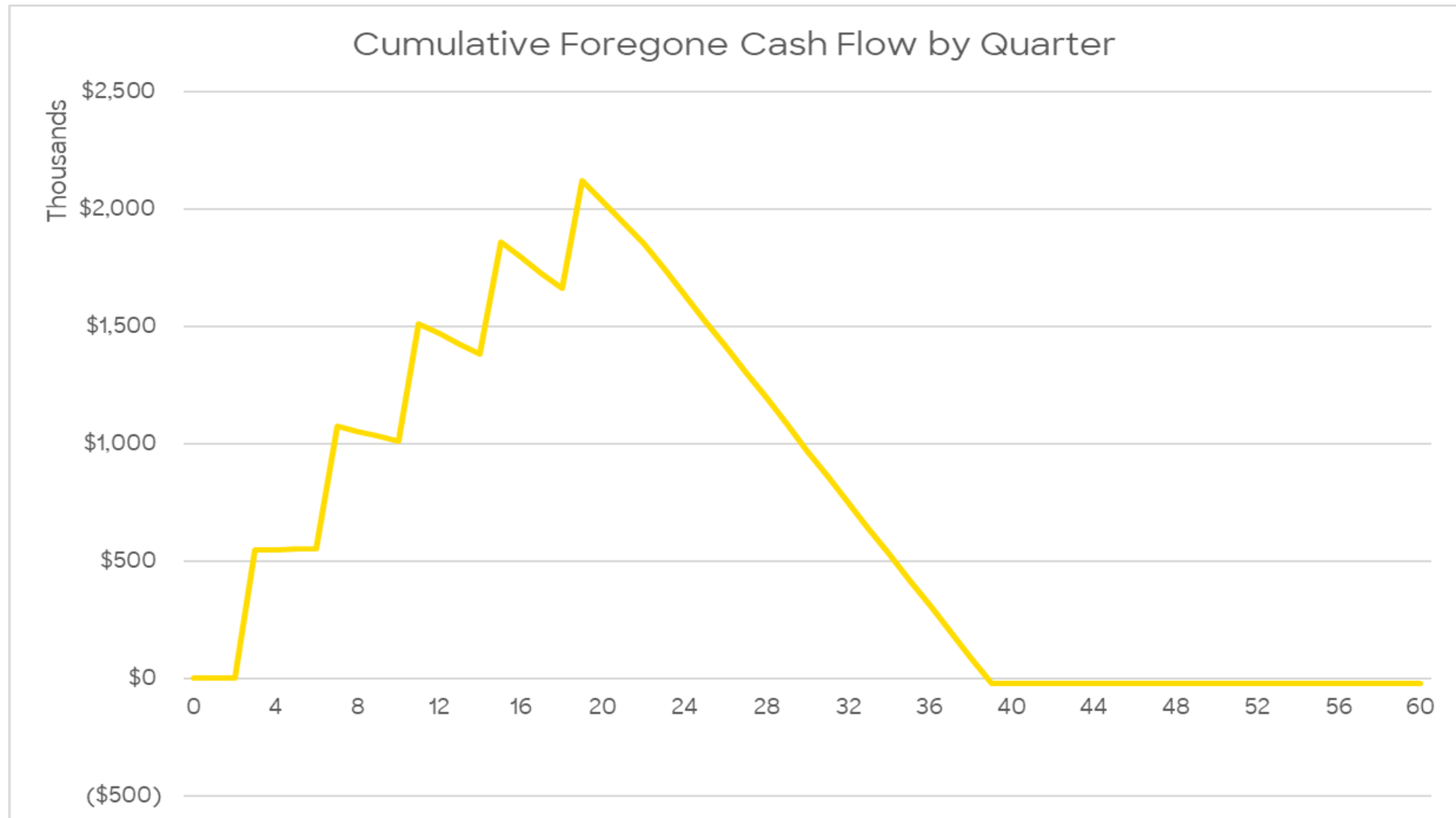
# Cost of delaying projects

- ▶ EaaS funds 100% of project cost upfront
- ▶ Capital budget is allocated over 5 periods over 5 years
- ▶ Because of the delay in implementation customer net EaaS cashflows can exceed self financed cashflows



NOTES: Assumes that the customer is self funding over multiple periods and does all work in the initial ESA contract

# Cost of delaying projects (cont'd)



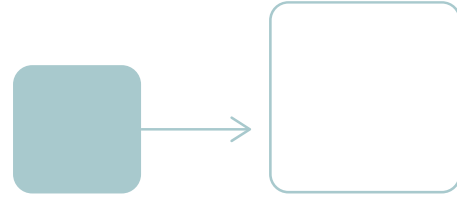


# Key Benefits to ESCOs



## Increased Deal Size

By covering 100% of upfront cost, EaaS financing enables customers to pursue larger projects



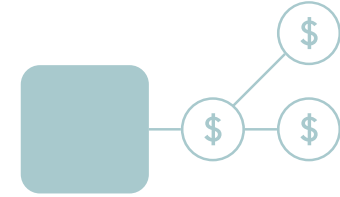
## Pathway to Scale

An EaaS financing contract should be a flexible structure that can be replicated at other facilities



## Recurring Revenue

EaaS creates long-term O&M and M&V contracts for ESCOs

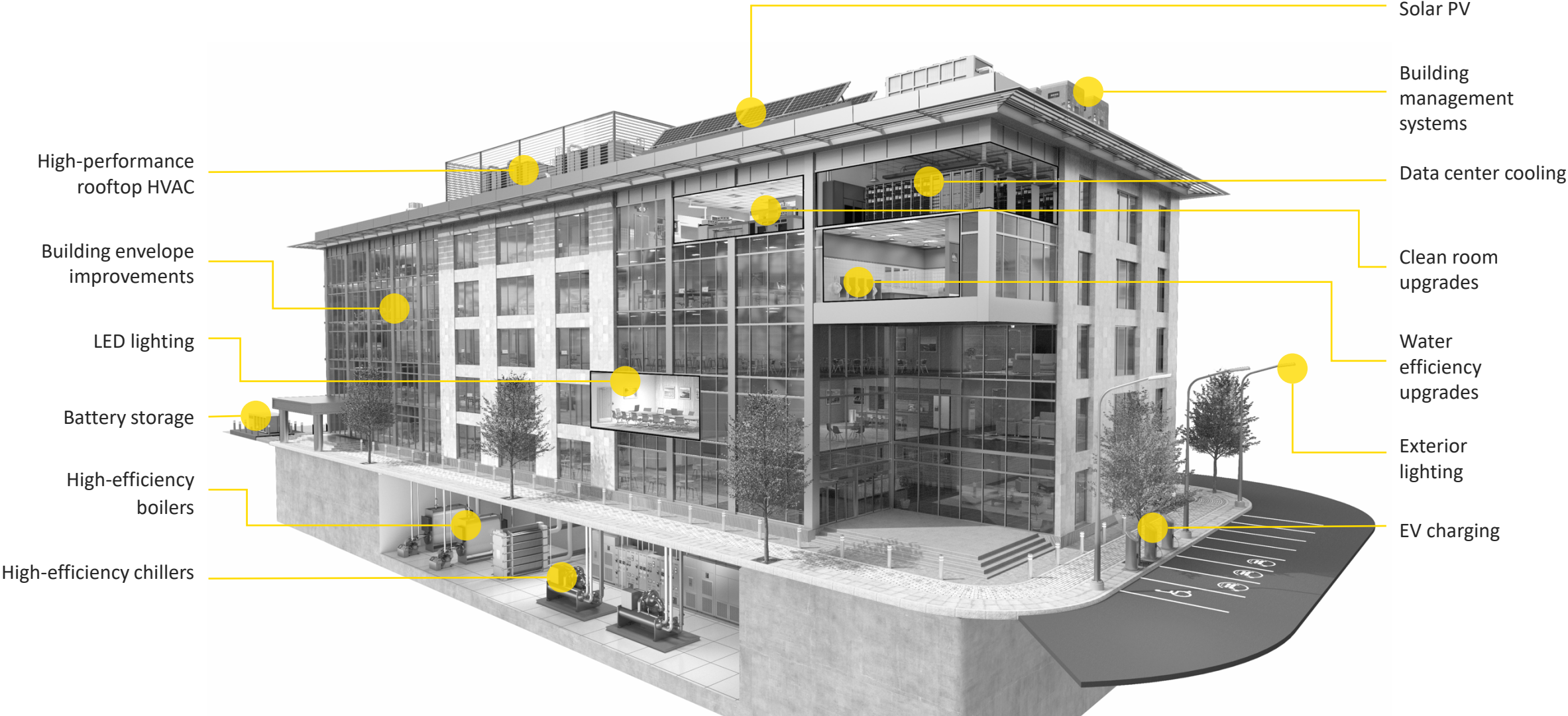


## New Opportunities

Engagement in long-term relationship creates opportunities for new projects

Can unlock projects that have stalled due to funding constraints

# Holistic Approach to Projects



## Environmental Impact

The expected impact of Metrus' projects:

**2.1 billion**

kWh of electricity saved

**749 million**

gallons of water saved

**784,237**

metric tons of CO<sub>2</sub> saved

**4.2 million**

therms of natural gas saved

**2.1 million**

gallons of fuel oil saved

**27,152**

equivalent cars taken off  
the road each year

Q&A

# Contact Us



5 Third Street, Suite 822  
San Francisco, CA 94103  
415-284-5000  
[sales@metrusenergy.com](mailto:sales@metrusenergy.com)

[metrusenergy.com](http://metrusenergy.com)

**metrus**



Kelly Kaufmann  
Director of Channel Sales  
603.303.2345 mobile  
[kelly.kaufmann@metrusenergy.com](mailto:kelly.kaufmann@metrusenergy.com)

Sean Price  
Director of Sales  
919.738.1049  
[sean.price@metrusenergy.com](mailto:sean.price@metrusenergy.com)