



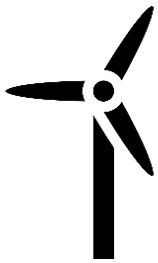
SUSI Energy Efficiency Fund

Financing Energy Efficiency – a financiers perspective with case study from Ireland

Paul Kearney, September 2017

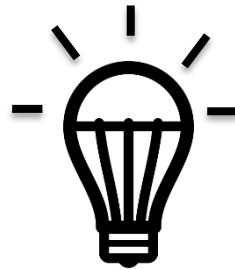
SUSI Partners AG manages funds across three related energy sectors

Renewables



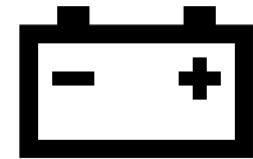
SUSI Renewables Energy Fund I - €60m
SUSI Renewables Energy Fund II - €380m

Energy Efficiency



SUSI Energy Efficiency Fund - €200m

Energy Storage



SUSI Energy Storage Fund - €110m



TOTAL - €750 million AUM

SUSI Partners in brief


Funds' location

- Funds are all located and regulated in Luxembourg 

Investor base

- Institutional investors e.g. pension funds, insurers, family offices, EIB

Investment Advisor

- The investment team sits in Zurich and is a regulated Swiss asset manager 

Employees

- 44 employees – investment team specialists in clean energy infrastructure

Objective

- SUSI invests institutional capital to finance the global energy transition

SUSI Energy Efficiency Fund: €130 million invested to date



> 60% LED lighting

> 80% portfolios

> 80% invested in Germany & Italy

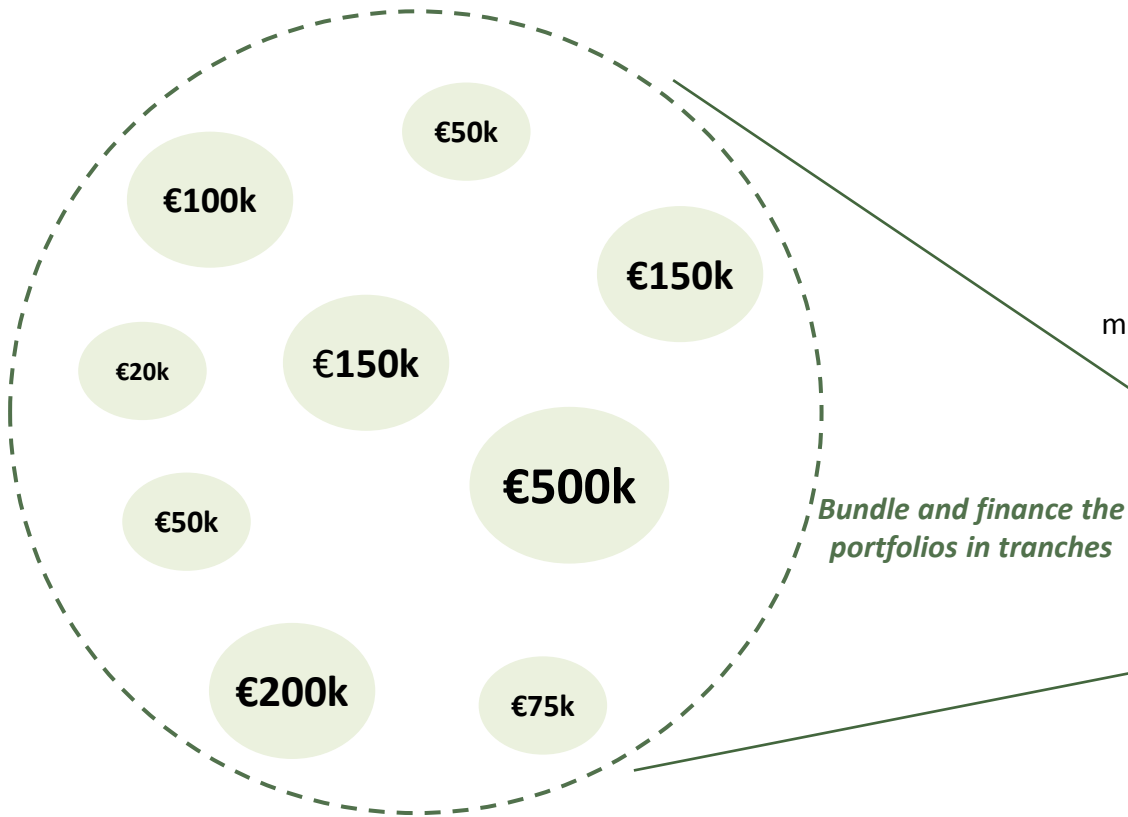
> 40% public sector

Case Study

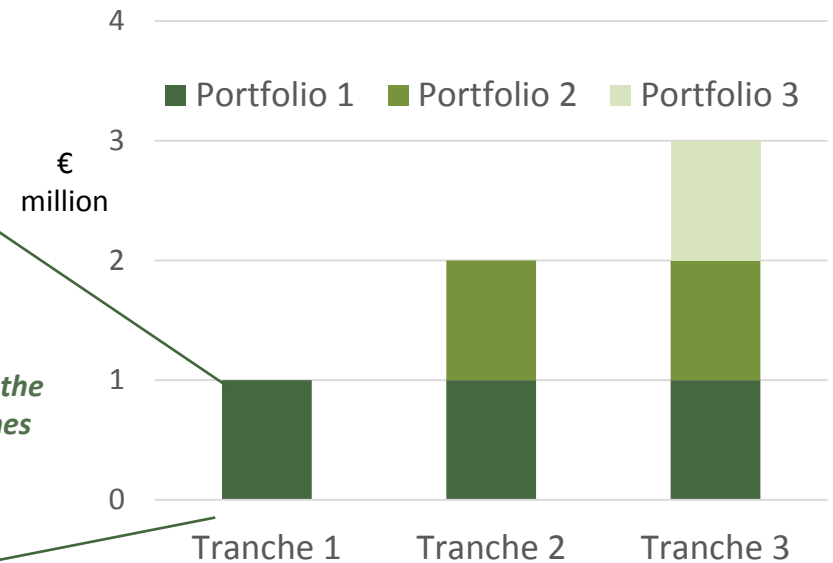
€30 million structured finance solution to fund EE projects in Ireland

Standardisation of contracts and bundling make structured finance feasible

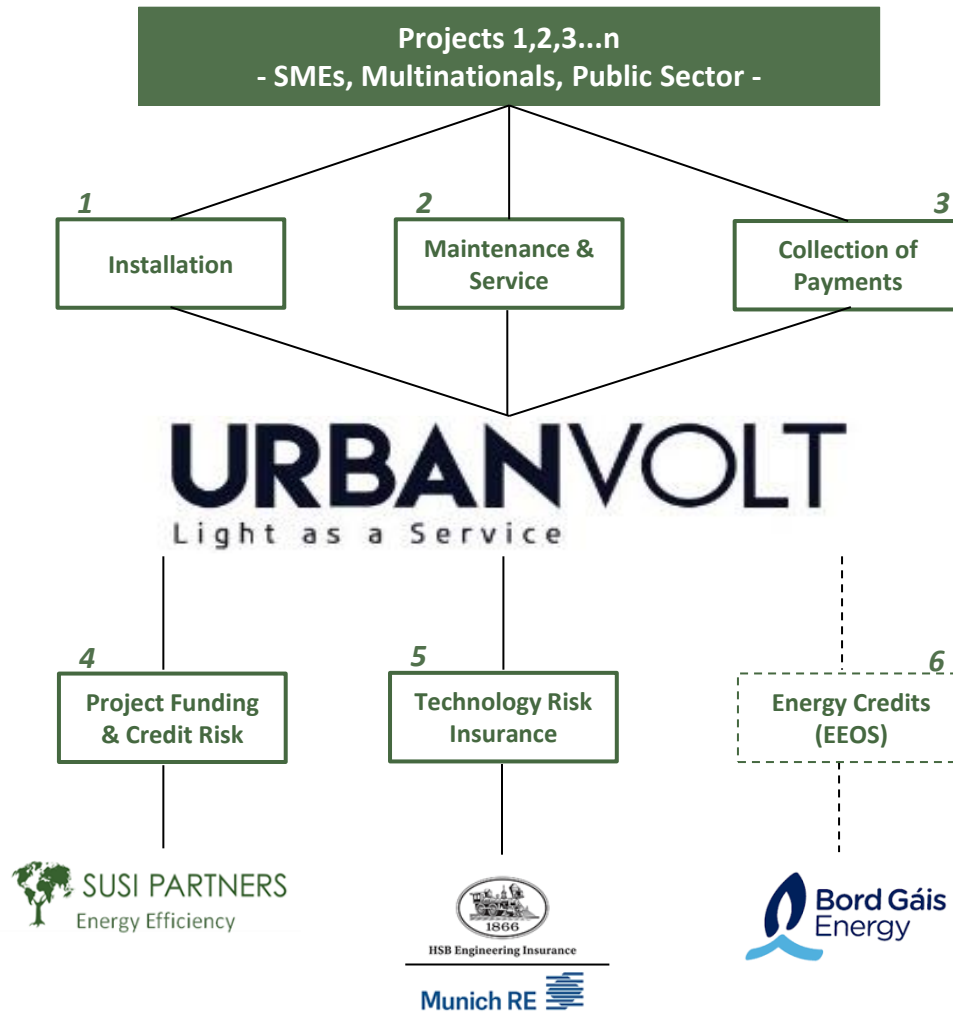
Project Aggregator:



Financier to buy in tranches:



Energy efficiency business model overview: Lighting-as-a-service



Scalability is key to energy efficiency – award winning structure



Conclusions for the energy efficiency industry and policy makers



Standardization & bundling: majority of energy efficiency projects are below 500k. If we are to deploy institutional capital and volume in Europe, standardization of project contracts and bundling is necessary!



Energy efficiency is a service industry: ESCOs must invest more in branding, sales and services and speak a clear language of savings/comfort/service in sales pitches and avoid confusing technical information.



Integrated finance: ESCOs must offer turnkey solutions with integrated financing for energy users - cross-selling financing solutions slows customer decision making and impedes the market. Banks will not solve the energy efficiency market's investment shortfall.



Availability contracts: move to availability only contracts to generate project volume in SME and residential sectors i.e. where project values are relatively low e.g. < €500,000. EPCs are too costly and complicated.



Project contracts: invest in good project contracts - do not leave it to lawyers. Many project contracts lack the brevity and simplicity required to be commercial viable in a scalable way. Often contracts reflect the needs of large-scale projects and are not customised for SME type customers that want to make quick decisions.



Market solutions: EE requires better bottom up solutions – disconnect between ESCOs and Government initiatives/policies. More incentives and penalties needed to push market solutions from the bottom-up.

Thank you!

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