
New Business Models to fuel Growth

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Enabling More

No Subsidy
No Capex Investment
by Consumer

Managing Risks by
overcoming barriers

Pay-As-You-Save

Demand aggregation
Bulk procurement – leverage economies of scale
Transparent operations, outcomes in public domain

**More Efficiency. More Innovations. More Savings. More Productivity.
More Life.**

- Simple and easy to comprehend to ensure high adoption of solutions, creating value for everyone by addressing sector specific barriers
- Availability of future ready solutions that are relevant to all sections of the society – individuals to institutions to Utilities and Governments
- Low transaction cost to enable ease of adoption to ensure scalability and replicability across geographies
- Flexible and technology/ platform/ solution agnostic to drive markets across the value chain – LED bulbs to Solar PV to Electric Vehicles.
- Tangible and lasting benefits (Economic & Social) and encourages all sections of the value chain
- Disseminates performance based outcomes and outputs in public domain to enhance credibility and drive demand

- **Business Models** in the emerging world need to be **innovative, scalable, embrace technology, learn to survive without public funds, incentivise all stakeholders** and **deliver outcomes** in a **time bound** manner
- The **Business case** has to be **simple and easy to comprehend** by all
- **Transaction cost of joining is low** – easy to aggregate demand
- **Compelling rationality** and transparency – enable fast adoption – **effective communication**
- **Value for money** for all stakeholders is essential
- **Standardization** of technology, services and
- **Turnkey implementation** - to seamlessly integrate all the elements

- Pay As You Save (PAYS) business model
- **No upfront investment- Re-payment *from* savings – performance guaranteed *and* failures warranted**
- **Barriers of high first cost *and* comparative end use overcome**
- **Flexible business model** in terms of performance period and accountability
- **Encouraging** all sections of the **value chain** including **social, economic and environment**

- Identify strategic sectors for investments and look for future ready solution
- Take the upfront **risk of investment** and **performance** for end consumers/ users
- **Innovative** risk allocation of **procurement, installation, service and maintenance**
- **Aggregate demand by** including **incentives** for all stakeholders and **bulk procurements** to **leverage economies to scale**
- Passing on the benefits to end users for more demand aggregation- **virtuous cycle**

- **UJALA** – LED bulb programme – over 275 m LED bulbs distributed by EESL in 2 years – private sector sold 300 m in the same time – **market transformation in 2 years – LEDs most preferred lighting source**
- **Street Lights** – More than 4.1 m street lights replaced benefitting over 350 ULBs
- **Fans/ LED Tubes** – Started 4 months ago – 1.5 m fans and 3.5 m LED tubes distributed
- **Ag DSM** – Agreement to replace 1.1 m agriculture pumps signed
- **Municipal Water/ Sewage Pumps** – over 150 cities energy audit work started
- **Buildings** – Agreements with large government facility owners signed – more than 6000 buildings aggregated

- **E-Mobility** – Procurement of 10,000 e-vehicles started
- **Smart Meters**- Procurement of 5 m smart meters under process
- **Super Efficient AC** – Programme initiated – target buildings, institutions and B2B markets – orders placed for 100,000 ACs
- **Solar Street Lights** – Work on installation of over 400,000 solar street lights in remote rural areas underway – grant funded by Government
- **Solar Study Lamps** – Programme for providing solar study lamps to un-electrified households under a grant programme initiated – over 7 m lamps to be distributed
- **Solar Agriculture Pumps** – Pilot project for 40,000 solar agriculture pumps initiated

- **UK**
 - Operations started – 7 ESPC acquired – revenues started to come in
 - UJALA launched by Minister of Power in UK – target 100 million in 3 years
 - Building EE project started in Indian High Commission
 - Pipeline of projects worth investments of Pound 100m identified
 - Process for selection of partners started
- **Canada**
 - Investment in Battery Storage being finalised
- **Other Locations**
 - LED programme initiated in Malaysia
 - South Asia – agreement for supply of 20 m LED in Nepal
 - Technical Assistance to Saudi Arabia

Challenges	Strategy to overcome
Lack of capacity and understanding about EE	Development of a product and business case that is simple and easy to understand - UJALA
Monitoring and Verification	Demonstrated and deemed savings approach with stress on service delivery – Street Light
Lack of awareness	Strong awareness campaigns with stress on individual savings; action oriented campaigns 'ILEDTHEWAY', disseminating best practices Mobile apps (UJALA/ SL)
Project structuring and financing	Risk mitigation by deemed savings Developing annuity model linked to SLAs and not energy savings Payment security measures – LCs/ ESCROW
Inadequate capacity of service providers/ manufacturers	Regular engagement with Manufacturers/ service providers with advance information of project requirements Training and capacity building
Lack of political capital	Inauguration/ launch by high level political dignitaries

Thank You

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