

eQuad

Sustainable Energy Asset Evaluation and Optimisation Framework (SEAF)

Joule Assets Europe

SEI Forum Sofia

28/06/2018

Company Offering

Joule Assets Inc.

- Based out of New York, offices in London and Italy
- Began as a financial fund manager of Energy Reduction Assets (ERA)
- Today acts as conduit for finance in Europe, a project developer and financier in the US
- Project coordinator of SEAF H2020 funded project
- Forwards policy: Board Member and Chair of Smart Homes and Buildings Committee at SmartEn association in Brussels





Bridging the Finance Gap

The SEAF project was funded by the European Commission has developed eQuad

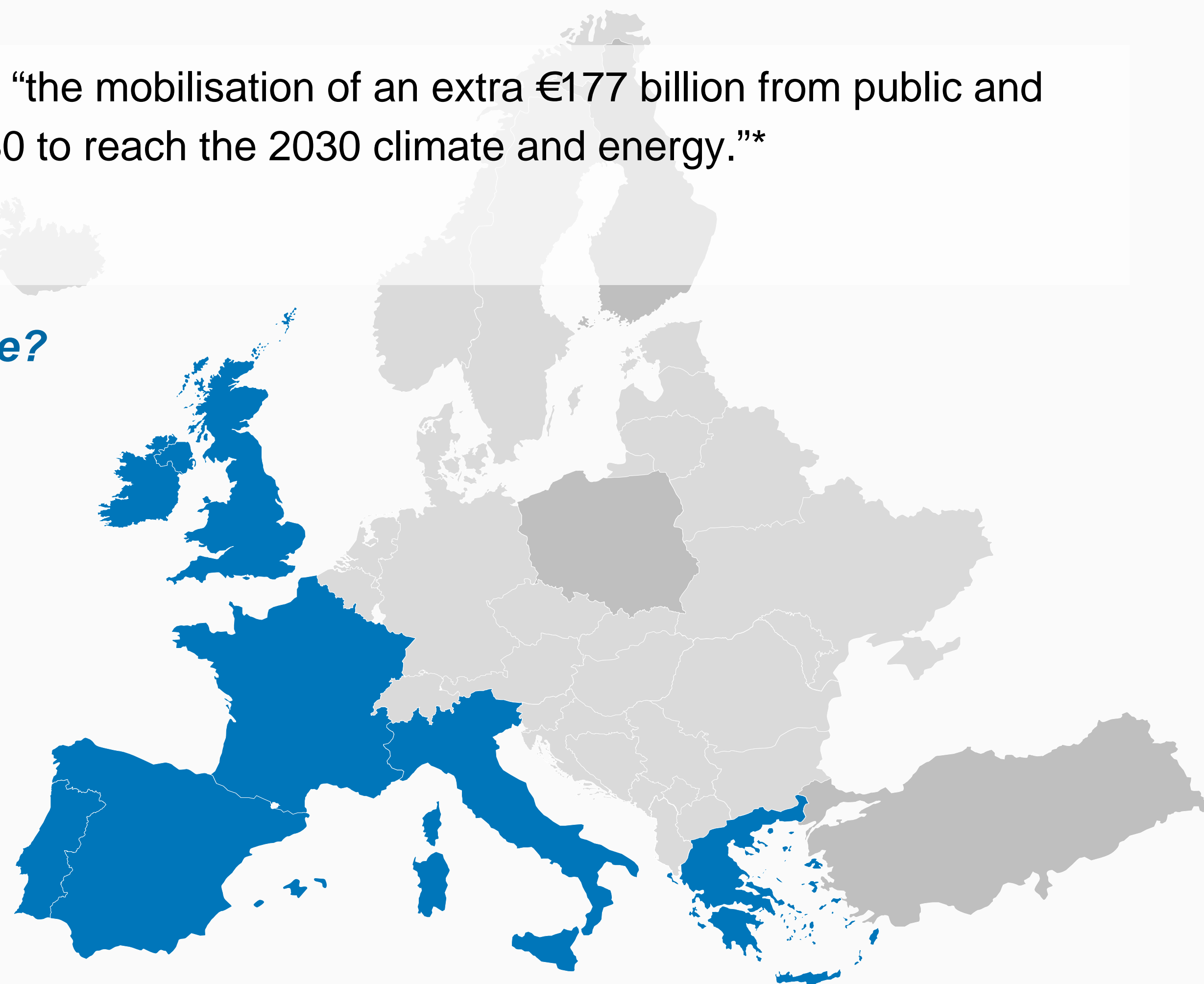
- Budget: 1.7 million euros
- Duration: 24 months
- H2020

The eQuad platform: The EU Commission estimates that “the mobilisation of an extra €177 billion from public and private investment sources is needed **annually** from 2021 to 2030 to reach the 2030 climate and energy.”*

What if ALL viable projects successfully accessed finance?

- **Fund managers:** successfully finance only 5%-15% of all projects reviewed – representing a significant upfront cost and reduction of profits
- **Project developers:** often self finance their projects or use bank loans due to perceived difficulties in accessing appropriate finance

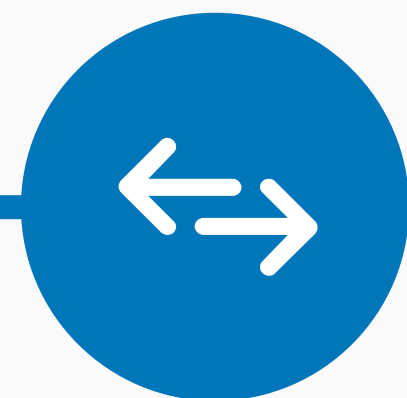
**eQuad active today in:
Italy, UK, Ireland, France, Greece,
Portugal, and Spain**



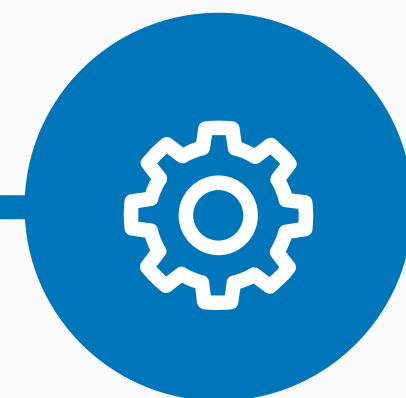
The Journey: Project Developer

A project's journey toward finance

We help ESCOs, engineering firms, and construction companies across Europe access appropriate project investment by providing third-party valuation, performance insurance, project certification, and due diligence that facilitate and expedite funding for energy efficiency projects.



VALUATION



CONTRACT
DEV.
SUPPORT



STANDARDISATION



INSURANCE
QUOTATION



INVESTOR-PROJECT
HANDSHAKE

Results for Investors

- **Lowered project processing fees**
- **Vetted, viable opportunities**
- **Risk mitigation:** Meet the fund's financing requirements
- **Due diligence:** Have had technical due diligence preformed by accredited ICP rep.
- **Insurance:** Have the option of a insurance quotation for performance insurance
- **Standard Contracts:** Can be structured according to the fund's contractual requirements

Investor Journey



eQuad launched Feb. 2018

eQuad project developers

eQuad Investor Network



*A partial list

ESCO Current Practice

Project pipeline

- €200 million in pipeline (due diligence not yet performed on all projects)
- Pipelines per ESCO of between €300k and €2 million
- Deployable within 2 years
- Single projects below €500 thousands (most €100-€300 thousands range)

Project types

- Standard: Energy Efficiency for processes, heating, cooling, lighting
- Energy Management: heating, cooling, industrial processes
- Spread between pure EE and RES
- Residential sector showing great potential



ESCO finance needs

The key to growth is not technical it is contractual!

Innovation in deal structure:

- Umbrella contracts to bundle projects with equal capabilities
- Clear risk mitigation strategies which fits their projects/profile
- Performance risk mitigation through performance insurance
- EPC contracts: off balance sheet and performance based
- SPV structures: Align requirements between projects

Technical criteria:

- Portfolio appropriate rates
- Project appropriate duration
- Partnership



Investor requirements

Main criteria:

- Strong project pipeline to pay for upfront engagement
- Credit worthiness of end-client
- Credit worthiness of the ESCO
- Low payback time (3-7 years depending on technology type)
- Longer payback time may be accepted for larger projects with higher returns (in the millions)
- Robustness of the project design
- Project investment is part of ESCO's core growth strategy



Case studies: Successful project types

Country France
 Structure EPC
 Consumer Industrial
 Technology HVAC, water heating, improved equipment processes
 Portfolio size € 2m
 Project size € 500,000 k
 IRR 14%
 Payback time 4 years



Country Italy
 Structure EPC, debt
 Consumer Public
 Technology Lighting, chiller
 Portfolio size €1,2 m
 Project size € 300-400 k
 IRR 14.3%
 Payback time 6 years

Country Italy
 Structure EPC
 Consumer Res. apartments
 Technology Boiler, thermo-valves
 Portfolio size € 1m
 Project size € 45-55 k
 IRR 15.5%
 Payback time 3.5 years



Thank you!

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