

VARIATION A.1

Building type	Commercial building Public Building Residential Building
Occupation model	Individual
Type of DR	Implicit
Owner/Tenant relation	Owner occupier
Financing	ESCO Financing

In this generic AEPC Business Model, an ESCO delivers an AEPC service, consisting of guaranteed energy cost savings - based on energy efficiency and (renewable) energy supply measures and active control of flexibility – to an end customer. The beneficiary is typically the owner-occupier of a commercial, public or individual residential building, who will reimburse the ESCO for the energy efficiency investment through an annual payment, including interests and a periodically calculated payment based on the cost savings that are being generated via the flexibility. The ESCO, in turn, provides maintenance and other services (e.g. energy management, energy monitoring) against a periodical operational fee.

In this generic Business Model, the ESCO also provides pre-financing of the Energy Efficiency and DR investments, which are being reimbursed by the owner over the duration of the contract, sometimes over a shorter or longer period. The ESCO would typically refinance itself for the investment through a financier, that is typically also a financial institution or an investment fund.

The customer may hire the services of a facilitator to accompany him/her throughout the project with expert advice, against the payment of a facilitation fee. Some customers will consider this facilitation fee as a sunken cost (i.e. that will anyway need to be paid). Others will integrate this fee in their business case, meaning that they will ideally also want to recover them via the savings. Facilitation fees could be spread over the contract period or pre-financed by the Facilitator, although this is not at all common today.

