

The Global ESCO Network Super ESCO The Canadian experience



sofiac

energy performance



The context

Canada as a rich country promoted the use of energy efficiency for many years

- > Regulatory framework that allows the use of Performance contracting
- > Presence of important subsidies in most provinces
- > Vast energy efficiency technical experience
- > Strong presence of experiences ESCOs, mainly working in the public sector (95%)
- > 40 years of experience in the use of EPC (federal and provincial programs)



The context

Still...

- > No presence of adapted financing mechanisms for EE projects
- > No real EPC market in the private sector
- > Private sector clients focusins on short term payback projects (less than 3 years)
- > Difficulties for the ESCO market to penetrate the private sector

Creation of the first Super ESCO in Canada in 2021 with the mission of



Promote an effective energy transition to the benefit of businesses, the government, and the economy



Increase the profitability and competitiveness of businesses by reducing energy consumption costs



Fight against climate change by reducing greenhouse gas emissions

**An
innovative investment
solution that
accelerates the energy
transition
and decarbonization
of Canadian
businesses**

Equity partners



Debt partners



Managed jointly by



With the financial support of



**SOFIAC develops, invests in, and manages
deep energy retrofit and decarbonization projects
to the benefit of Canadian businesses**



Commercial
sector



Industrial
sector



Multiresidential
sector

The offer

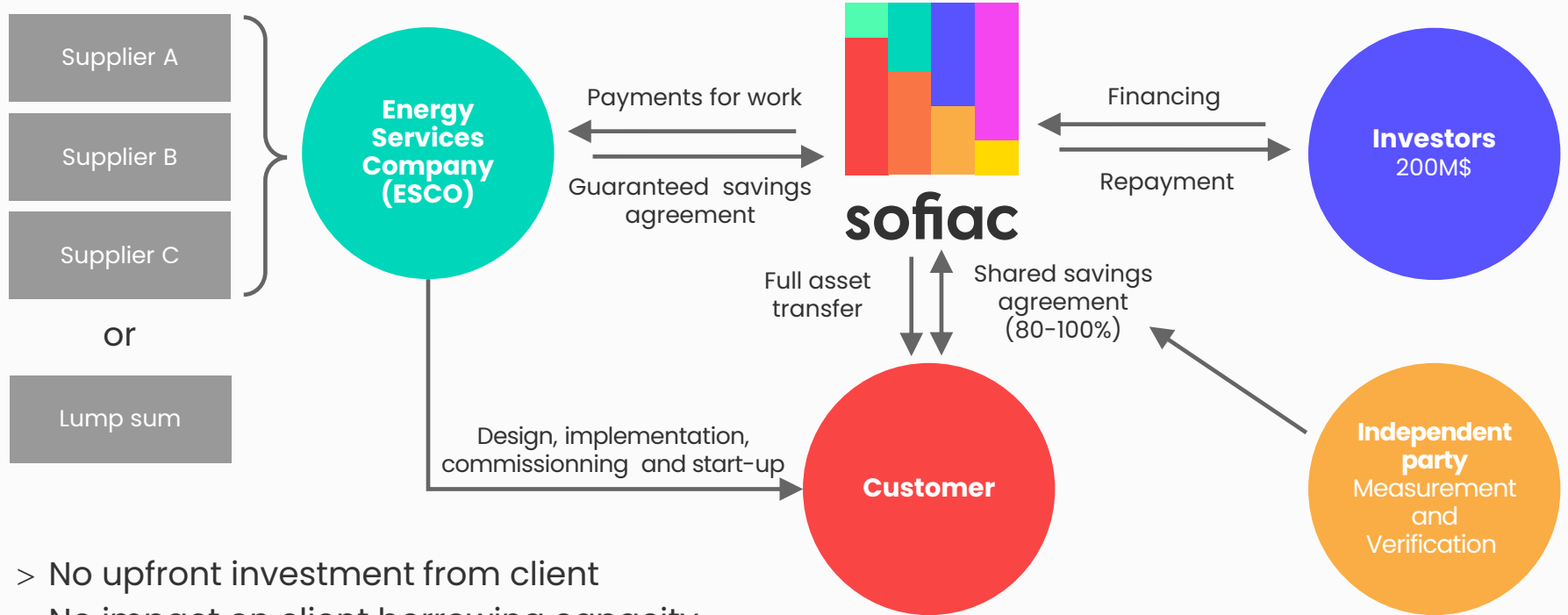
Self-funded projects paid only through a share of the demonstrated savings

- > **No investment** needed
- > **Turnkey projects**
- > Technically and financially **risk free**
- > **10-to-15-year** contractual arrangements
- > Structured as a non recourse **subordinated debt**
- > Available **across Canada**



Enabling the achievement of ESG goals

An innovative structure



- > No upfront investment from client
- > No impact on client borrowing capacity
- > Contractual agreement of 10-15 years
- > Technical, financial and operational risks taken by SOFIAC

Partner with renowned and experienced ESCOs committed to delivering excellence and results

AECOM

 **AINSWORTH**

BaulinE
Le souci des gens et des bâtiments

c·nergie

 **ecosystem**

 **ENERGERE**
SOLUTIONS ÉCONÉRGÉTIQUES

 **EQUANS**

Honeywell

**Johnson
Controls** 

SIEMENS

 **TRANE**

MCW 

SOTECK clauger 


carmichael
Experts in thermal systems

 **sofiac**
energy performance

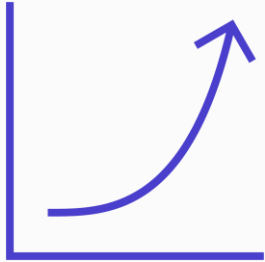
Agnostic to all technical solutions



Potential technical solutions

- > Lighting retrofit
- > Efficient motors and pumps
- > Variable drives
- > Heat recovery
- > Chiller plant retrofit
- > Thermal storage
- > Aerothermal and geothermal energy
- > Control system
- > Electrical peak management
- > CO2 refrigeration
- > Passive solar technologies
- > Fuel switching to cleaner sources

Positive financial impacts for clients



- > **Optimization** of all **available subsidies**
- > **No impact** on corporate **financing operations**
 - Non-recourse, long-term junior debt
- > **Reduced future CAPEX needs**
 - Acceleration of replaced assets without any investments

**Positive cash flows from day one
and for the whole contract duration**

Additional positive impacts



Finances

Improve competitiveness

Reduced operating costs

Increased property value



Certifications

ISO 50 001

LEED EB

BOMA Best



ESG

Important Decarbonization

Net-zero objective

Other potential benefits (HFC and ODS reduction)

Updated impact

- > Projects under implementation: **6**

Example:



- > Total implemented project value: : **64M\$**
- > GHG emission reduction:
 - > **13 700 tCO2/year**
 - > **Over 50%** of decarbonation of clients sites

Current pipeline: **over 150M\$**



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