



Coalition of Energy Services Associations (**CESA**) **is a non-profit organization** founded by three key Jordanian associations performing a critical role in the energy sector in Jordan; Jordan Green Building Council (**JGBC**), **EDAMA** for energy, water and environmental solutions and Renewable Energy Establishment Society (**REES**), aiming to impact the energy sector in the region through working hand by hand with all of the sector's stakeholders including **energy service providers (ESPs), energy consumers, the government, the investors, the donors and the financing firms.**



ESPs and ESCO Models

In recent years there has been an increased interest in the provision of energy services to achieve energy and environmental goals.

In particular new companies providing energy services to final energy users, including the supply and installations of energy efficient equipment, and/or Renewable energy.

What distinguishes new Energy Service Companies from the traditional energy consultants or equipment suppliers is the fact that :

- their remuneration could directly tied to the **energy savings achieved**.
- they can also **finance or arrange financing** for the operation

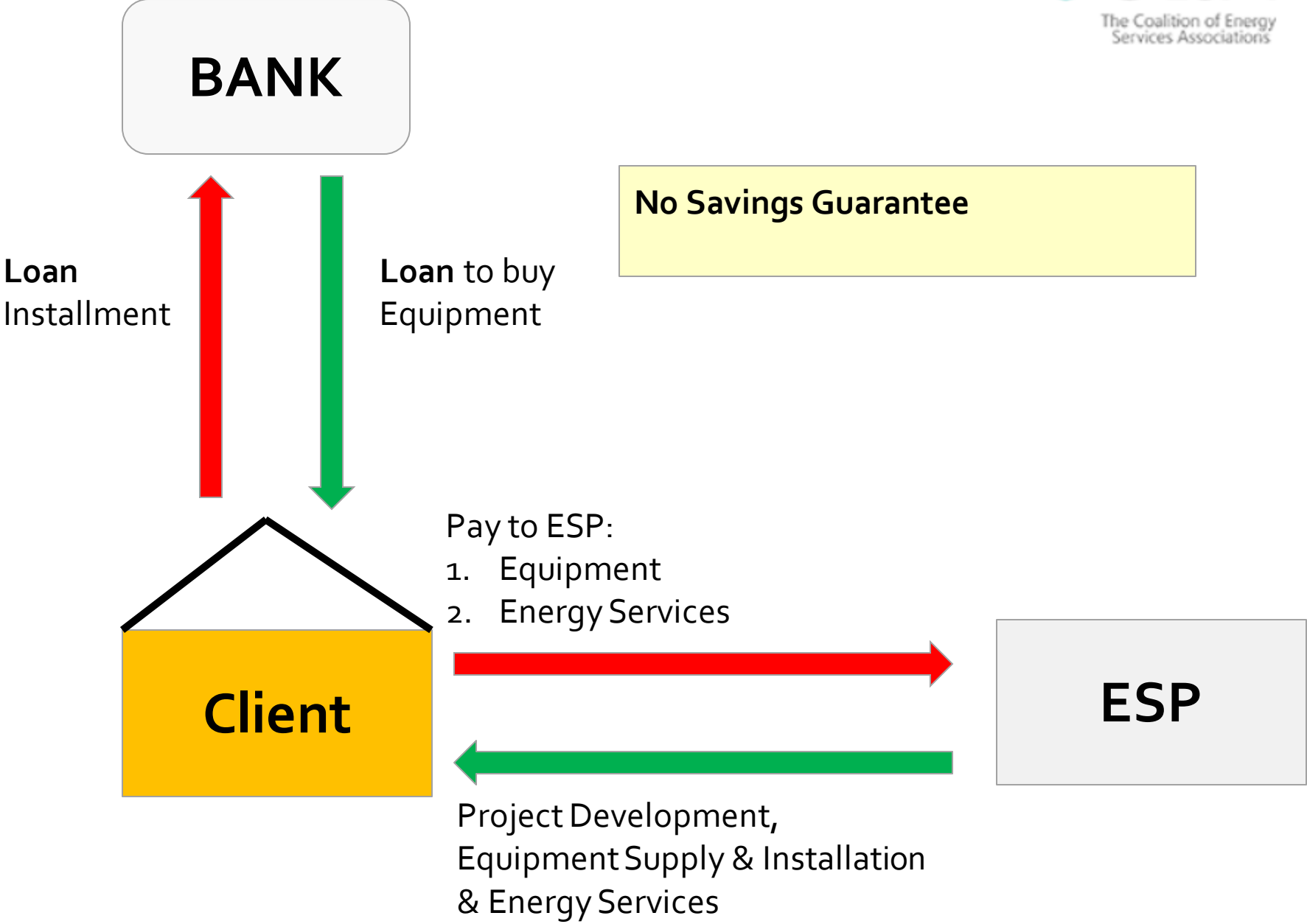
They are classified as ESCO Energy Service company or ESP Energy Service Provider company.



ESP Model Energy Services Provider Company

- ESP **does** the service.
- ESP **supplies equipment**
- **Client fully pays** ESP for Equipment and Services (Self financed or Bank Financed)
- **No Risk on ESP, No saving guarantees** to client.

ESP Model





ESCO works
on ESPC

What is an ESPC?

Energy Service Performance Contracts (Also Referred to as Energy Performance Contracts)

An ESPC or EPC is a financial mechanism used to **pay for today's facility upgrades with tomorrow's energy savings** – without tapping your organization's capital budget. An ESPC/EPC constitutes a partnership between a facility owner and an energy service company (ESCO), and is considered a time and cost-effective method for completing comprehensive energy.

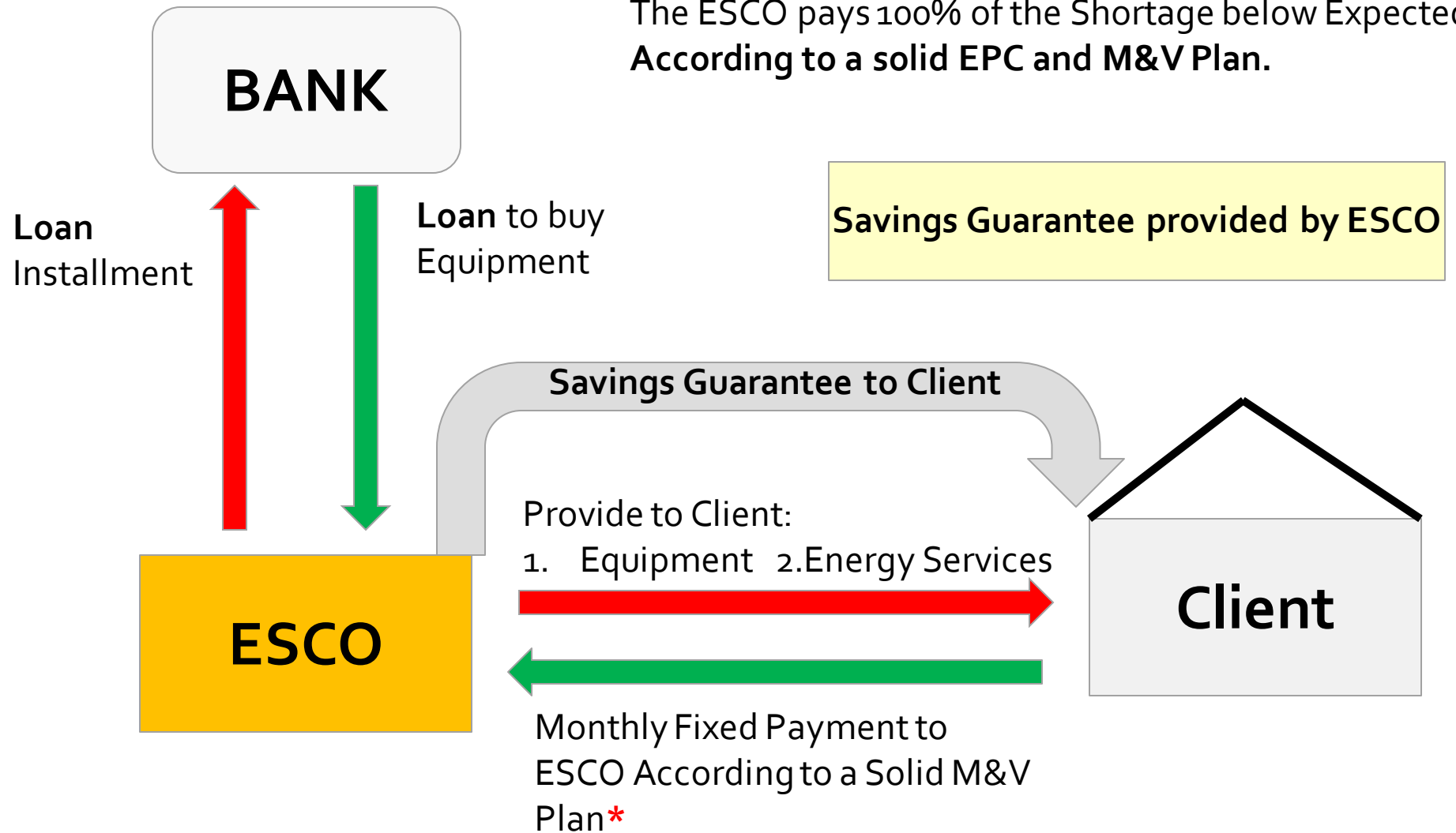


ESCO Models

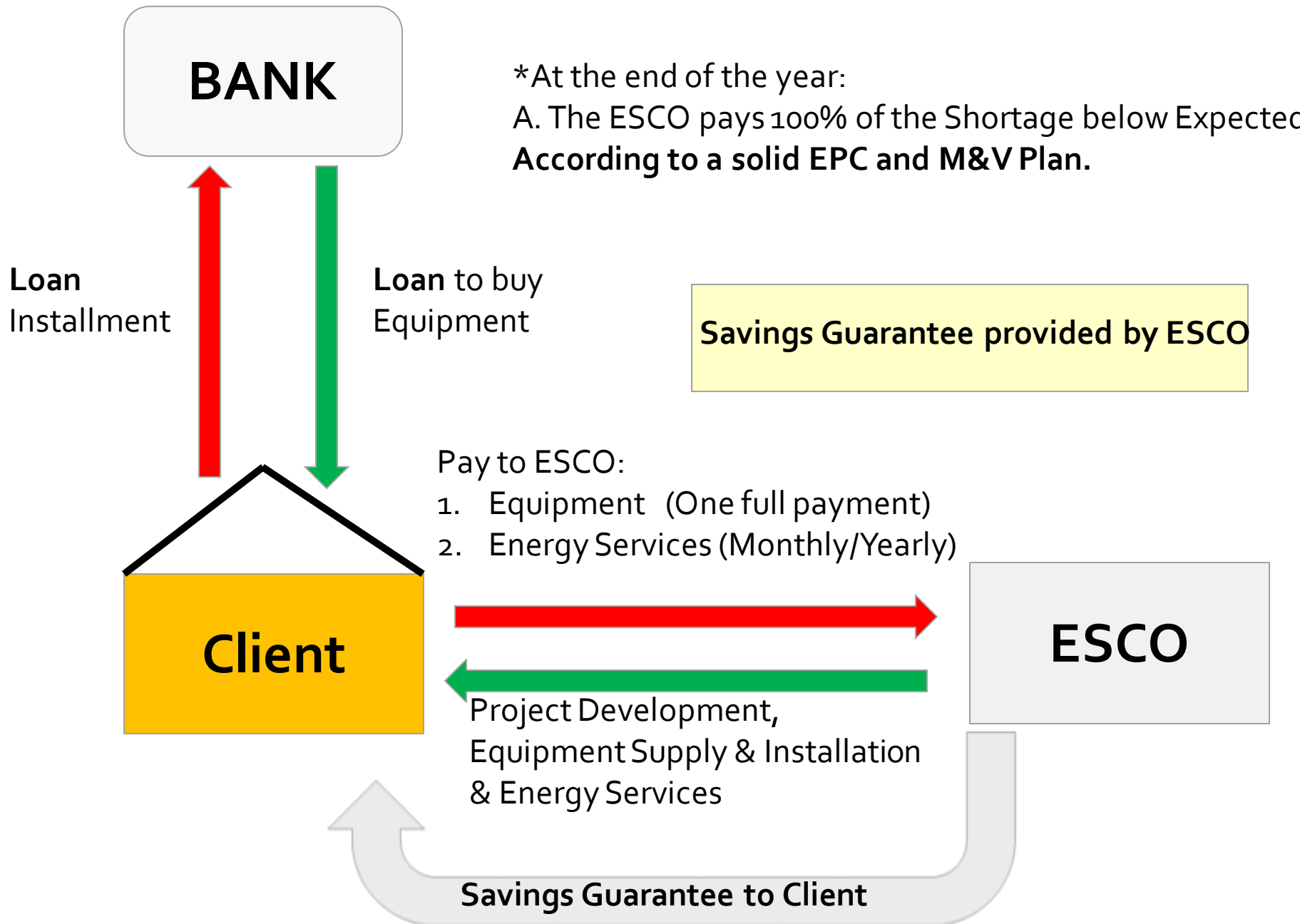
- **Model 1:** ESCO get financed
- **Model 2:** Client get financed

ESCO Model I

*At the end of the year:
The ESCO pays 100% of the Shortage below Expected
According to a solid EPC and M&V Plan.



ESCO Model II





The Advantages of an ESPC/EPC:

- Pay for facility upgrades now with future energy and operational savings
- Low interest financing options often are available, including tax- free municipal leases, which are considered “non-appropriated funds”
- The ESCO represents a single point of accountability, simplifying the upgrade process significantly
- Select an ESCO based on the best value, not necessarily the lowest bid
- The building owner participates in equipment and subcontractor selection
- Annual energy savings are measured and verified according to the International Performance Measurement & Verification Protocol (IPMVP)
- Guaranteed project cost, energy and financial savings, and equipment performance



Financing opportunities in Jordan

Central Bank of Jordan (CBJ) allows banks to use money allocated to the energy sector against low interest rates

Banks also offer renewable energy loans in collaboration with the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF) to finance renewable energy and energy saving products. JREEEF will pay the loans interest fees, allowing the beneficiaries to take advantage of the loans at zero interest.

Loan Beneficiaries:

- Individuals (Domestic/Home sector)
- SMEs and Tourism Projects
- Governmental Buildings