

SPECTRO'S "ESCO" BUSINESS MODEL

It is generally found that many Industrialists have a requisite to save energy but are not willing to put in investments in Capital Equipments. Keeping this in mind, **SPECTRO** in association with **RENCO TECHNOLOGIES PVT LTD** has introduced the concept of '**Energy Savings Company (ESCO)**' **Business Model**, with an objective that both the Technology Provider and the End User come up with a Win-Win Situation & simultaneously they may also benefit from the revenue stream generated by '**Carbon Credits**' which will help to reduce the Financial Liability of the project.

An **Energy Services Company (ESCO)** is an Organization thus formed is one that Designs, Implements and Finances Energy Efficiency and Energy Conservation Projects on behalf of its clients on a guaranteed performance basis.

OUR MISSION

We guarantee the amount of energy savings through an "**Energy Performance Contract**" and tie up its Remuneration/Returns to the quantum of Energy Savings achieved. We offer services such as Finance or arranging Finance for the operation, through **ESCO**.

To accelerate the use of
Green Energy (Renewable Energy & Energy Efficiency) Technologies for Small, Medium & Large Industries or Corporates in India & other developing countries using ESCO Model, for the reduction of Global Warming & promotion of Sustainable Development

Principles of **ESCO** Business Model

- Need to establish the Capital Equipment Cost
- Workout the quantum of Energy Conserved using Energy Efficiency/Waste Heat Recovery System (on a conservative basis)
- Identify constraints & bottlenecks for achieving the Energy Saving Potential
- Establish & agree on the Manpower requirement for performance and monitoring of EE/WHR System & also for O&M activities
- Agree on the comfort level of Equity Contribution by the Process Industry towards the Total Project Cost (for installing EE/WHR System)

- ✓ About SPECTRO
- ✓ India's Energy Requirements
- ✓ Energy Savings Potential
- ✓ What is an ESCO?
- ✓ Services Offered by an ESCO
- ✓ Advantages of ESCO Business
- ✓ Principles of ESCO Business Model
- ✓ ESCO's Fincial Viability

Services Offered by ESCO include:

- Feasibility Studies and Analysis
- Engineering Designs
- Providing or Arranging Financing
- Project and Construction Management
- Purchase and Installation of Equipment
- Training
- Maintenance of Efficiency Measures
- Monitoring of Project Performance
- Administration Services

SPECTRO's ESCO provides single point solution to realizing 'Energy Efficiency' by assuming financial and performance risk and providing guaranteed savings to its clients.

ESCO's Financial Viability

- Reduction of Fossil Fuel use
- Increases Process Efficiency and thereby improving the quantum of output (for a given volume of fuel)
- Enables Increased Productivity
- Additional Revenue potential from CERs / VERs / ESCs

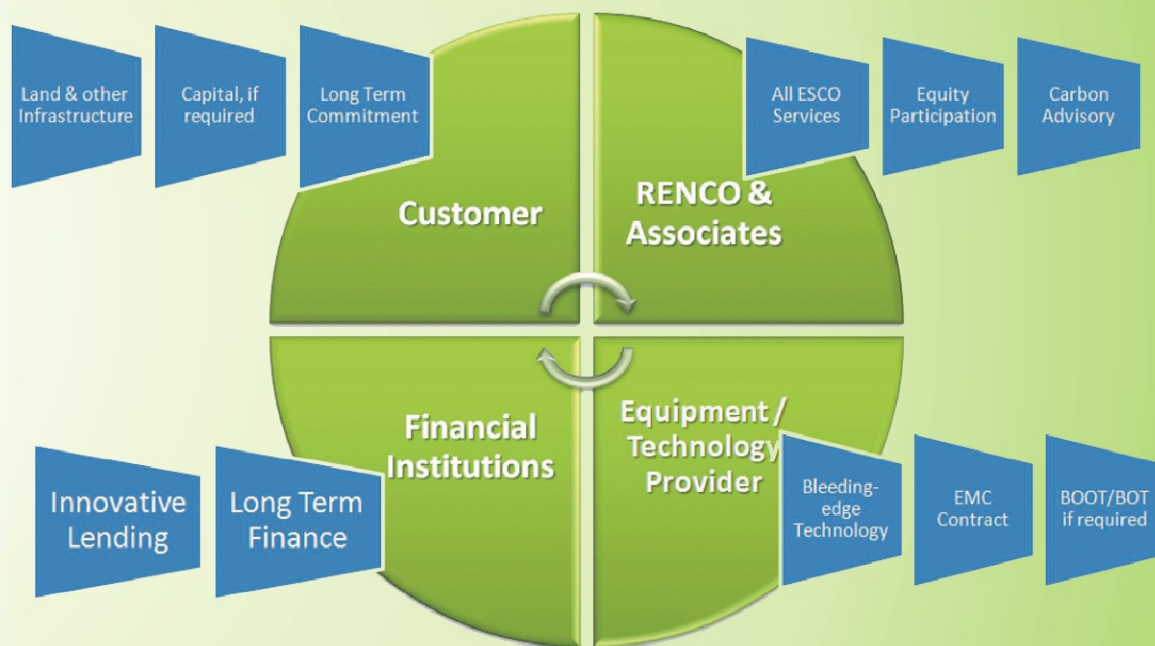


Industry	Energy Saving Potential
Iron & Steel	10%
Fertilizers	15%
Textiles	25%
Cement	15%
Chlor-Alkali	15%
Pulp & Paper	25%
Aluminium	10%
Ferrous Foundry	20%
Petrochemicals	15%
Glass & Ceramics	20%
Iron & Steel	10%

Basis of ESCO Financing Model

- Returns must be commensurate for the Financial Investor/Institutional Lender for Energy Efficiency/Waste Heat Recovery Project
- Requires a high degree of commitment by both the Technology Provider/Capital Equipment Supplier & the Service Provider (**SPECTRO**)
- Requires serious commitment by the Process Industry towards the Project Activity

ESCO Project Stakeholders



Advantages of ESCO Biz Model

- Reduction of Fossil Fuel Consumption
- Potential for generating Carbon Credits (**CERs** or **VERs** or **ESCs**)
- Increases Process Industries Profitability & also its Share Value
- Enables the Process Industries to retain long term Employees & attract quality new recruits
- Offers a win-win-win proposition for the Process Industry, the Technology Provider & the Service Provider
- A Biz Model tried, tested & well-proven in the Industrialized countries & now being introduced in India, as a result of enormous increase in fossil fuel prices / prevailing power outages

ESCO – Savings with Third Party Financing



ACCREDITATIONS/CERTIFICATIONS/RECOGNITIONS/APPROVALS

- NABL per ISO-17025
- ISO per 9001 - 2000
- Ministry of Environment & Forest
- State Pollution Control Boards (Haryana, HP, Orissa)
- NPC (Environment Division)
- WAPCOS
- Bureau of Indian Standards
- R I T E S
- Rail Tel corporation of India
- Airports Authority of India
- Director General of Civil Aviation
- Delhi Metro Rail Corporation Ltd
- R. D. S.O
- World Food Programme
- Bureau Veritas
- D G S&D
- G A I L
- Ministry of Defense

A Leading Analytical Laboratory of India

ISO-9001-2000 Certified and Accredited by NABL



SPECTRO
Analytical Labs Limited

E-41, Okhla Industrial Area, Ph-II
New Delhi-110020 (India)
Ph: 91-11-41611000, 26383048
Fax: 91-11-40503150/51
E-mail: cdm@spectro.in
URL: www.spectro.in