CaaS

Cooling as a Service
Refresh the planet

Cooling as a Service: Scaling up demand for energy-efficient cooling

Presented by:

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BASE
Driving investment in sustainable energy

KIGALI
COOLING EFFICIENCY PROGRAM

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The Opportunity

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Opportunity



Significant investments in cooling systems upcoming

Market of 6.9 trillion USD over next 30 years (230 billion USD/year) that could be channeled to green markets

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The Challenge



Cooling demand is rising dramatically

Cooling demand will triple by 2050 , from 10 to 30% of global electricity consumption (= China‘s electricity use today)

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The Challenge

Investment decision is sensitive to purchase price



EE cooling systems have a higher CAPEX and a lower OPEX than conventional systems. Traditional market conditions favor the acquisition of less EE technologies.

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The Solution
Cooling as a Service (CaaS)

CaaS

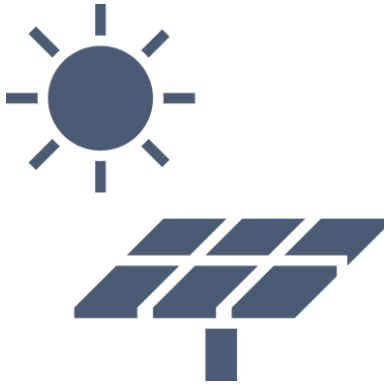
CaaS Solution

Servitization in other sectors



Xerox

Instead of purchasing copy machine, client pays per copy



Solar PPA

Instead of purchasing solar panel, client pays per kWh



Philips Lighting

Instead of purchasing light bulbs, client pays per hour of lighting

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CaaS Solution

The Lab
Driving Sustainable Investment

Endorsed by the Global Innovation Lab for Climate Finance as one of 2019‘s most innovative financial instruments

- **Servitization** model
- **Providers own** equipment
- CAPEX to **OPEX**
- Aligns incentives for **efficient production** (provider pays electricity) and **efficient consumption** (pay-per-use)
- Makes **lower life-cycle cost** of efficient cooling tangible
- **Capitalization** of CaaS providers (SPV, sale-leaseback)

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CaaS Solution

Key actors involved



Clients



Technology Providers



Banks / Investors

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Advantages for customers

- No capital expenditure
- Service is off-balance (operating expense)
- No more performance risks
- Full out-sourcing of cooling service
- Customer can focus and invest in core business

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CaaS Solution



Advantages for technology providers

- Increase demand for energy efficient solutions
- Expand pool of clients
- Become front-runner to implement servitization models (new trend)
- Increase revenue by selling outcome (cooling) to customers instead of selling equipment and parts

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Advantages for banks and investors

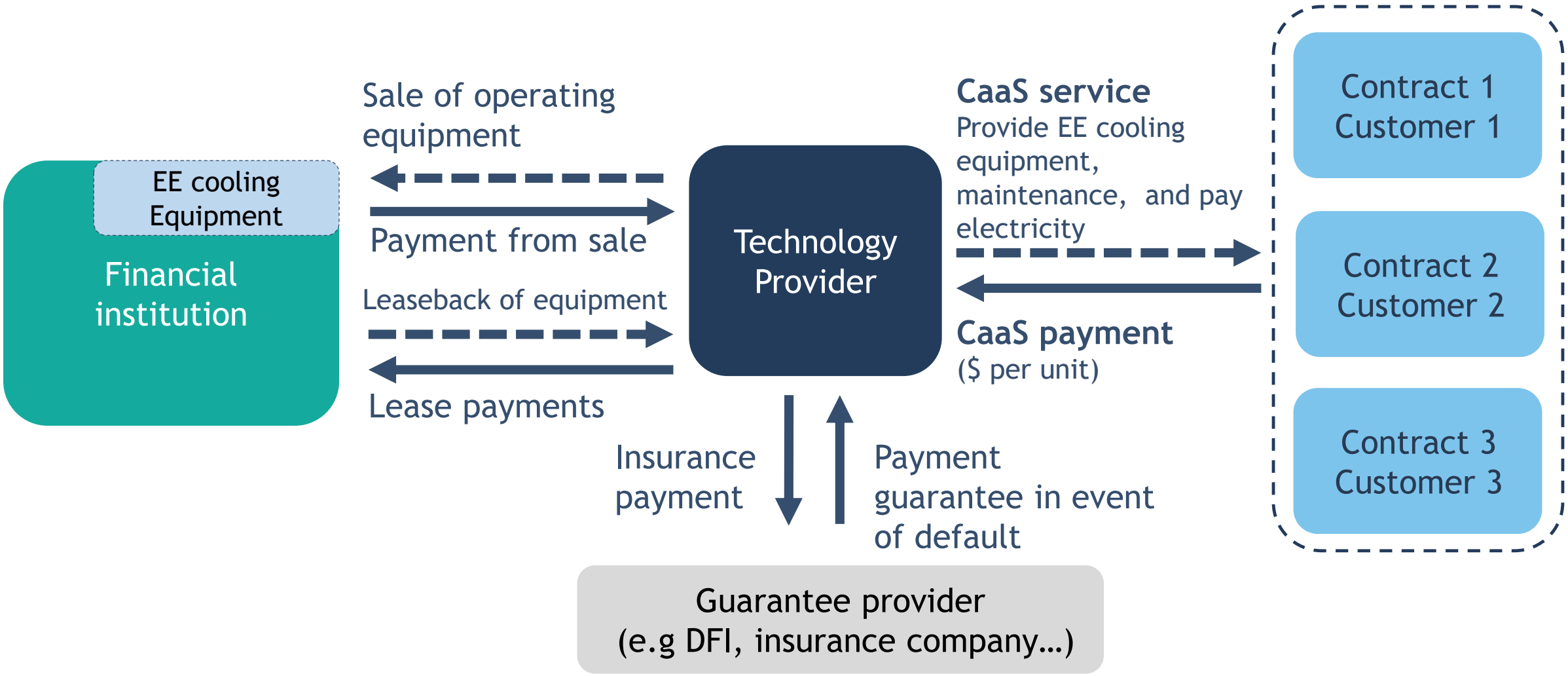
- Opportunity to place green funding
- Increase demand for green funding (Technology providers expand their pool of clients)
- Become front-runner to finance servitization models (new trend)
- Investing in assets generating cashflows

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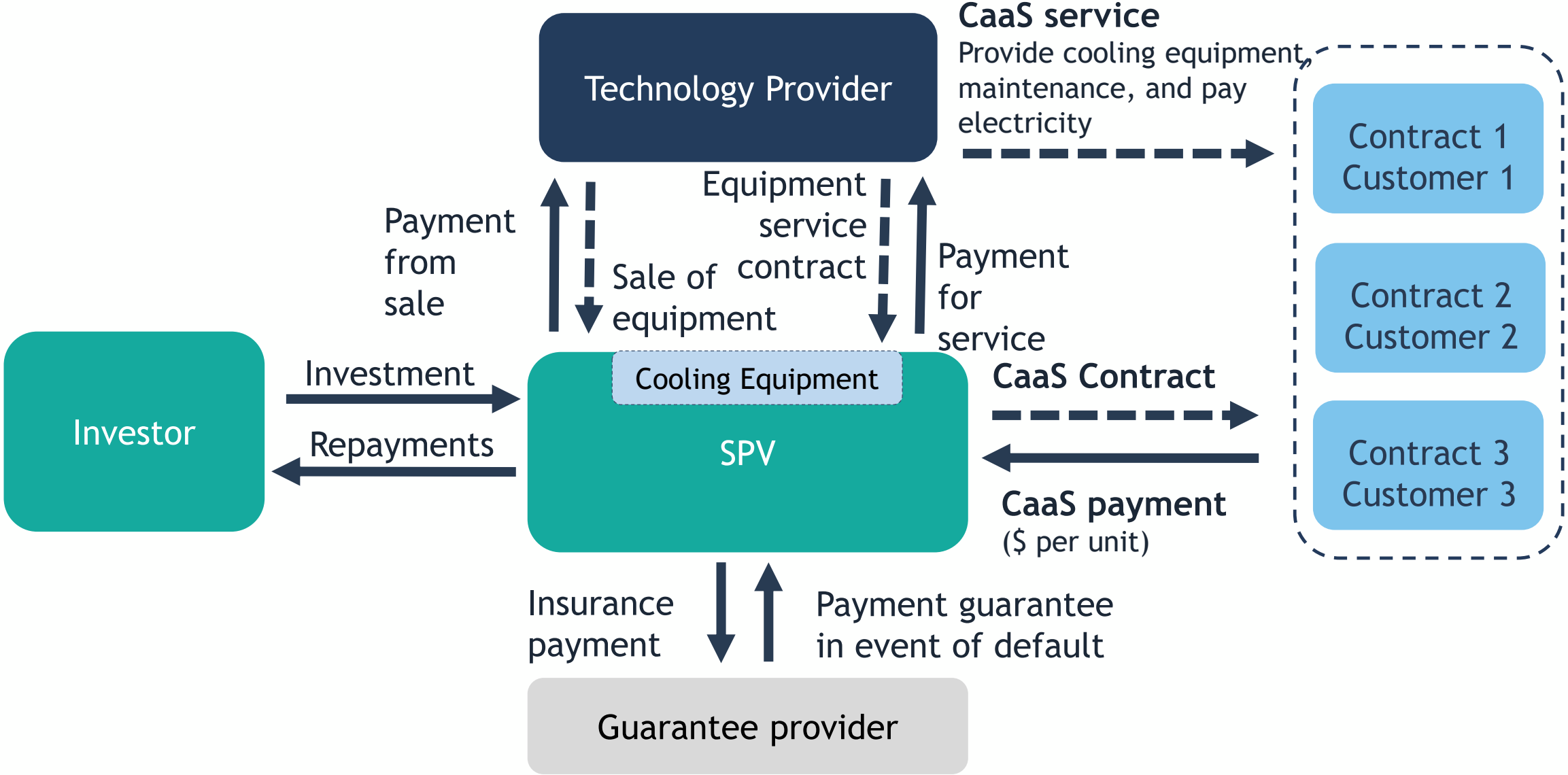
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How it works

Possible financial structure 1
Sale and leaseback



Possible financial structure 2
Special Purpose Vehicle (SPV)



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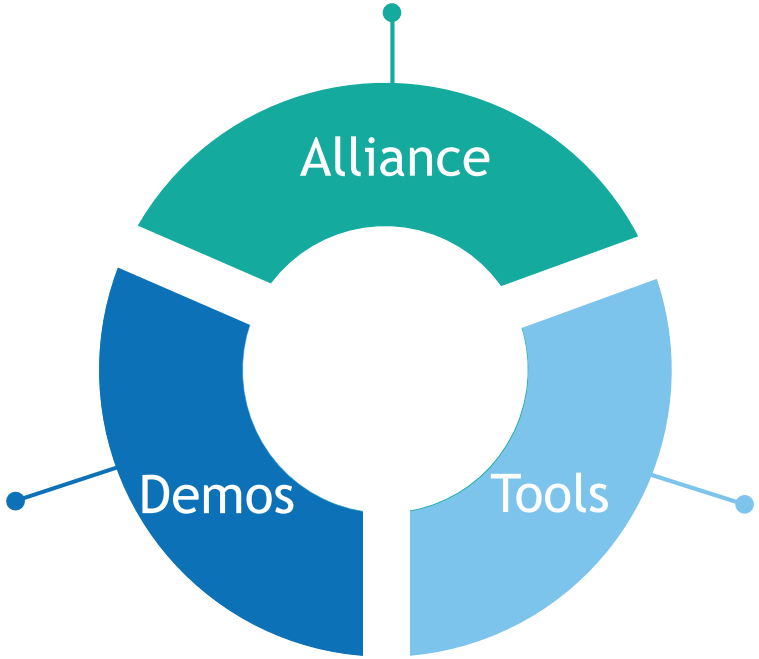
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About the CaaS Initiative

CaaS

Current status

Institutionalize CaaS globally:
Partnerships with technology providers, clients, investors, associations and networks



Pilot projects:
India, South Africa, Dominican Republic, Jamaica

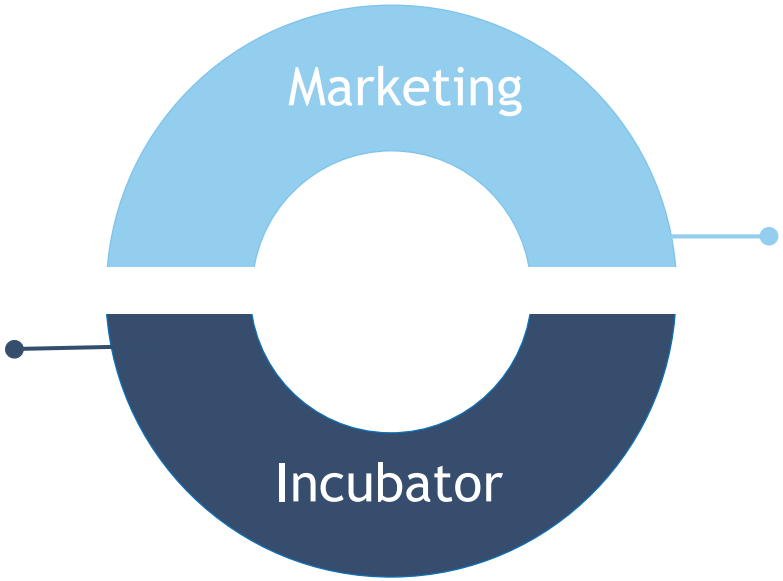
Standardize mechanisms:
CaaS contracts, Pricing models

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Next steps

We have received more funding to scale up our activities.
CaaS Initiative Phase 2:

Technical assistance for firms and projects to implement CaaS



Roadshows,
Matchmaking events,
Media publications

CaaS

Alliance

Join the alliance!



Gathers investors, banks, technology providers, networks and international organizations to:

- Implement the model in different sectors and regions.
- Spread the word about the model
- Build capacity

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CaaS Initiative:

www.caas-initiative.org

Basel Agency for Sustainable Energy:

www.energy-base.org

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