



*Vision for Energy Efficiency in India*  
**Role of Energy Service Companies**

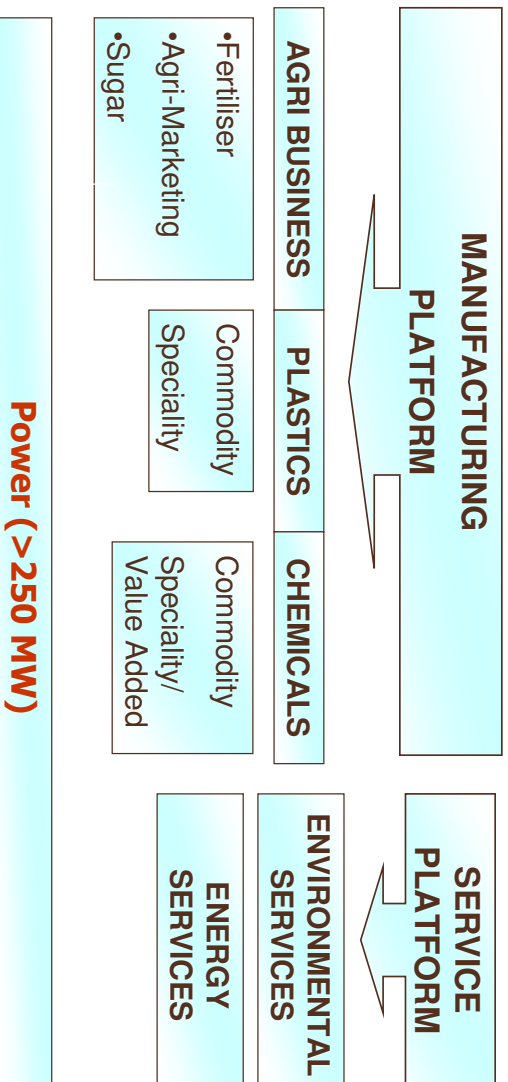
Presentation by  
**DSCL ENERGY SERVICES CO LTD**  
New Delhi

at  
8<sup>th</sup> Non-Fossil Energy Summit  
26<sup>th</sup> November 2008, New Delhi  
Organized by  
India Energy Forum



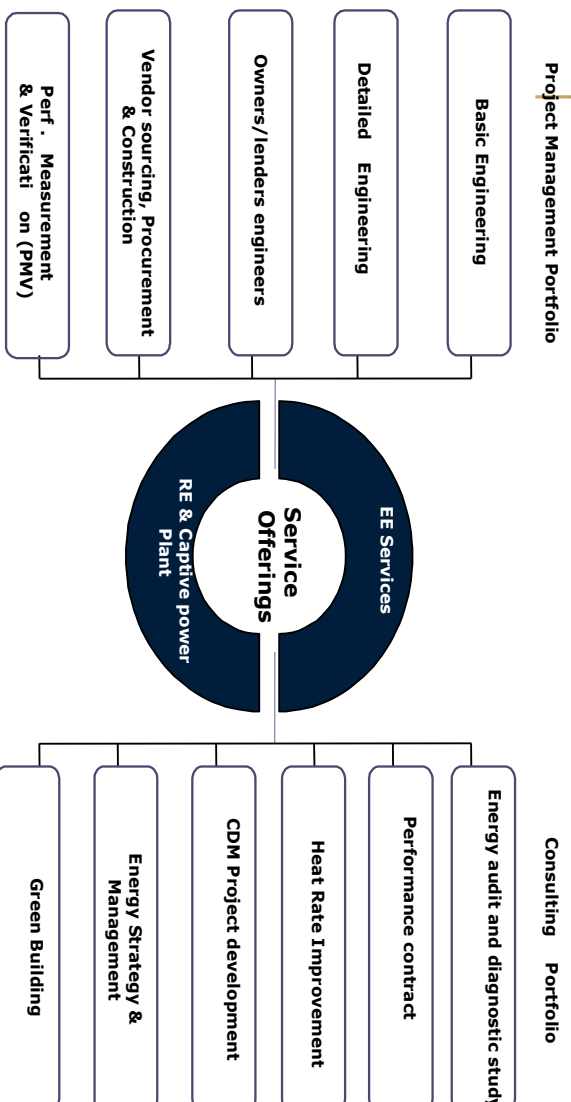
Introduction to DSCL ES

# DCM Shriram Consolidated Ltd.



8<sup>th</sup> Non Fossil Energy Summit  
29<sup>th</sup> November 2008

# DSCL'S Service portfolio



8<sup>th</sup> Non Fossil Energy Summit  
29<sup>th</sup> November 2008



## D\$CLES Track record

- Over 225 projects executed covering both “study” & implementation
- Estimated overall savings of over 100 MW equivalent in the industrial and building sector and development of biomass based power projects of over 300 MW aggregate capacity
- Winner of the best ESCO from PCRA for the 4 out of last 6 years
- ***Highest Level of Grading as per the BEE initiated accreditation of Indian ESCOs***
- Making rapid stride in the international market-already executed projects in 12 countries



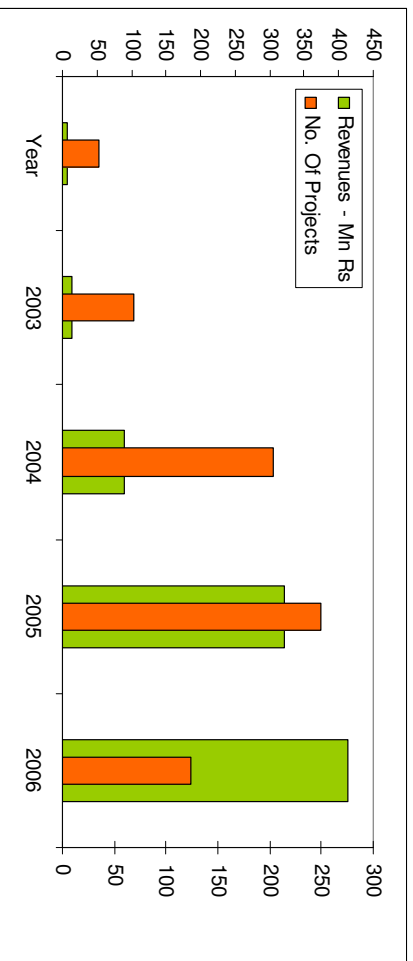
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## Vision for Energy Efficiency

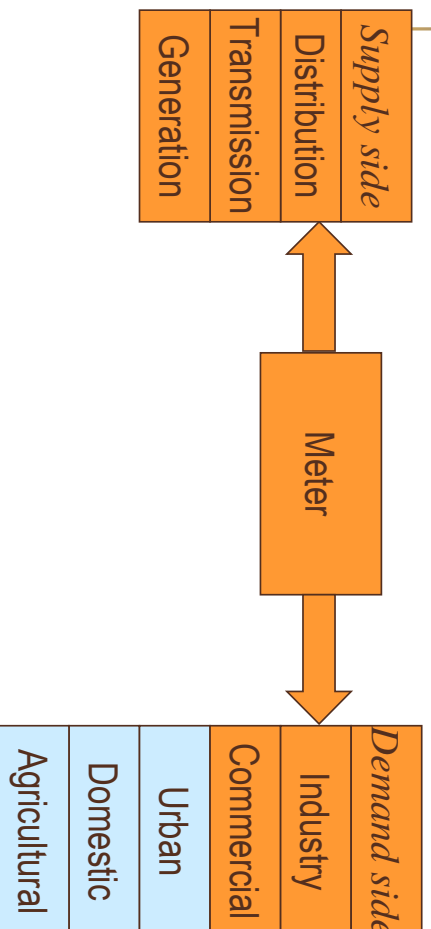
*Economic growth without  
corresponding growth in energy*

# ESCO Projects in India



Source: WRI Survey – Preliminary Findings; Information from 13 ESCOs

# ESCO Markets



*Two pronged strategy-Project & Policy*

# What We Can Do

## Technical Issues

Issues	What can be done
Baseline & adjustment M&V protocol Performance guarantee O&M principles	Sector specific campaigns on opportunities for energy efficiency Adaptation of the IPMVP (government regulated, sector specific) Development of methodology for base line and adjustment and standardization

# Commercial Issues

Issues	What can be done
<ul style="list-style-type: none"> <li>Principles governing project costing</li> <li>Share of savings and relating to project cost</li> <li>Bid evaluation and selection criteria</li> <li>Minimum size of project</li> <li>Default and remedies</li> <li>Cost reimbursement in case of delay or non-implementation</li> </ul>	<ul style="list-style-type: none"> <li>Standard contract document</li> <li>Communication and training program for wider acceptance of the standard document</li> <li>Development of processes for M&amp;V including 3<sup>rd</sup> party verification system</li> <li>Development of a voluntary low cost and short gestation dispute resolution mechanism-part of BEE/SDA infrastructure</li> </ul>

# Financing Issues

Issues	What can be done
<ul style="list-style-type: none"> <li>Development of simple project financing mechanism for small projects</li> <li>Equity support for ESCOs</li> <li>Security and insurance</li> <li>Taxes &amp; duties (service tax, FBT and income tax)-This year we would be paying almost 20% of our sales as tax.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage participation by large utility/power market players to implement projects with satellite ESCOs as partners</li> <li>Leveraging existing financing programs that are sector specific</li> <li>Steering development of alliances amongst ESCOs and lenders</li> <li>Development of micro-credit mechanisms for small projects/project insurance</li> <li>Development of criteria and implementation of an incubation scheme for development of ESCOs</li> <li>Pursuing MOF to exempt ESCOs from taxation during this nascent phase</li> <li>Energy Efficiency Certificate Schemes</li> </ul>



# Implementation

Issues	What can be done
<p><b>Project issues-implementation</b></p> <p>Impact of organization change</p> <p>Managing project time line</p>	<p>Implementation of few pilot projects under different models</p> <p>Initial handholding of the project owners-to manage continuity of the process</p> <p>Organisation/resource support to facilities</p> <p>Development of 'issue resolution' system</p> <p>Monitoring of implementation process for the buildings</p>



# Internal Issues

Issues	What needs to be done
<p><b>ESCO issues- internal</b></p> <p>Innovating business processes</p> <p>Human resource availability &amp; development</p>	<p>Monitoring of the new initiative taken for formation of an association of EE service providers-facilitating development of credible business processes-NAESCO/CAESCO models</p> <p>Facilitate development of the course material and teaching methods at the new Universities</p> <p>introducing EM courses</p>



## Conclusion

- BEE has been playing a very significant role so far and the plan of action is encouraging and can help trigger larger investments in energy efficiency through ESCOs
- DSCLES has equally large number of success and failure stories-these have provided rich learning
- Hopefully sharing of these learning would help taking a few steps forward to develop the PC market & ESCOs