

# Performance Contracting



## Upgrade without capital outlay

All facilities have hidden potential to use energy more efficiently. Too often, that potential stays untapped because strained budgets, deferred maintenance and basic infrastructure needs are constantly derailing resources. An Energy Savings Performance Contract (ESPC) with Trane® can help you overcome the financial obstacles. It's a financial mechanism that enables you to make comprehensive energy-saving facility upgrades without paying the upfront capital costs. Instead, your organization will use the resulting energy cost savings, that Trane guarantees, to pay for the improvements over time.

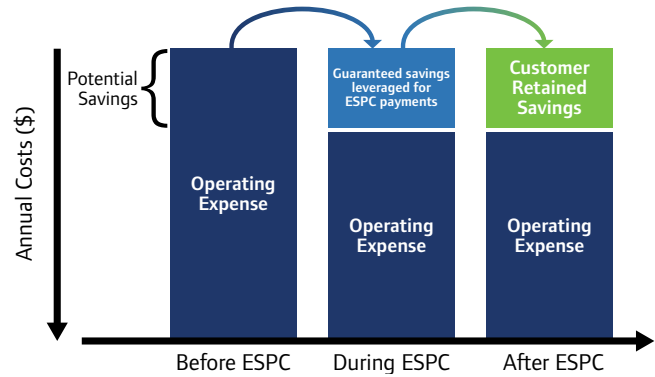
As one of the leading energy services companies (ESCO) in North America, Trane is turning ordinary facilities into sustainable facilities that help reduce the energy intensity of the world.

# Achieving sustainable facilities through energy savings

Energy Savings Performance Contracting (ESPC) is a budget-neutral path to making comprehensive energy-saving facility improvements. Upgraded equipment and services are paid for through the long-term energy cost savings that are guaranteed for the duration of the contract. If, during any contract period, the actual verified savings are less than promised, Trane® pays the difference.

In other words, Trane assumes the financial risks for making your facilities more efficient and sustainable.

As a Department of Energy qualified energy services provider, accredited by NAESCO® and certified through the Canadian Federal Buildings Initiative, we're delivering over \$1 billion in guaranteed savings to our customers.



Energy-saving projects continue to provide financial benefits beyond the terms of the ESCO

## ESPC Advantages



### Turnkey

Trane takes on project development, design, procurement, installation, maintenance and even helps you secure financing for facility improvements in order to deliver the guaranteed savings and performance.



### Less complicated

Working with a single supplier for all aspects of the facility upgrade results in faster, easier project execution.



### Verifiable

Our formal measurement and verification processes demonstrate the payback of installed energy conservation measures (ECMs) over the life of the contract.



### Comprehensive

HVAC upgrades, lighting retrofits, water conservation measures and more are all within scope.



### Innovative

Trane goes beyond the typical lighting retrofits and system upgrades. Renewable energy and advanced energy procurement strategies may also be included in a holistic energy strategy.

## Project financing: Assessing the options

There are many different ways to finance a facility upgrade. Trane® can help you assess the choices and select a vehicle that best suits your needs. Some financing opportunities, including ESPC, may qualify projects for additional incentives.

## Comparing Funding Options by Feature

	Cash	Traditional Lease/Bond via ESPC (Energy Savings Performance Contract) or ESC (Energy Savings Contract)	Energy Services Agreement (ESA) (Public Entity)	ESA (3rd Party Owner/Private)
Ownership of Project Assets	Customer	Customer/Lessor	Customer	Tax Equity/Fair Market Value Purchase Option
Cash Upfront	Yes	No	No	No
Credit Neutral	No	No	Yes	Yes
Term (Years)	n/a	5-20 or statutory limit	5-20 or statutory limit	5-20
Operation & Maintenance	Flexible	Flexible	Flexible	ESA Provider
Able to Monetize Tax Benefits	Depends based on legislation	Depends based on legislation	Yes for renewables with 3rd party owner	Yes for renewables
Payment Contingent on Performance	Flexible	Flexible	Yes	Yes

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## Upgrade without capital

ESPC may be the ideal way to give your building a complete energy upgrade.

Want to learn more?  
Contact your local Account Manager  
or visit us at [trane.com/BeyondEnergy](https://trane.com/BeyondEnergy)



Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit [trane.com](https://trane.com) or [tranetechnologies.com](https://tranetechnologies.com).

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