



sofiac

energy performance

Michel Méthot P.Eng.
General Manager



sofiac

Société de financement
et d'accompagnement en
performance énergétique

An initiative of:



With the financial support of the Government
of Quebec for projects located in Quebec

Québec 

And funding from:



SOFIAC assists enterprises in the energy transition and in reducing their GHG emissions by offering:

- + Financing and support for businesses in the **commercial and industrial sectors** or **multi-residential housing owners**
- + **A comprehensive solution** enabling the implementation of turnkey energy efficiency projects
- + Financial innovation and operational **agility**
- + **Reliable** establishment of costs and energy savings

Our structure

- **Limited partnership**
- Financing capacity of **200M\$**
- **20-year duration** to fund projects over long return on investment periods

Financial innovation

- **Risk-free**
- **No impact** on borrowing capacity
- Sharing period of **10 to 15 years**
- Subsidized transaction costs

Our mission



Promote an effective, profitable and inclusive energy transition for the benefit of businesses, the government, and the economy



Increase the profitability and competitiveness of businesses by reducing energy consumption costs



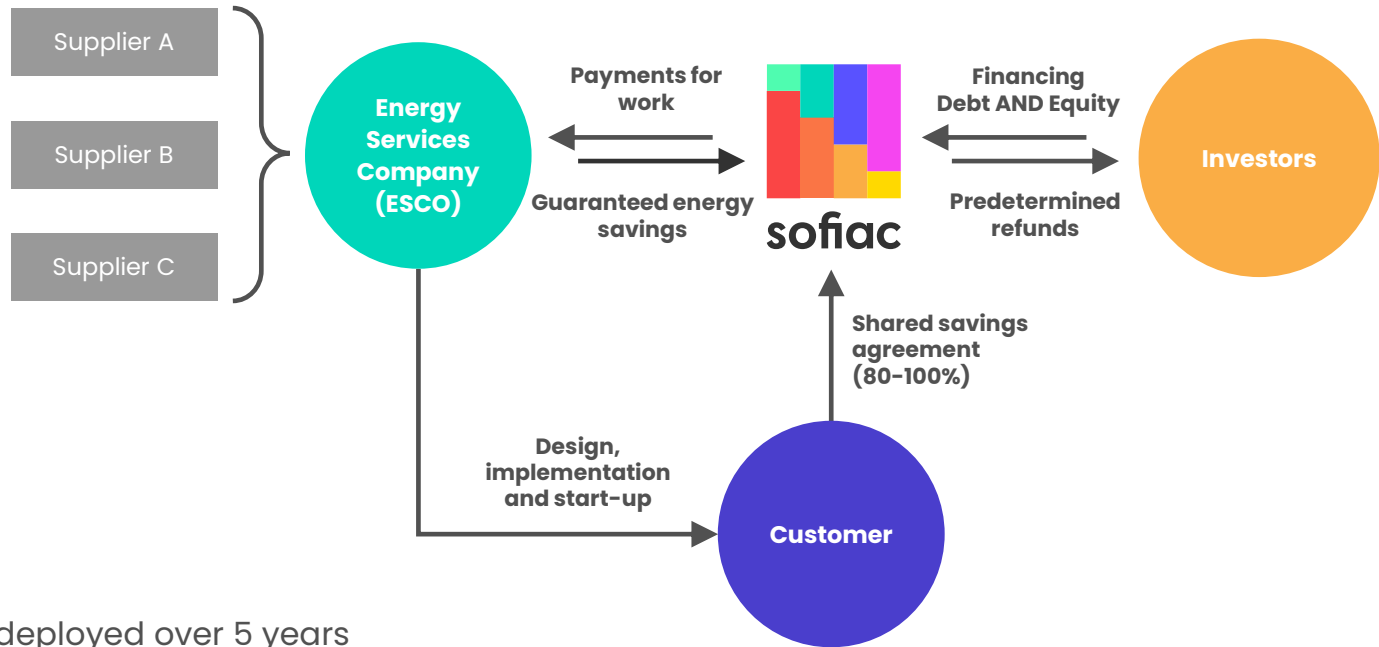
Fight against climate change by reducing greenhouse gas emissions

SOFIAC's concept

We collectively **set the duration of the agreement**, then SOFIAC and the ESCO identify the measures that maximize energy savings in the interval, respecting preestablished project boundaries

The **longer** the agreement
The **bigger** the investment
The **larger** the dividend

An innovative market structure



- \$200 millions, deployed over 5 years
- Patient and affordable funding, 10-15 years
- No cash required, a junior debt
- Commercial structure with two contracts
- Customer's full ownership, allowing for depreciation and major tax credits

Energy Performance Contracting Market (R)evolution

2005–2020

Canadian EPC Market:
\$400–500M/year

Mostly MUSH, less than 10%
private sector



Forecast

Canadian EPC Market:
\$1,3–1,5B/year

At least 35% private sector

**Building on a strong relationship
with successful ESCOs**

Relevant energy saving measures

**Any measures
that save energy and GHG**



Client's positive financial impacts

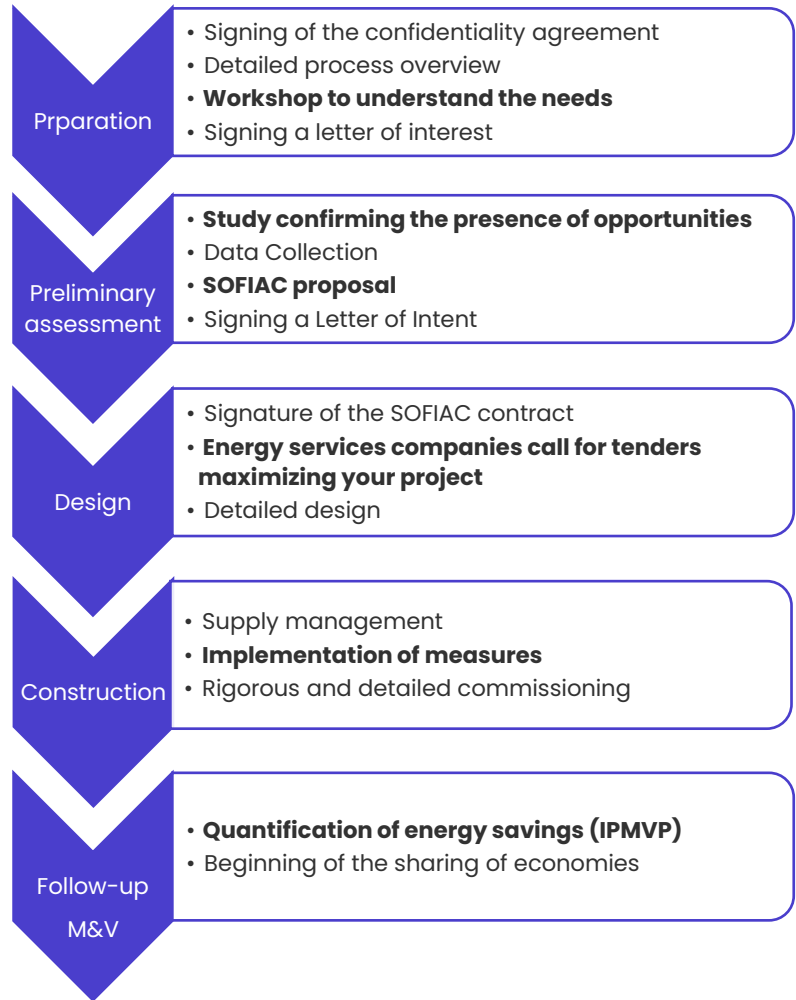
- **100% project costs covered**, including ALL project development costs
- **Non-recourse**, long-term **junior debt**
- Alignment of the parties' interests to **maximize savings and minimize implementation costs**
- **Incentive optimizations**
- **Continuous Positive cash flows** throughout the project life
- **Open-book** approach
- **Immediate assets transfer**
- **Fiscal advantages** (amortization, etc)

Other positive impacts



Certification	<ul style="list-style-type: none">• ISO 50 001• LEED EB• BOMA Best• WELL
ESG	<ul style="list-style-type: none">• Decarbonization• Net-zero objective• HFC and ODS reduction

The SOFIAC process





sofiac

energy performance

Michel Méthot P.Eng., General Manager
mmethot@sofiac.ca – sofiac.ca