



Spark Fund

Invest in efficiency

December 2016

Agenda

- Overview
- As-a-Service Definition
- Financing/Performance Contract/Service Plan
- Benefits to Provider and Customer
- Enabling SEM Participation
- SparkFund's Experience in the Market
- Market Demand, Case Studies

SparkFund Overview

- Domestic Partner Network
- Shift to a “pay over time” sale
- Infrastructure facilitating As-a-Service
- \$50,000 - \$3,000,000 project size
- Wide range of end-customers
- In-house fund warehouse, underwriting, credit services

As-a-Service

Bundled package of equipment and service, third party ownership, third party control. Worry free upkeep, paid through simple monthly payments.

Transforming how goods are used across many industries - purchase to subscription.

Energy efficiency - Equipment bound, service component. Paid through savings, focus on simple performance. Retire the simple payback idea.

Service Plan

- FASB-19 Service Plan
- Fully-designed efficiency system
- Bundled equipment and ongoing service
- Third-party ownership and control
- Continual opportunity for deeper savings
- Verified savings and performance

Service Plan -vs- Financing

Service Plans

- Equipment-bound
- Service packaged, not a “rider”
- *Possible Operating Expenditure
- *Pay-for-Performance M&V

Financed Deals

- Equipment bound
- Possible service “rider”
- Capital Expenditure
- Debt and Assets
- Buy-out or title transfer

Service Plan -vs- Performance Contract

Service Plans

- Low touch
- 3-7 year term
- Access equipment at tighter intervals
- No insurance needed
- Performance -> Payment
- High % retained savings

Performance Contract

- High touch
- 15-20 year commitment
- Customers are locked in
- Costly insurance included
- Only applies to huge projects
- Low % retained savings

Service Provider Benefits

Maximize project profit

Long-term customer relationship

Faster sales cycles

Higher close rates



Customer Benefits

Bundled monthly
payment

Worry-free ownership

*Possible expense
payment

Save capital for core
functions

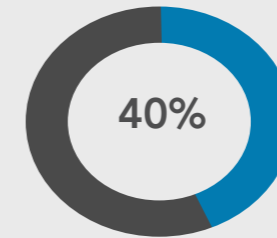


Selling “As-a-Service” is Effective

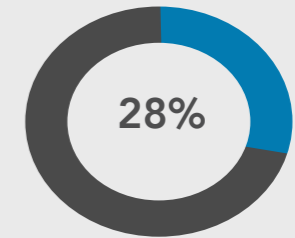
12% Increase In Conversions

SparkFund has seen a larger average project close rate compared to traditional lease & loan financing.

As-a-Service



Traditional Financing



Traditional Financing
130 Days



As-a-Service
28 Days



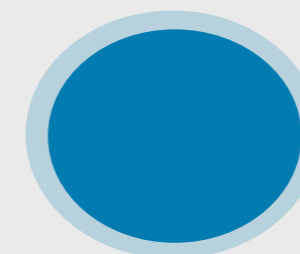
4.6X Faster Time to Close

Many As-a-Service projects take less than a month to close, making the sales cycle much shorter than that of traditional loans or leases.

3X Larger Projects

As-a-Service projects tend to be larger on average. With no cash upfront and no balance sheet impact, it's easier for customers to choose to roll out equipment across multiple locations.

As-a-Service
\$523,208



Traditional Financing
\$173,560



Market Demand

GE Current's MaryRose Sylvester calls Energy-as-a-Service **The Great Simplifier** “reducing complexity, cutting costs, scaling quickly, and keeping adopters running on the best and latest solutions”.

The Air Force is pursuing Energy as a Service to **simplify** the complicated web of contractors and business arrangements that power its bases and support its energy resiliency.



South Bronx Overall Development Corporation

**Lighting as a
Service**

New York City

**Mixed-Use Commercial and
Industrial Redevelopment
Equipment: Lighting 18W T8
Term: 48 Months
Total Cost: \$960,000
Annual Savings: \$260,000
Monthly Payment: \$19,500**



**Lighting as a
Service**

Olympia, WA

Parochial School

Equipment: Lighting

Term: 60 Months

Total Cost: \$73,600

Annual Savings: \$11,354

Monthly Payment: \$770

Thank You

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