



# **Asian ESCO Conference 2010**

**Jan 14-16, 2010  
New Delhi, India  
Dominic Yin**



# Social Titles

1. Founder and current Chairman of Hong Kong Association of Energy Service Companies (HAESCO)
2. CEO of Greater China Sustainable Development Council
3. Executive Director of China National Overseas Friendship Association
4. Executive Director of Chongqing Overseas Friendship Association
5. Board Member of Hong Kong Friendship Association
6. Vice Chairman of Nankai University Castor Engineering Science & Technology Co. Ltd.
7. Executive Director of China Foundation for Desertification Control
8. Ex-Chairman and Honorary Chairman of Shenzhen Energy Saving Association
9. Executive Director of China Energy Efficiency Monitoring & Management Center
10. Deputy Vice Chairman of China Energy Efficiency Engineering & Technologies Data Bank Association



# Social Titles

11. Founder member & Director of Environment Service Association of China Commerce & Industry Association
12. Co-Chairman of China Committee of Independent Power Producers Forum (IPPF)
13. Vice-President of Hong Kong Environmental Industry Association
14. Member of Group 26 (Environmental Industries) of Federation of Hong Kong Industries
15. Member of Energy Committee & Chairman of P2E2 Sub-Committee of American Chamber of Commerce in HK
16. Honorary Chairman and The Chief Advisor of Shanghai Energy & Environment Coalition Council
17. Senior Advisor of China Association of Resource Comprehensive Utilization Energy Saving Cooperation Alliance
18. Professional Honorary Consultant of China Energy Efficiency and Investment Research Organization
19. Senior member of Environment Committee and China Committee of Hong Kong General Chamber of Commerce
20. Specialist and Advisor of National High-Tech Commercialization Cooperation Organization Shenzhen

The background of the slide is a photograph of a golden wheat field at sunset. The wheat stalks are in sharp focus in the foreground, with their awns catching the light. In the background, a dark silhouette of a line of trees is visible against the bright, glowing sky.

# **Challenges & Solutions of ESCO Business**

**Speaker:  
Dominic Yin**



# **Climate Change: More Urgent Than Ever**





## **Stern Review: A Call to Low Carbon Economy**

- *Global warming will cause global GDP loss of 5% per year. If broader risks are considered, the potential GDP loss rises to 20%.....Failure to act could plunge the world into an economic crises on par with the 1930s depression and the damage of two world wars.*
- *The transition to a low-carbon economy will bring challenges for competitiveness but also opportunities for growth..... Markets for low-carbon energy products are likely to be worth at least \$500bn per year by 2050, and perhaps much more. Individual companies and countries should position themselves to take advantage of these opportunities.*

-- Lord Stern of Brentford



## Asian countries' commitment to combat climate change

- China

- China has decided its emissions target to reduce carbon intensity by **40-45** percent between 2005 and 2020.

- India

- India has targeted at reduction of carbon intensity by **24** percent during the same period.

- Japan

- Japan has announced that it will reduce total carbon emissions by **25** percent between 1990 and 2020.





## Energy Efficiency: The Fifth Energy

- Coal
- Petroleum
- Natural Gas
- Renewable Energy
- **Energy Efficiency**





# CHALLENGES





## **Three Bottlenecks of Energy Efficiency Projects**

1. People  
(Decision Makers, Engineers & Managers)
2. Finance  
(Catalyst, Banks & Funds)
3. Technologies  
(Qualified ESCOs, Matured Technology Verification, M&V)

# Talent shortage challenges ESCOs

- For energy users:

Disordered energy management

Lack of technical professionals

Unaware of energy efficiency



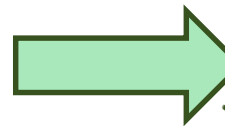
**They  
need  
ESCOs!**

- For energy service companies (ESCOs):

**Manpower**

Technology

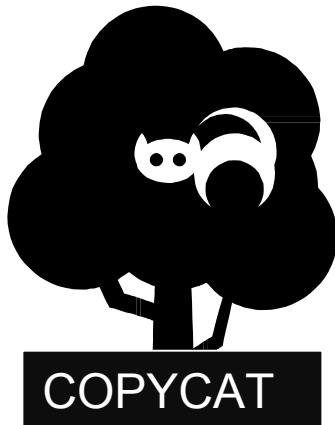
Money



**They  
need  
TALENTs!**



# Technical deficiencies hit ESCO market

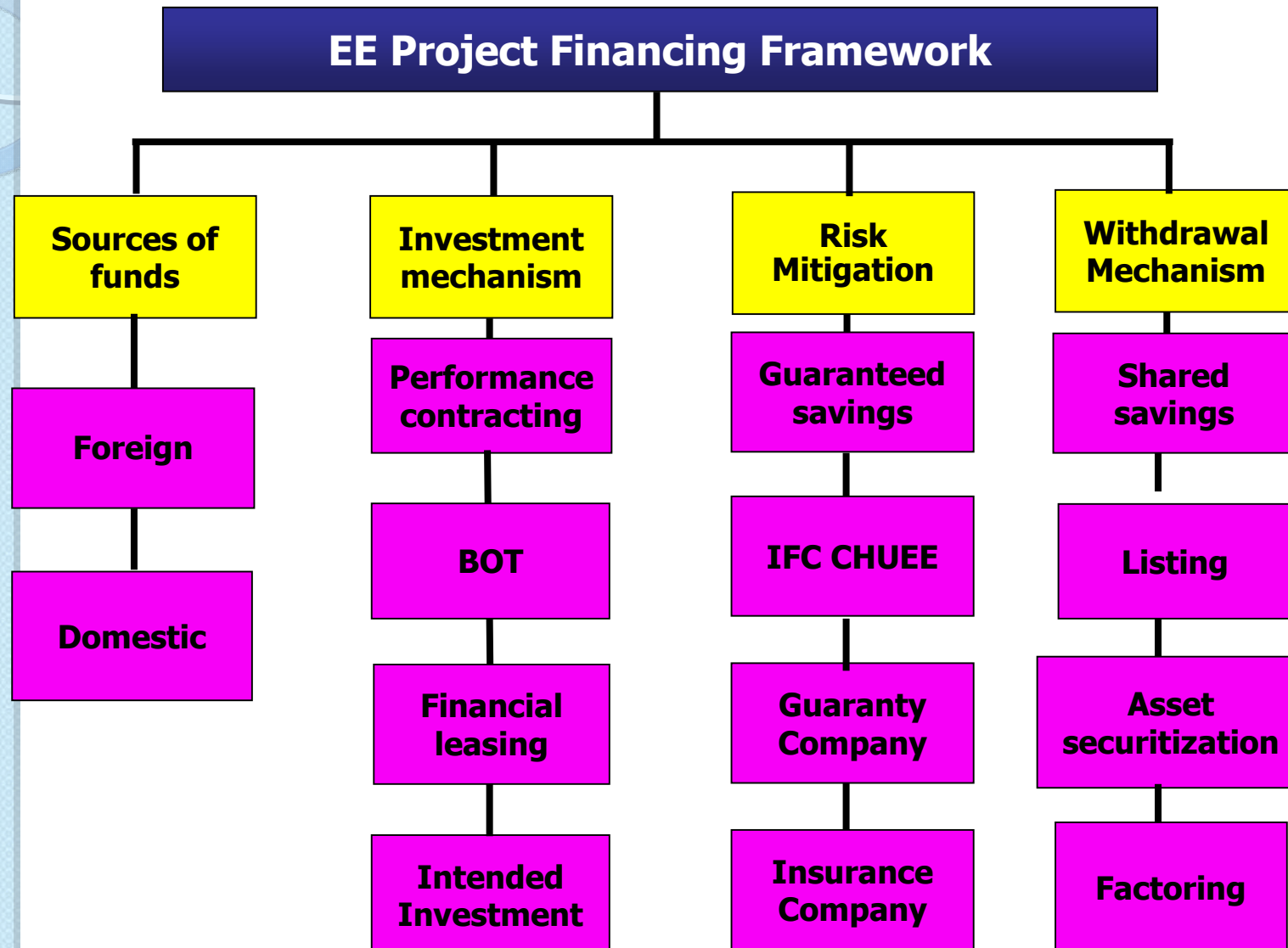


ESCO MARKET



**NEED  
REGULATORY  
GUIDANCE**

# Energy Efficiency Project Financing



# Obstacles of financing energy efficiency projects

- For most financial institutions:

Poor understanding of ESCO's business mode

Lack of capacity to evaluate EE projects

High financing cost of EE projects

Unfavorable conditions for SMEs

Cumbersome procedures, low efficiency

Poor management and control of risk



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INDUSTRIAL AND COMMERCIAL BANK OF CHINA



中国银行  
BANK OF CHINA



交通银行  
BANK OF COMMUNICATIONS



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广东发展银行  
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双兴农村商业银行  
SHUANGXING RURAL COMMERCIAL BANK



中信银行  
CHINA CITIC BANK



招商银行  
CHINA MERCHANTS BANK



中国民生银行  
CHINA MIN SHENG BANKING CORP. LTD.



华夏银行  
HUA XIA BANK



深圳发展银行  
SHENZHEN DEVELOPMENT BANK



中国邮政  
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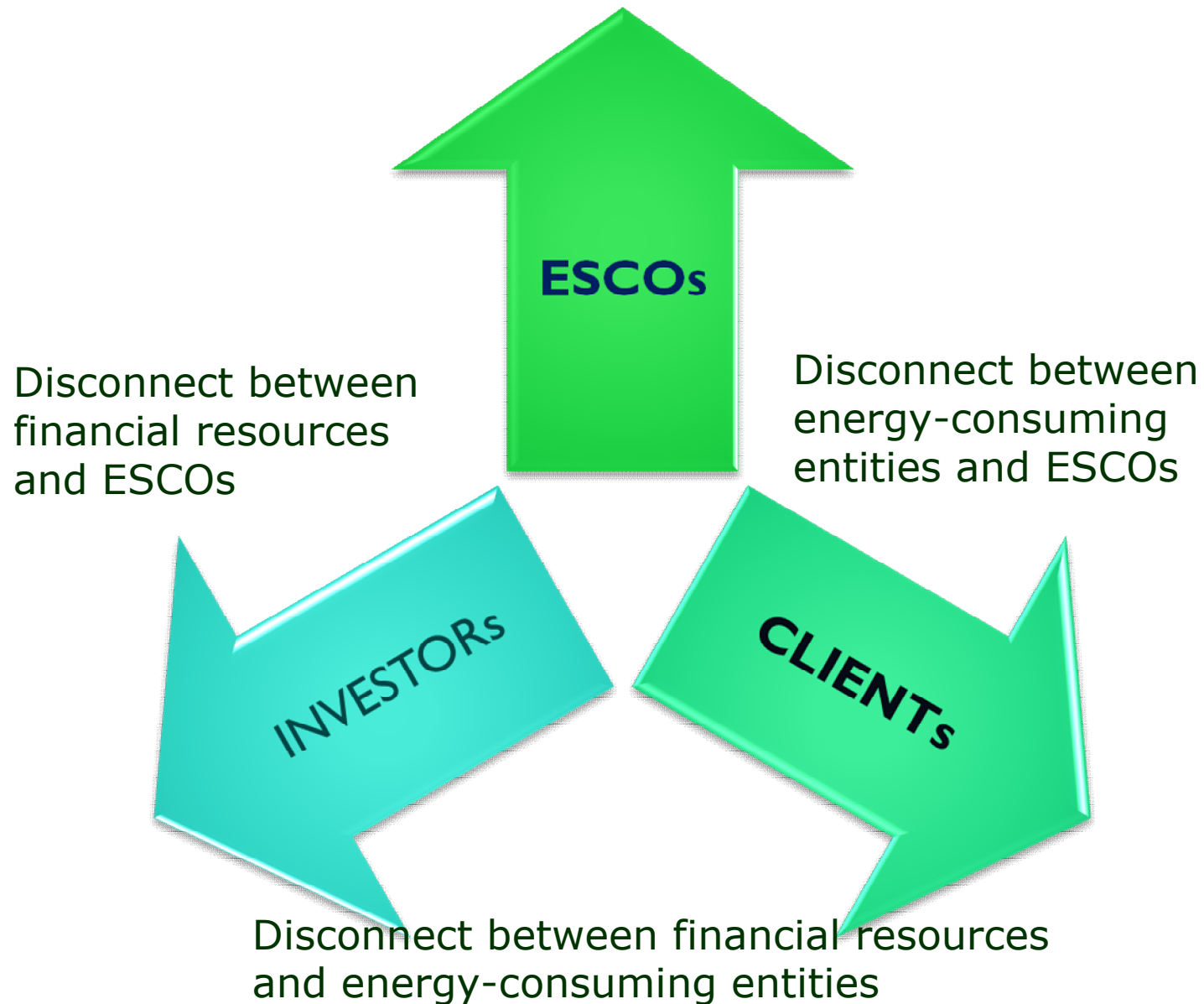
广州市农村信用合作联社  
GUANGZHOU RURAL CREDIT UNION



中国光大银行  
CHINA EVERBRIGHT BANK



# Disconnected





SOLUTIONS

## **People: Need Education & Training**



- Decision Makers
- Engineers
- Managers
- Bankers & Financial Institutions
- Media, Stakeholders & Public



# Technology: Innovation, Cooperation, Verification & IP Protection

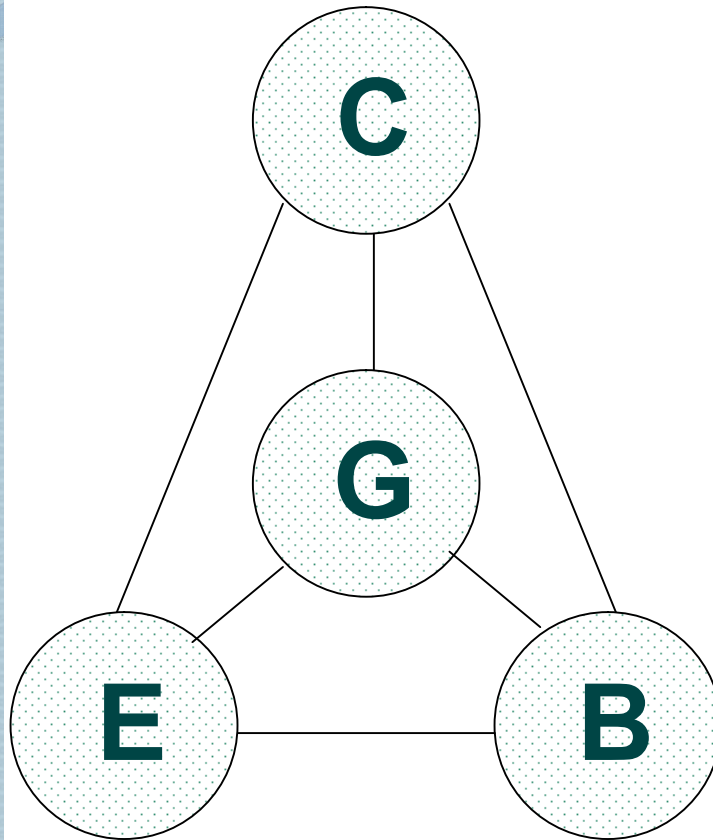
- Encourage technology innovation
- Enhance cross-border & cross-sector communication and collaboration
- Enact regulations to verify matured technologies
- Ensure intellectual property against copycats



# **Finance: Bridge the disconnected**



## (I) Carbon Trust



G (Government) to B (Bank): 80% Guarantee without interference.

B to E (ESCO): 90% loan of PC (Performance Contract) with only 10% risk.

E to C (Client): Sign PC and invest 10%.

B to C: Credit checking to approve E to C.

G to C: Award.

G to E: Award.

B: Bank reduces its risk by only dealing with existing clients & with 90% guarantee.

E: ESCOs get 90-95% loan of PC and also reduce the risk of "Non-Payment".

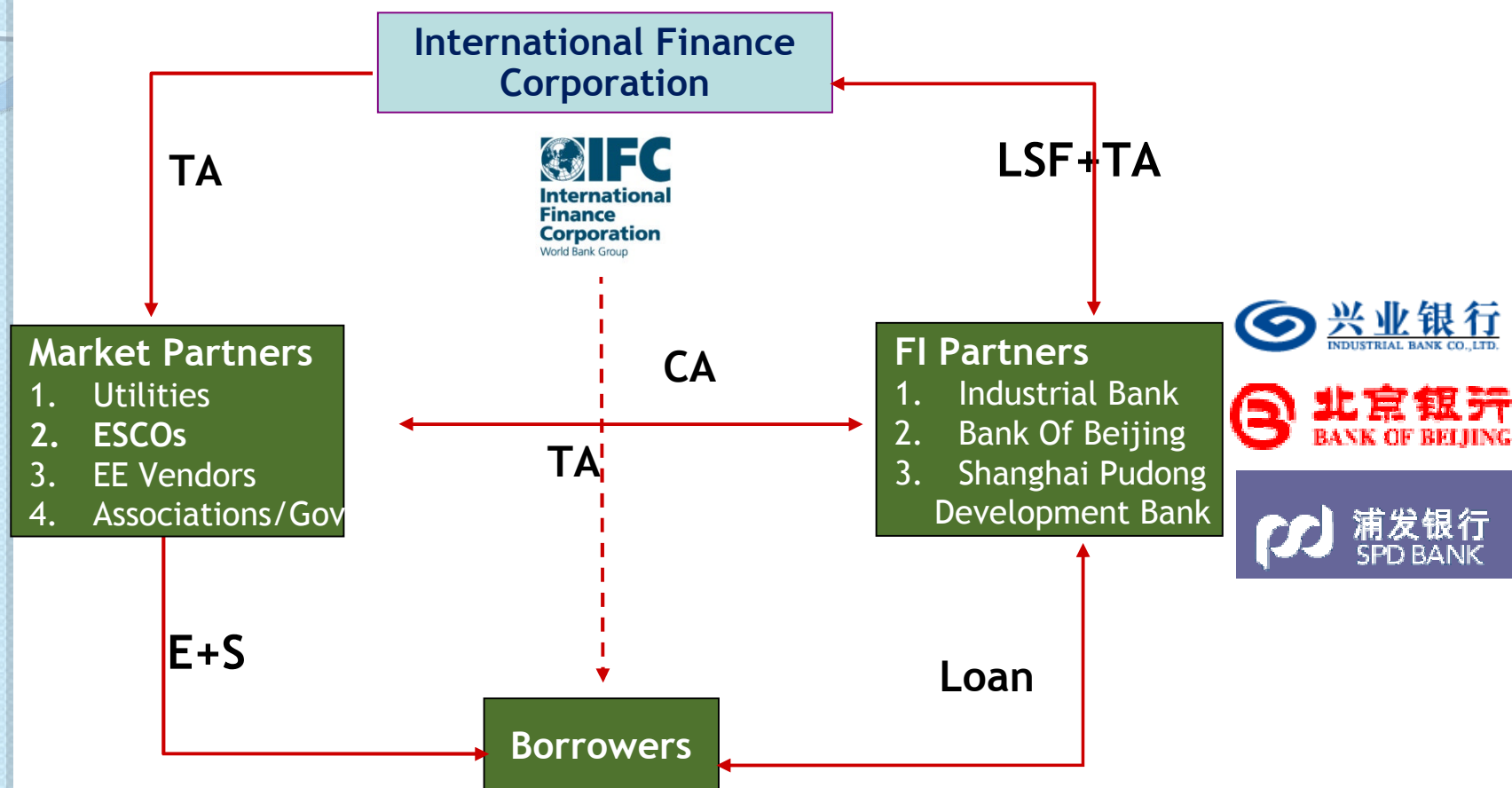
C: Clients enjoy cost reduction & greener image without any investment.

G: Government achieves its energy saving & emission reduction goals.



## (2) CHUEE

(China Utility-Based Energy Efficiency Finance Program)



TA: Technical Assistance

CA: Cooperation Agreement

LSF: Loss Sharing Facilities

E+S: Equipment, Engineering Service

### (3) NGOs





# Hong Kong Association of Energy Service Companies

**haesco**  
hong kong association of  
energy service companies ltd





## **Vision**

The Hong Kong Association of Energy Service Companies Limited (HAESCO) aims to bring about a more livable Asia by increasing the use of clean technologies.

## **Mission**

To increase the resources and opportunities for Hong Kong-based businesses to carry out clean production and energy efficiency projects throughout Asia.





# Goals

- Increase market intelligence about potential and actual clean production and energy efficiency projects in Asia.
- Identify technical, regulatory, financial, policy, or other barriers to the growth of the clean production, energy efficiency and performance contracting businesses in Asia.
- Increase awareness of clean production and energy efficiency technologies that are available globally.
- Increase financial resources for the design and execution of clean production and energy efficiency projects in Asia.
- Recognize and promote excellence in the execution of clean production and energy efficiency projects in Asia.
- Provide physical platforms (such as conferences, seminars and etc.) for the exchange of global information about clean production, energy efficiency and performance contracting.
- Provide virtual platforms (such as websites, blogs and etc.) for the exchange of global information about clean production, energy efficiency and performance contracting.

# Inauguration Ceremony



**US Assistant Secretary of Commerce, Mr. David Bohigian delivered a speech to celebrate the establishment of HAESCO on Jan 12, 2008.**



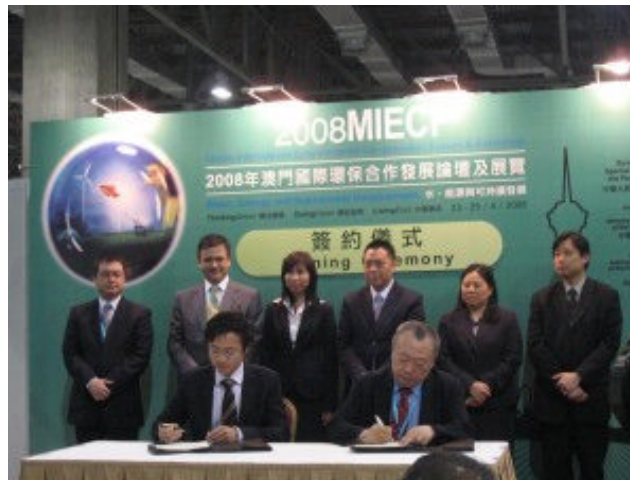
## Exhibited in MIECF 2008



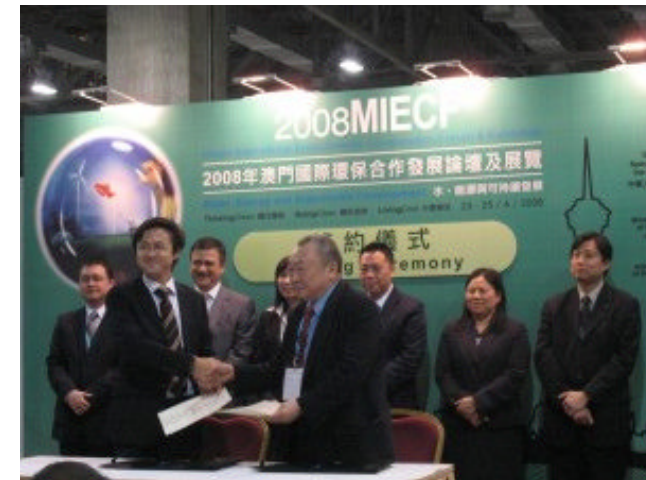
HAESCO booth in MIECF 2008



I delivered my speech in the forum



Signing of MOU between HAESCO and Macau Energy Saving Association with Mr. John Ramos



# Green Financing Seminar



**Seminar held at IFC office, Admiralty**



**Mr. Calvin Xu, Senior Energy Specialist of IFC**



**Mr. Stuart Rogers from HK & Shanghai Banking Co. Ltd.**



**Ms. Doris Chow of Trade and Industry Department of HKSAR**



# HAESCO 1st Forum



**Mr. Alfred Sit**



**Dr. Dennis Wang**



**Mr. John Herbert**



**Me**



**Dr. William Lau**

# Exhibited in Eco Asia Expo 2008



HAESCO Booth



## **HAESCO with AmCham & US Commercial Service**



**We invited Mr. Richard Vuylsteke, President of AmCham, HK & Mr. Andrew Wylegala, Director of US Commercial Service to deliver speeches.**



# Why Hong Kong?

- Hong Kong, as one of the world's leading international financial centers, has lots of advantages of doing ESCO business:
  - Free trade
  - Low taxation
  - Independent judiciary
  - Easy flow of money & people
  - Geologically advantageous position in Asia
- HAESCO, with its main focus on Mainland China and Southeast Asian countries, is aiming to bring about a more ENERGY-EFFICIENT Asia.



Let's Do It Together!







BIG CHANGE  
LOOKS IMPOSSIBLE  
WHEN YOU START  
AND INEVITABLE  
WHEN YOU FINISH.

——Bob Hunter  
Greenpeace Founder  
1978





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THANK  
YOU!