

**The below provides an extensive comparison
of SP's SaaS™ versus ESCO or Shared Savings Models.**

	Sustainability as a Service®	ESCO & Shared Savings
Audit Cost	No costs with SP. Contract can be signed before preliminary audit.	Preliminary audit & investment grade audit paid for by customer. No contract until audits are done.
Buyout	Baseline for determining savings fixed.	Baseline shifts by formulas – weather, usage, occupancy, facility changes, etc.
Cancellation penalties	Any time for depreciated costs with no markups or penalties.	Expensive escalation clauses for purchasing the equipment.
Cancellation penalties	None. Owner simply returns products or may purchase at depreciated value.	Large lease-like penalties and/ or Escalation Clauses apply.
Contract	Simple 3-page month-to-month service agreement.	Complex, typically over 100 pages with 10-20 year terms. Large penalties for changes.
Decision Making	No big decisions needed. Tackle 1 upgrade at a time. No Capex needed. Short-term agreements.	Huge decision. 5-year process. Long-term commitment.
Guaranteed Savings	From the 1st day, you are guaranteed to reduce real costs that lower budgets.	No costs savings for one to two decades. Usually costs increase due to exclusions.
Liabilities	As a Service Agreement there is no debt, no financial obligations or commitments. Completely off-book.	Owner assumes debt via public bonds, guarantees loans, or operating leases.
Maintenance	Maintenance is included.	Maintenance may be purchased as an additional service.
Minimums	SaaS™ cost sharing is only based on metered and measured utility savings. No usage, no cost.	Minimums charge to ensure repayment regardless of use.
Monitoring	Discreet monitoring of circuits eliminating non-upgraded products.	Usually no independent monitoring, but when used does not isolate products.

Ownership	No ownership. Opportunity to replace fast.	Customer will own the products for a very long time with little opportunity to replace.
Pre-Contract Costs	Resource studies and SaaS™ proposals are at no-cost, no-obligation.	Usually charge for facility audits leading to proposals.
Procurement process	SaaS™ is a legal service agreement and thus not subject to typical procurement processes. Typical time to contract – months.	Specifications are needed for an RFP. When specifications are deemed incorrect or unfair source for lawsuit.
Repayment	No repayment guarantees for product & installation costs.	Repayment of all costs and interest must be guaranteed.
Shared Savings	Begin immediately after contract is signed. Savings value increases for customers over the years.	Only begins after completed project has been paid off.
Soft-Savings	If it isn't measured, it isn't claimed.	Theoretical maintenance and indirect benefits like HVAC are projected & included.
Transaction Cost	One Transaction.	Separate transaction cost for financing.
Type of Transaction	This does not qualify as debt since there are no long-term obligations and no penalties upon termination.	Debt, it is a long-term obligation with liabilities for early termination.