

Energy Efficiency-as-a-Service Frequently Asked Questions



For Commercial & Industrial Customers

What is Energy Efficiency as-a-Service (EEaaS)?

Energy Efficiency-as-a-Service is a program that provides efficiency improvements – for example LED lighting upgrades as well as HVAC and refrigeration upgrades – to commercial and industrial customers with zero upfront costs and immediate savings. Allumia designs, funds, installs, and maintains a complete upgrade and meters the actual savings achieved on a monthly basis. During the fixed contract term, the customer shares a percentage of the metered savings achieved to cover the cost of the program.

This means:

- **No Upfront Cost:** Project investment is covered by us – you pay out of savings achieved
- **Alignment:** Our goal to maximize your savings
- **Customization:** We design a system specifically for your facility
- **Quality:** We track lifecycle performance to ensure you're getting high-quality equipment
- **Responsibility:** We provide service for the duration of the program term
- **Turnkey Implementation:** we handle all aspects from initial design to ongoing support

The costs associated with your efficiency upgrade are covered, and you enjoy immediate savings as well as included maintenance. EEaaS allows you to focus your capital on your core business.

How do I know I will save with Efficiency-as-a-Service?

EEaaS is specifically designed to align our interests with yours. Allumia has a vested interest in how your efficiency upgrade performs long-term because we only bill for a portion of every dollar you save. The more you save, the better we do. We install a revenue-grade meter with your efficiency upgrades to measure and verify your savings, which we report to you on a monthly basis.

What is the relationship between Indiana Michigan Power and Allumia?

Indiana Michigan Power has selected Allumia as a provider of Energy Efficiency-as-a-Service to its end-use customers in Indiana.

Is Energy Efficiency-as-a-Service Financing?

Energy Efficiency-as-a-Service is not financing. It is designed as a true service contract, meaning that the customer pays only a portion of what they save. Customer shared savings payments are not a loan or a lease – it is typically treated as an off-balance sheet operating expense. We recommend you speak to your tax professional to determine how to categorize this expense.

Am I eligible for rebates or incentives from Indiana Michigan Power?

Allumia handles the rebate/incentive application process on your behalf and uses the incentive to buy down the cost of the project to offer better terms to you.

What makes EEaaS a better option than financing an upgrade or paying out of pocket?

EEaaS provides a risk-free alternative to financing and cash purchase. In addition to Allumia's zero upfront costs and provided maintenance, our incentives are aligned with the customer's incentives – achieving more energy savings and lower energy bills. We have a vested interest in how your energy efficiency retrofits perform long-term, and that performance is measured by a revenue-grade meter. Customer savings, which we share, are based on actual, metered energy usage – not a hypothetical estimate of the energy savings and ROI might be. EEaaS is a better solution for customers who are capital constrained or are hesitant to move forward with an efficiency upgrade if they have to take on debt or pay out of pocket.

Is there an out-of-pocket customer cost?

Allumia pays for all costs associated with your efficiency improvements, from design to installation to replacement parts and maintenance for the duration of the contract. There is no out-of-pocket cost. The customer's only payment obligation is for a share of the energy savings achieved.

Is EEaaS a good fit for me?

EEaaS is a good fit for facilities that are 30,000 square feet or larger, or multiple sites that collectively add up to 30,000 square feet, with operating hours greater than 10 hours per day. Examples of eligible building types include but are not limited to: industrial manufacturers, warehouse/logistics, retail, commercial athletic centers, residential or retirement communities, schools with extended hours and afterschool activities, public buildings, and food sales and service.

Who might not be a good fit for EEaaS?

If you already have the upfront capital to invest in your own efficiency upgrades and are not interested in long term maintenance, or have low operating hours, EEaaS may not be the best fit for you. As well, our underwriting process requires two years of financial statements for program approval. If your organization is not open to releasing financial statements, even with a Non-Disclosure Agreement in place, EEaaS may not be a fit for you.

Can I use my preferred contractor?

Yes. Allumia is happy to onboard and train preferred contractors.

Who is responsible for maintenance?

Allumia is responsible for all maintenance, both preventative and corrective, during the term of the contract.



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