



Department for External Economic and International Relations of Moscow

A light gray world map is centered in the background, showing the outlines of continents and countries.

Investment Project: Energy Service in Street Lighting

Energy Service Performance Contract (ESP Contract)



1

ESP Contract is introduced into Russian legislation by Federal Law N 261-FZ (2009)

2

ESP Contract provides modernization of municipal infrastructure at investor costs

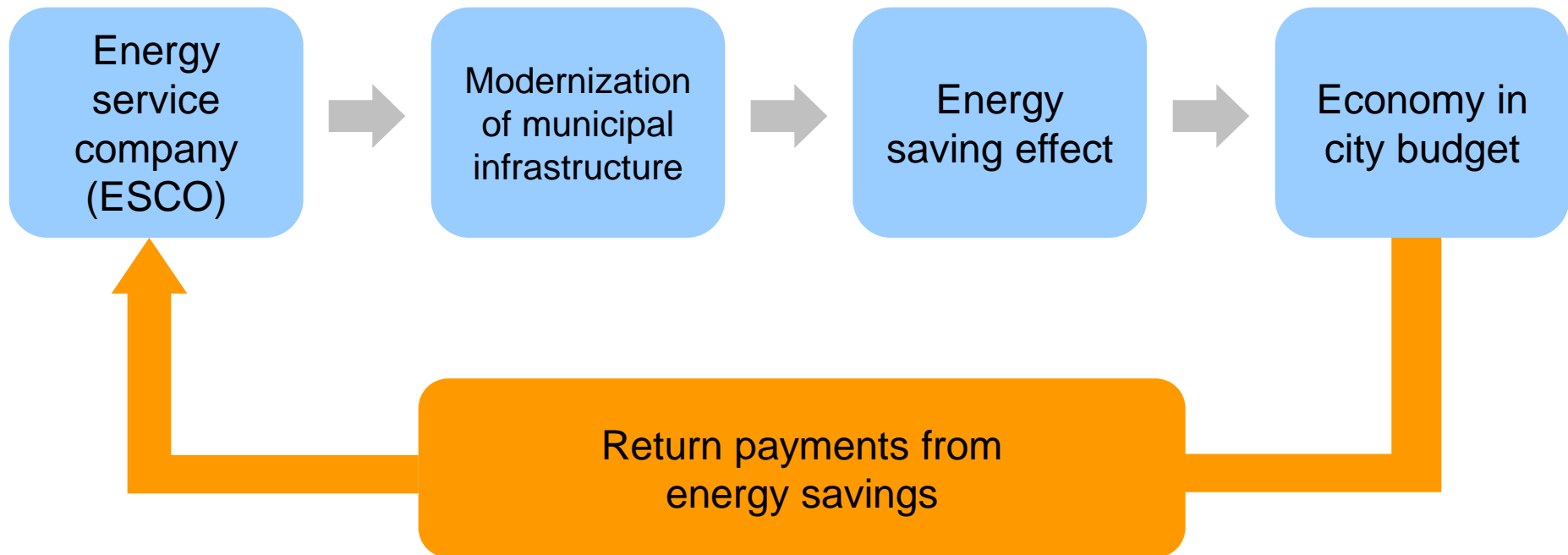
3

Local administration pays back to investor from money saving achieved through energy efficiency

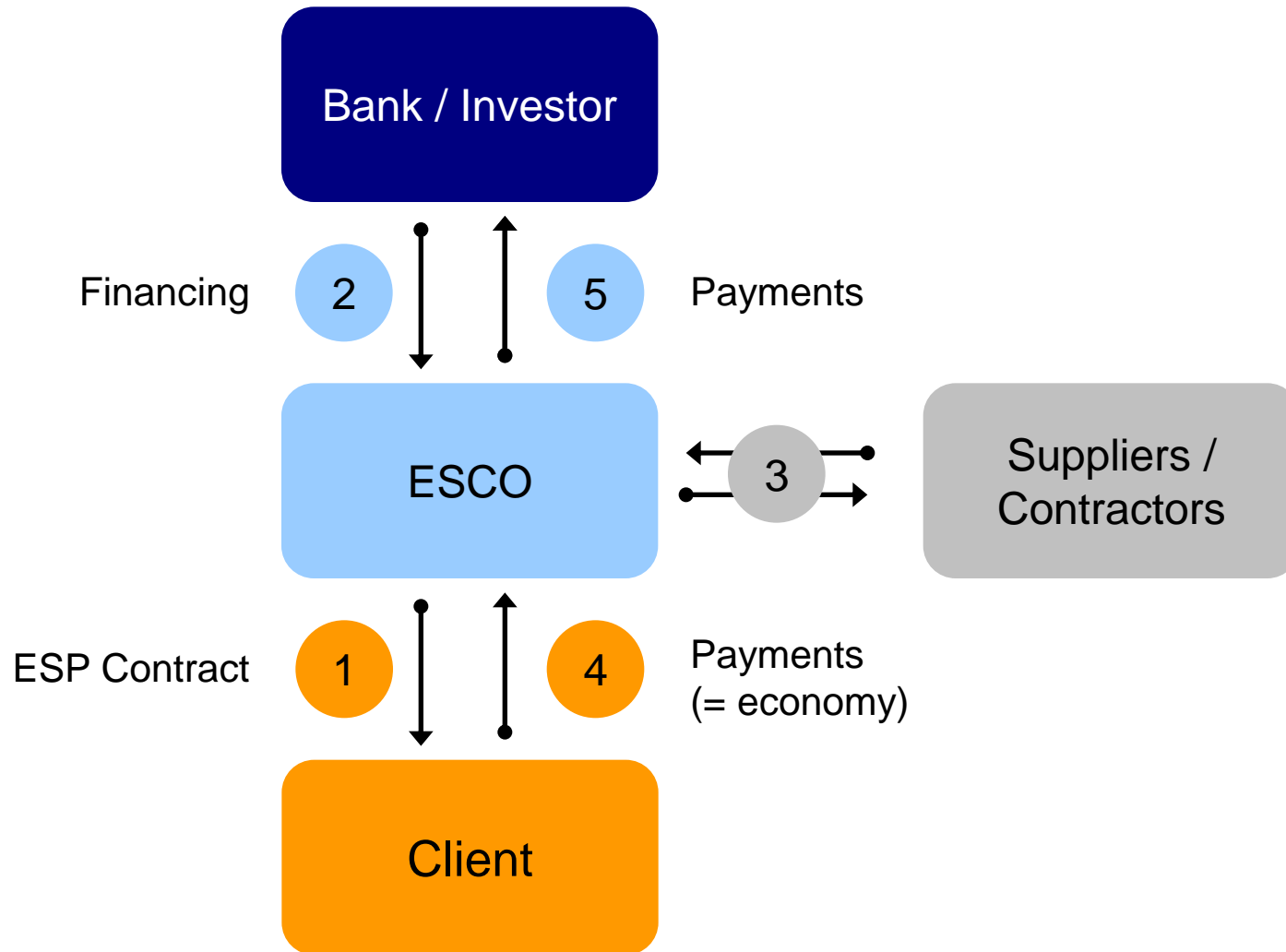
4

Refund to investor will be made within the contract period (5-7 years)

The city gets renovated municipal infrastructure and energy cost savings up to 50-70%

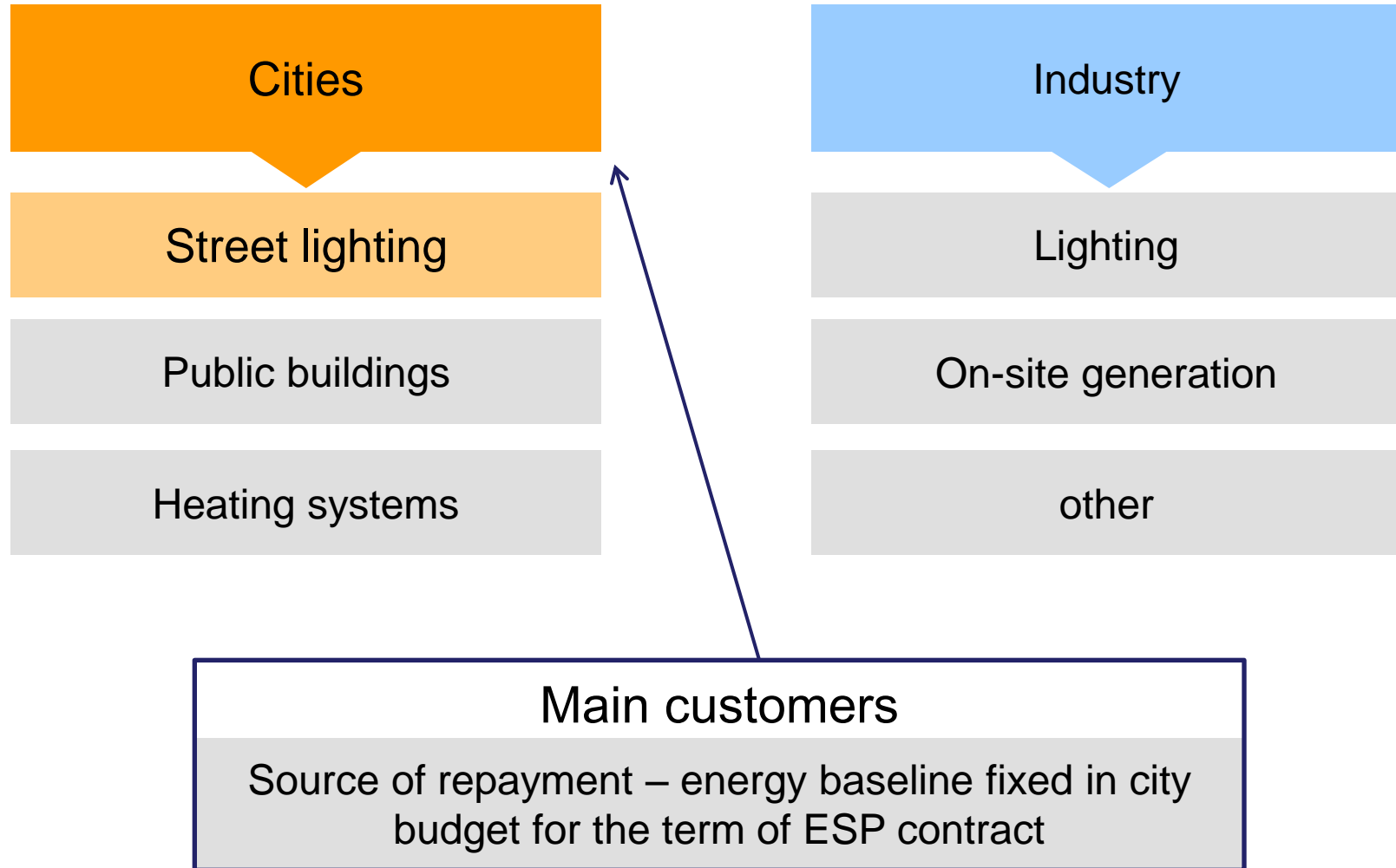


ESP Contract: Key Parties





Market Segmentation

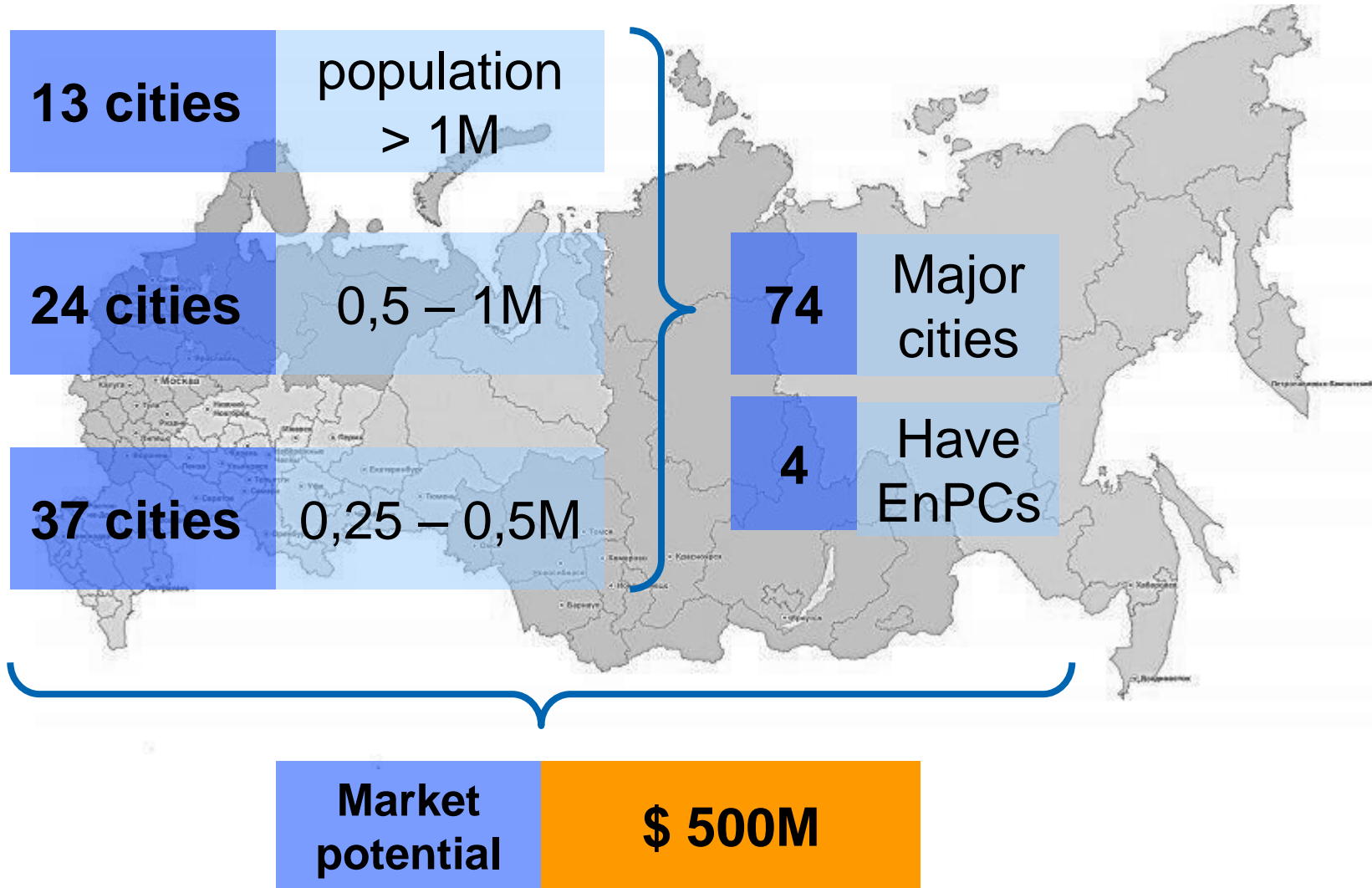




- 1 Outdated and energy inefficient luminaries with sodium and mercury lamps
- 2 Extremely high energy consumption covered by cities budget resources
- 3 Lack of budget funds needed for modernizing outdated lightning equipment
- 4 Street illumination standards, regulations and rules are often partly satisfied



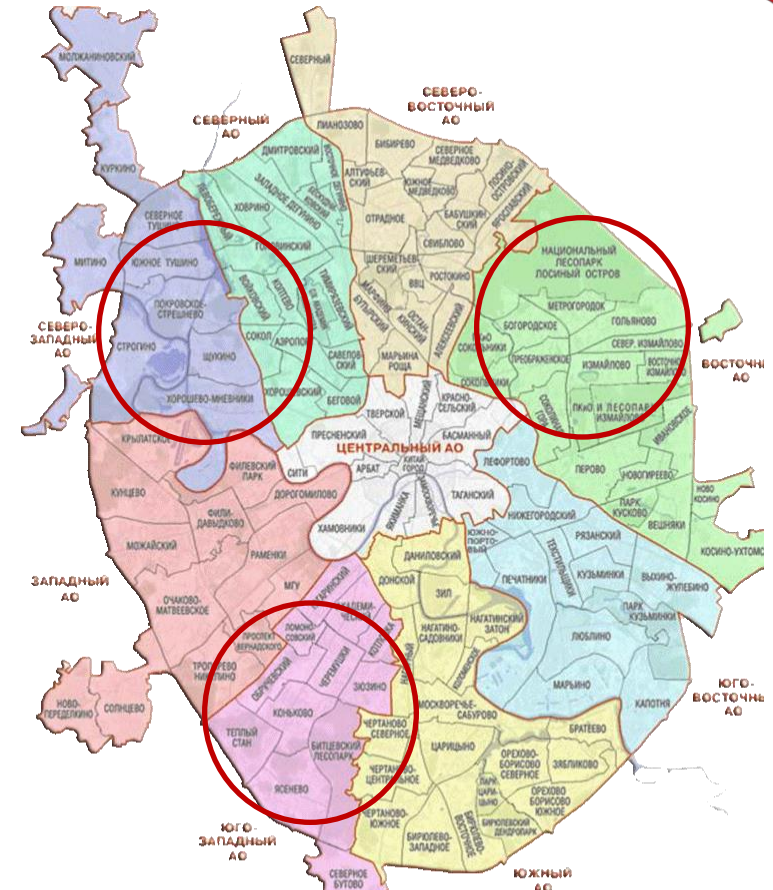
Market Potential in Russia





Moscow Potential

Total number of luminaries	385 000
Number of luminaries to be modernized	170 000
Moscow budget energy expenses annually	\$41M
Required investments	\$60M
Energy savings (per year)	\$17M
Term of contract	6 years
Future value	\$100M
NPV (discount rate = 14%)	\$30M



3 pilot zones in 2013
25 000 luminaries



Pilot Zones: Installed Luminaries in the Selected Areas

Sodium lamps:



ЖСП-70



НАТР-100



БЕБ-150



БЕБ-250

Mercury lamps:



СППР-70



СППР-125



РКУ-125



РКУ-250

3 pilot zones include:	25 000 lighting points
Annual Moscow budget energy expenses	\$2.7M
Investments in modernization	\$5M
Economy of energy (per year)	\$1.3M
Term of contract	6 years
Future value	\$7.5M



Department for External Economic and International Relations

Address: 13, Tverskaya str., Moscow, 125032

Tel.: +7 (495) 633-68-66

Fax: +7 (495) 633-68-65

www.dvms.mos.ru

E-mail: dms@dms.mos.ru

INVEST IN MOSCOW

www.investmoscow.ru