

1.Name of measure

Energy Performance Contracting (EPC) Fund by Malaysia Debt Ventures (MDV)

2.Purpose of measure

Comprehensive programme components developed to provide credit financing to Energy Service Companies (ESCOs) to implement Energy Efficiency and energy savings-based projects (“ESP”) for owners of existing end-use energy consuming facilities where ESPs are installed.

ESPs are a cost-effective medium-term option for meeting increasing energy needs, enhancing energy security and the mitigating need for new electricity generation capacity with reduction of greenhouse gas emission.

To promote financing accessibility, Ministry of Energy, Green Technology and Water (KeTTHA) and Public Works Department (JKR) with the collaboration with Building Sector Energy Efficiency Project (BSEEP) (A Program under JKR, United Nations Development Programme (UNDP) and Global Environment Fund (GEF)) established fund to pay for credit guarantees from Credit Guarantee Corporation (CGC) for up to 80% on the unsecured portion up to the maturity date of the term loan facility with ceiling of RM3 million cover. Guarantee fees are expected to range from 3.5% to 4.0% p.a. To reduce the financing burden on ESCOs, KeTTHA will provide additional funds for 1% p.a. rate subsidy. The targeted financing tenure under the scheme is 5 to 7 years.

3.Outline and applicable sectors (transport, buildings, manufacturing, etc.)

1. To be utilized by Small and medium-sized enterprises (SME) ESCOs (companies only) for retrofits
2. For single buildings or building complexes located in Malaysia
3. Projects must have Investment Grade Audit (IGA) (by Energy Commission registered electrical energy manager) and effective M&V plan with M&V process
4. ESCO applicant must be registered with Energy Commission

4.Financial resources and budget allocation of measures

Energy Performance Contracting Fund (EPC Fund) of RM200 million by Malaysia Debt Ventures Berhad (MDV) with credit guarantee and 1% interest subsidy from the Government & United Nations Development Programme-Global Environment Facility

5.Method to measure effects of measures (reduction in energy consumption and energy cost, etc.)

Number of applications and the impact of the projects

6.Results of measures

Promote energy performance contracting as a key business model of providing businesses which would gain the confidence level of clients and customers

7.Future tasks

8.Others

9.For further details about measures, please contact:

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