



RESEARCH REPORT

Navigant Research Leaderboard: Energy as a Service Solutions Providers

Assessment of Strategy and Execution for
10 C&I Energy as a Service Solutions Providers

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Published 1Q 2019

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Section 1

EXECUTIVE SUMMARY

1.1 Market Introduction

The electric power industry is facing a fundamental shift from centralized generation toward a more decentralized grid, known as the Energy Cloud. The Energy Cloud consists of a mix of distributed energy resources (DER) technology and software solutions poised to disrupt traditional utility electricity procurement and delivery models.

From a utility customer perspective, corporate commercial and industrial (C&I) energy and sustainability managers have historically had little say about the price and type of electricity procured under traditional, regulated, and centralized grid models. However, as the grid changes, these C&I energy users will increasingly seek new cost-effective, customized, and comprehensive energy solutions. These solutions must guarantee energy use reduction and cost savings without CAPEX or an effect on day-to-day operations to meet sustainability and operational efficiency needs.

Navigant Research anticipates that these evolving power sector and customer factors will increase demand for innovative DER financing options to avoid customer CAPEX. They will also create new business models that deploy a turnkey set of energy as a service (EaaS) solutions (defined in Section 2.2). Financing innovation will be fundamental to the EaaS segment, enabling new business models and the delivery of new customer choice options.

1.2 Evaluation Overview

This report is Navigant Research's first *Leaderboard* that exclusively focuses on C&I EaaS solutions providers deploying financed, customer-sited DER technology that transcends traditional fee-for-services building energy efficiency solutions. Based on market forecasts published in Navigant Research's *Energy as a Service* report, the global market size for C&I EaaS solutions is expected to exceed \$221.1 billion annually by 2026.

Navigant Research anticipates that C&I energy users will increasingly look to deploy new beyond energy efficiency-based, low carbon, integrated DER solutions. The integrated set of solutions defined as EaaS in this report include both traditional energy efficiency solutions and new DER solutions. These beyond energy efficiency EaaS solutions consist of onsite energy supply solutions such as solar PV and innovative offsite renewable energy supply solutions like corporate, utility-scale, offsite renewable energy procurement. They also include new load management and optimization solutions such as demand response (DR), energy storage, microgrid solutions, and building energy management systems.

In this *Leaderboard*, Navigant Research ranks 10 companies that exhibit the following characteristics:

- Offer in-depth solutions across all five EaaS solutions categories
- Offer energy management solutions as a primary business focus and do not focus on infrastructure, new construction, and renovation markets
- Offer financed EaaS solutions beyond energy efficiency across business models beyond the energy services company (ESCO) energy savings performance contracting (ESPC) segment

The criteria that C&I EaaS solutions providers are compared in this *Navigant Research Leaderboard* include:

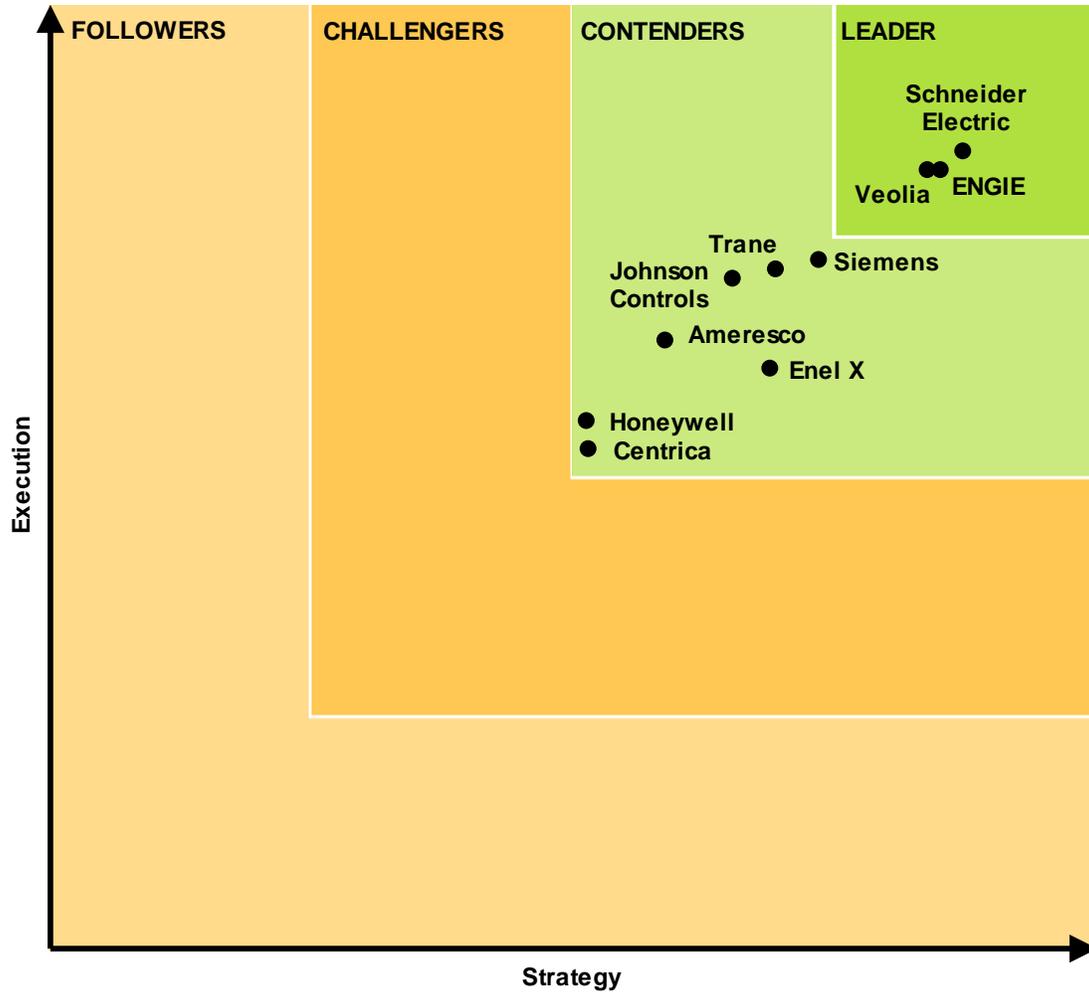
- Vision
- Go-to-Market Strategy
- Partnerships
- EaaS Technology
- Geographic Reach
- Sales, Marketing, and Distribution
- Solution Depth
- Solution Performance
- Pricing
- Staying Power

Detailed descriptions of each are provided in the “Criteria Definitions” section of this report.

1.3 The Navigant Research Leaderboard Grid

Navigant Research anticipates that C&I energy users will seek to deploy a full set of financed energy efficiency and beyond energy efficiency EaaS solutions across new business models, as defined and discussed in Sections 2.1 and 2.2. Most companies competing in the EaaS space fall in the Contenders category. While a select few Leaders have emerged, many companies are well-positioned to become Leaders in the coming years. The Leaders have distinguished themselves by offering a broad and deep set of EaaS solutions, financing options, and business model innovation and capabilities, as outlined in Section 2.5.

Chart 1-1. The Navigant Research Leaderboard Grid



(Source: Navigant Research)

Section 6

TABLE OF CONTENTS

Section 1	1
Executive Summary	1
1.1 Market Introduction	1
1.2 Evaluation Overview	1
1.3 The Navigant Research Leaderboard Grid	2
Section 2	4
Market Overview	4
2.1 Introduction.....	4
2.2 Market Definition	5
2.3 Market Drivers	6
2.3.1 Customer Energy Needs	6
2.3.2 Evolving Utility-Customer Relationships	7
2.3.3 Decreasing Technology Costs	7
2.3.4 Data Accessibility and Technology Advancements.....	7
2.3.5 Financing Innovation	8
2.3.6 Emergence of Turnkey EaaS Advisory Expertise	9
2.3.7 High Energy Prices.....	9
2.4 Market Barriers.....	9
2.4.1 Traditional Utility Regulatory Models.....	9
2.4.2 Lack of Financing	10
2.4.3 Lack of Turnkey EaaS Expertise.....	10
2.4.4 Market Competition	10
2.4.5 Technology Deployment Challenges	10

2.4.6	Payback Challenge	11
2.4.7	Low Energy Prices	11
2.5	C&I EaaS Vendor Trends.....	11
Section 3		13
The Navigant Research Leaderboard		13
3.1	The Navigant Research Leaderboard Categories	13
3.1.1	Leaders.....	13
3.1.2	Contenders	13
3.1.3	Challengers	13
3.1.4	Followers	13
3.2	The Navigant Research Leaderboard Grid	14
Section 4		16
Company Rankings.....		16
4.1	Leaders	16
4.1.1	Schneider Electric	16
4.1.2	ENGIE	18
4.1.3	Veolia.....	20
4.2	Contenders.....	23
4.2.1	Siemens.....	23
4.2.2	Trane	25
4.2.3	Johnson Controls	27
4.2.4	Enel X.....	30
4.2.5	Ameresco	33
4.2.6	Honeywell	35
4.2.7	Centrica	37

Section 5	40
Acronym and Abbreviation List	40
Section 6	42
Table of Contents	42
Section 7	45
Table of Charts and Figures	45
Section 8	46
Scope of Study and Methodology	46
8.1 Scope of Study	46
8.2 Sources and Methodology	46
8.2.1 Vendor Selection	46
8.2.2 Ratings Scale	47
8.2.3 Score Calculations	47
8.2.4 Criteria Definitions	47
8.2.4.1 Strategy	47
8.2.4.2 Execution	48

Section 7

TABLE OF CHARTS AND FIGURES

Chart 1-1.	The Navigant Research Leaderboard Grid	3
Chart 3-1.	The Navigant Research Leaderboard Grid	14
Chart 4-1.	Schneider Electric Strategy and Execution Scores.....	18
Chart 4-2.	ENGIE Strategy and Execution Scores.....	20
Chart 4-3.	Veolia Strategy and Execution Scores.....	22
Chart 4-4.	Siemens Strategy and Execution Scores.....	25
Chart 4-5.	Trane Strategy and Execution Scores.....	27
Chart 4-6.	Johnson Controls Strategy and Execution Scores.....	29
Chart 4-7.	Enel X Strategy and Execution Scores	32
Chart 4-8.	Ameresco Strategy and Execution Scores.....	35
Chart 4-9.	Honeywell Strategy and Execution Scores	37
Chart 4-10.	Centrica Strategy and Execution Scores.....	39
Figure 2-1.	EaaS Solutions	6
Figure 2-2.	EaaS Project Delivery Value Chain.....	9
Table 2-1.	Overview of EaaS Project Finance Asset Classes.....	8
Table 3-1.	The Navigant Research Leaderboard Overall Scores	15

Section 8

SCOPE OF STUDY AND METHODOLOGY

8.1 Scope of Study

Project delivery chains for beyond energy-based EaaS solutions are converging to increase demand for innovative DER financing options to avoid customer CAPEX and new business models that deploy a turnkey set of EaaS solutions. Financing innovation will be fundamental to the EaaS segment, enabling new business models and the delivery of new customer choice options. Accordingly, in this *Leaderboard*, Navigant Research ranks companies that exhibit the characteristics outlined in Section 2.5.

8.2 Sources and Methodology

Navigant Research's industry analysts utilize a variety of research sources in preparing Research Reports. The key component of Navigant Research's analysis is primary research gained from phone and in-person interviews with industry leaders including executives, engineers, and marketing professionals. Analysts are diligent in ensuring that they speak with representatives from every part of the value chain, including but not limited to technology companies, utilities and other service providers, industry associations, government agencies, and the investment community.

Additional analysis includes secondary research conducted by Navigant Research's analysts and its staff of research assistants. Where applicable, all secondary research sources are appropriately cited within this report.

These primary and secondary research sources, combined with the analyst's industry expertise, are synthesized into the qualitative and quantitative analysis presented in Navigant Research's reports. Great care is taken in making sure that all analysis is well-supported by facts, but where the facts are unknown, and assumptions must be made, analysts document their assumptions and are prepared to explain their methodology, both within the body of a report and in direct conversations with clients.

Navigant Research is a market research group whose goal is to present an objective, unbiased view of market opportunities within its coverage areas. Navigant Research is not beholden to any special interests and is thus able to offer clear, actionable advice to help clients succeed in the industry, unfettered by technology hype, political agendas, or emotional factors that are inherent in cleantech markets.

8.2.1 Vendor Selection

Navigant Research included companies in this study that focus a significant portion of their go-to-market strategy on financed C&I energy management solutions as outlined in this report. Further, Navigant Research focused on vendors that exhibit the following characteristics:

- Offer in-depth solutions across all five EaaS solutions categories
- Do not primarily focus on infrastructure new construction and renovation markets and have energy management solutions as their primary business focus
- Offer financed EaaS solutions beyond energy efficiency in the ESPC segment

8.2.2 Ratings Scale

Companies are rated relative to each other using the following point system. The ratings are a snapshot in time, showing the current state of the company. These scores are likely to be fluid as new competitors enter the market and customer requirements evolve.

- Very Strong 91 – 100
- Strong 76 – 90
- Strong Moderate 56 – 75
- Moderate 36 – 55
- Weak Moderate 21 – 35
- Weak 11 – 20
- Very Weak 1 – 10

8.2.3 Score Calculations

The scores for Strategy and Execution are weighted averages based on the subcategories. The overall score is calculated based on the root mean square of the Strategy and Execution scores.

8.2.4 Criteria Definitions

8.2.4.1 *Strategy*

- **Vision:** Measures the company's stated goals in designing market solutions against the actual needs of customers based on the entire environment in which they will operate. Higher scores are given to companies that have the fullest breadth of EaaS solutions, financing options, and business model capabilities, as defined by Navigant Research in Section 2.
- **Go-to-Market Strategy:** Evaluates the company's strategy for delivering a full range of EaaS solutions, financing options, and business models (as defined by Navigant Research in Section 2), including the sales and marketing channels to be used and the processes established to inform the target market about brand differentiation and unique product value.
- **Partnerships:** Measures the company's established partnerships with key organizations that will provide an advantage in financial backing, sales, business, and product development.

- **EaaS Technology:** Evaluates whether the company has developed the talent and technology that provides a significant business advantage over competitors that is likely to have an enduring effect on its success across EaaS solutions, financing options, and business models (as defined by Navigant Research in Section 2).
- **Geographic Reach:** An evaluation of companies' ability to reach customers in Europe and North America, the primary markets Navigant Research evaluated EaaS solutions, financing options, and business models.

8.2.4.2 *Execution*

- **Sales, Marketing, and Distribution:** Evaluates the company's marketing and sales performance and current distribution channel. Higher scores are given to companies with that are executing on the go-to-market advantages.
- **Solution Depth:** Evaluates the competitive performance of the company. Higher scores are given to companies with a track record of positive performance for projects deployed and a pipeline of projects under development for EaaS solutions, financing options, and business models, as defined by Navigant Research in Section 2.
- **Solution Performance:** Addresses the products' relative competitiveness in and suitability to the market. Higher scores are given for companies that have commercial projects using EaaS solutions, financing options, and business models defined by Navigant Research in Section 2.
- **Pricing:** Determines the suitability of solutions pricing based on the feature set, including whether products are available at multiple price points and how pricing compares to that of competitor products. A broad depth of financing capabilities is important in this segment.
- **Staying Power:** Evaluates whether the company has the financial resources to withstand weak or variable markets and price-based assaults by competitors. Companies score higher if they are part of a large, well-funded corporate entity or are aligned with strategic investment partners that can provide low cost financing and guarantee energy savings.

Published 1Q 2019

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Note: Editing of this report was closed on February 6, 2019.

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