What is third-party financing?

Third party financing is a form of debt financing which is sourced from third parties such as financial institutions.

How does it work?

Cooperatives are established through non-for-profits, which take care of administrative, operational, and financial tasks related to the implementation and management of the project.

What are the benefits?

a) Guarantees lower operating costs
b) Offers better equipment quality and improved living/production conditions
c) Reduces maintenance and repair costs
d) Protection from indirect forces which affect energy prices

Example

Piedmont Region, Italy
- The metropolitan city of Turin acted as coordinator and contracting authority
- Eleven municipalities coordinated together for the energy efficiency tenders
- Five municipalities contracted an ESCO to retrofit 18 buildings.
- Ten municipalities replicated the initiative to replace 120 boilers in 118 buildings.