



COOLING-AS-A-SERVICE

An integrated technical, service and financial solution.

CARRIER COOLING-AS-A-SERVICE

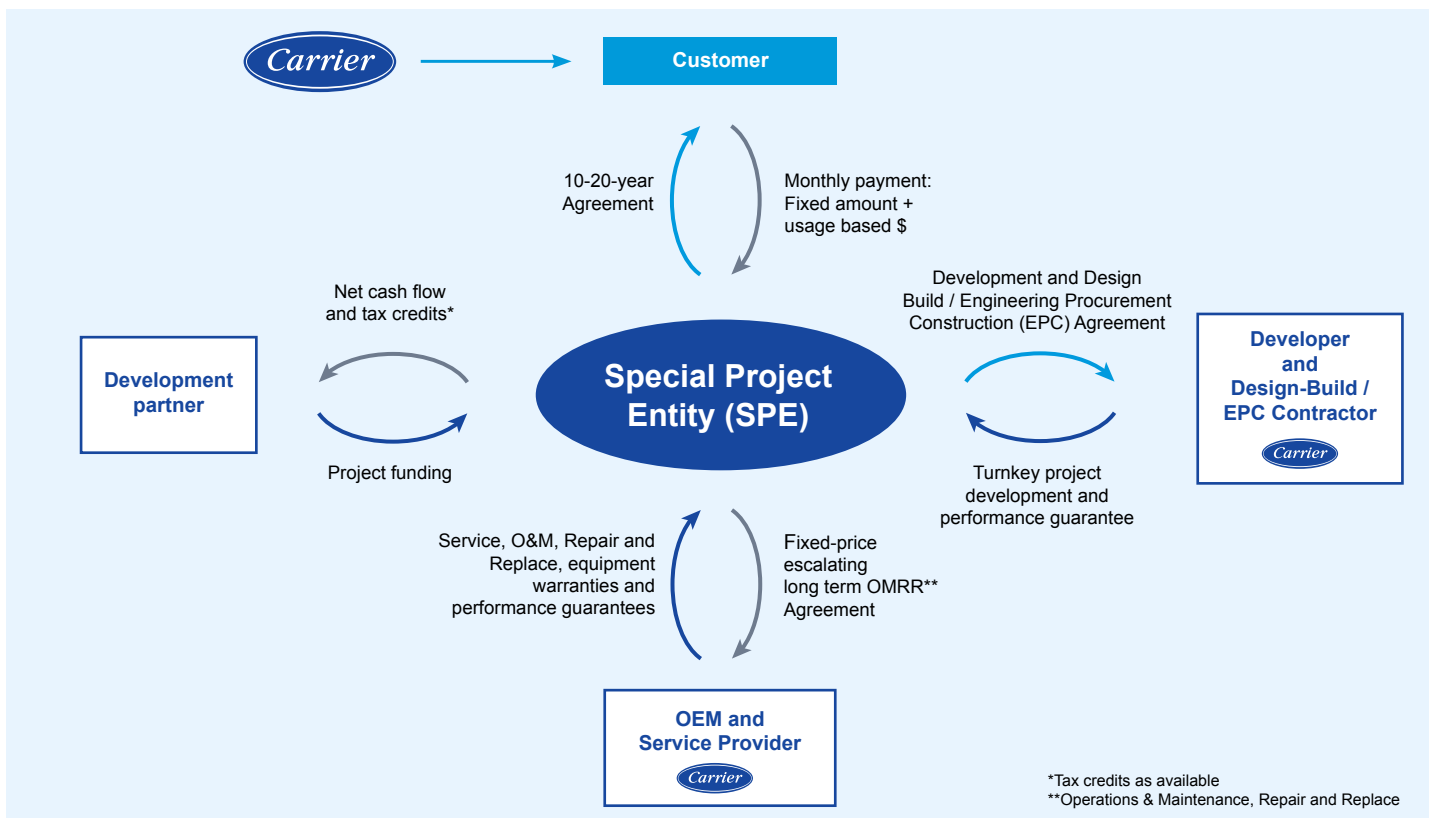
Owners, developers, or managers of facilities with heating, ventilation, air-conditioning, and refrigeration (HVACR)—and other energy-intensive infrastructure—must concern themselves with the maintenance and operation of the equipment, such that it effectively supports that facility’s core business objectives. Occasionally, owners may also confront the need to procure the delivery of new assets or to modernize existing ones.

Where traditional means of HVACR procurement, operation, and service are often limiting or sub-optimal, Cooling-as-a-Service (CaaS) offers an approach that is flexible, provides extensive capabilities and offers an alternative financing method that places HVAC system performance in the care of expert resources. CaaS allows owners to exit the business of managing their infrastructure and devote more of their attention to core business operations.

CaaS delivers new construction or infrastructure retrofits of HVACR and energy-related infrastructure combined with a long-term operations and service agreement. CaaS provides an integrated technical, service, and financial solution that addresses deferred maintenance and staffing resource constraints and can help achieve comfort, efficiency, decarbonization, and resiliency goals. Moreover, CaaS offers advantages over traditional procurement models by offering Performance Guarantees.

How does CaaS Work? Deal Structure and Project Process

The CaaS project team and contract structure deliver value through transactions which allocate risk to the party able to manage it most effectively and at lowest cost. A special purpose entity (SPE) is constituted for each individual customer. The SPE owns project assets until the end of the project term and administers all aspects of a project’s lifecycle: development, design, financing, construction, commissioning, operations, maintenance, measurement and verification of performance, and closeout (when project assets are transferred to the customer at fair market value). The CaaS structure is flexible and scalable and can be used as a vehicle for a program of phased projects.



Every CaaS project is conceived through a process of diligence and collaboration among the customer, Carrier, and Carrier's development partner. The process starts with qualifying a project in terms of its technical, service, and financial requirements and determining that CaaS can meet those requirements by delivering a specific, measurable, and guaranteed set of outcomes.



Once an opportunity has qualified, Carrier conducts due diligence and prepares a detailed project assessment so that all parties can share a comprehensive understanding of project scope, performance, and risk. Collaboration and transparency are crucial to a project's success and are guiding principles of our teamwork.

A detailed project assessment and proposal development extends the due diligence effort and produces the design basis for contracts that establish the project Scope of Work (SOW). When the parties have formalized their agreements, the design is finalized, and the project is constructed and commissioned. Finally, long-term services are provided to operate, maintain, and verify the performance of the project.

CaaS VALUE AND COST

CaaS delivers unique value propositions that differ from traditional procurement vehicles including:

- Peace of mind with a majority of project risk transferred (design, construction, and ownership)
- Applicable utility and tax incentive benefit
- Does not require an upfront capital investment
- Budget predictability and potentially favorable accounting treatments
- Delivery assurance and guaranteed performance of an integrated lifecycle solution

Our approach to preparing a baseline assessment is comprehensive, to include pricing a customer's risk exposure (which the customer is often unaware of). As a result, Cooling as a Service can reduce cost compared to the customer's baseline business case. We calculate savings that result from implementation of the project and combine those savings with the project's lifecycle cost in a view that shows the long-term financial value that the project delivers.

Owners with complex facility challenges often find a traditional means of infrastructure management have limited ability to address their unique challenges. In fact, it's often the case that traditional approaches have produced those complex challenges in the first place. Cooling-as-a-Service provides HVACR and energy infrastructure in support of core business operations.

For additional information about Carrier Cooling-as-a-Service (CaaS), visit www.carrier.com/CaaS or contact your Carrier representative