



European Federation of Intelligent Energy Efficiency Services

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Panel III – Making the business case for Energy Efficiency in
social housing

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Who are we?

- ★ We represent national associations of private companies providing an overall energy management service to end-users such as:
 - ★ analysing the clients' energy needs & consumption
 - ★ designing solutions with the best energy performance
 - ★ maintaining and managing plant and equipment on end-users' sites, including industry, commercial offices, collective residential buildings, public premises and district heating networks.
- ★ Our members commit contractually to reach technical, financial and environmental performance targets.

Energy Performance Contracting

- ★ **Starting point:** definition of the **reference situation** (consumption, technical situation) + definition of **measures for improvement** + procedures such as contractually agreed **calculation methods to assess energy consumption/energy efficiency** from the beginning to the end of the contract.
- ★ **Objectives:** **contractual savings/consumption/energy efficiency**, on an agreed perimeter and agreed duration (long term): heating, but also lighting, cooling, air conditioning. **Detailed figures and measures:** renovation of the **building** (e.g insulation => to be handled by relevant specialists), modernisation of the **energy equipments, operation and maintenance** schemes, programs aimed at changing the **behavior of the user**, implementation of energy management system etc.
- ★ **Measurement and verification** plan contractually agreed.
- ★ **Guaranteed savings:** penalties if agreed savings not achieved/remuneration based on results.





Variety of Energy Performance Contracts

- ★ EPC can be as **various** as situations, depending upon perimeter, national cultures => no unique EPC model !
- ★ The more investments to be covered, the best return on investment allowed => preferably **complex** (buildings heavy renovation + equipments + operation and maintenance) and **long term** contracts.
- ★ **Obstacles** to the development of EPC: still very few “real” examples in EU, because:
 - ★ **complexity** (need for “capacity building”);
 - ★ **split incentives** (the owner invests, the tenant saves),
 - ★ national regulations such as: **public accountancy rules** (expenses=> CAPEX => strong limits, return => OPEX=> later years), **public procurement** national rules (some MS: no long term contracts, no complex contracts ...), **VAT** rules (in some MS: reduced VAT for energy efficient equipments, but not for energy efficient services that include new equipments),
 - ★ **access to finance** (EPC gives confidence to third financing parties, thanks to solid return perspectives).



Thank you for your attention

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