



EUROCONTRACT – European Platform for the Promotion of Energy Performance Contracting

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EUROCONTRACT
GUARANTEED ENERGY PERFORMANCE

Intelligent Energy Europe



EUROCONTRACT
GUARANTEED ENERGY PERFORMANCE

European Platform for the Promotion of Energy Performance Contracting



BERLINER ENERGIEAGENTUR

Contract No. EIE/04/211/S07.38673
Jan 2005 – Dec 2007 (36 months)

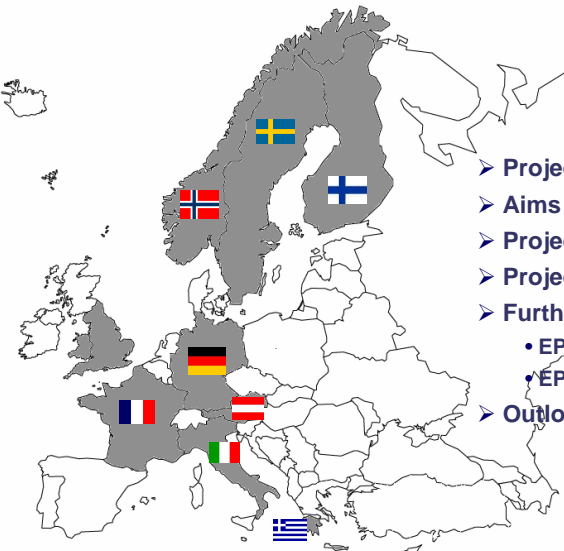
Project supported by the 'Intelligent Energy - Europe' Programme of the European Community

Intelligent Energy Europe

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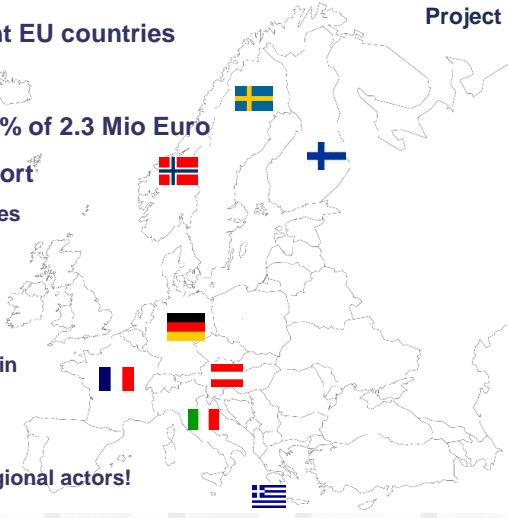
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The EUROCONTRACT Project

- 10 project partners from eight EU countries
- Project duration 2005 – 2007
- EU contribution from IEE: 50% of 2.3 Mio Euro
- National cooperation & support
 - Siemens Building Technologies
 - Norwegian Standards body
 - CEN / CENELEC
 - German Environment Agency
 - Senate Administration of Berlin
 - Club 2SE
 - SALAR
 - & many more national and regional actors!



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Aims & Objectives

Aim

- Show the viability of Energy Performance Contracting (EPC) and contribute to its further market development

Implementation

- Customer orientation and transparency of procedures
- Regionally adapted, but based on proven successes
- Development of additional models and support
 - EPC + White Certification
 - Quality Standards
 - Comprehensive Refurbishment & link to Facility Management
 - Norms /Certification
 - Financing

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Project Work

- Awareness raising and building confidence in EPC
- Dialogue with all market actors
 - Building owners
 - Financial institutions
 - ESCOs
- Capacity building and Train the trainers:
 - Providing independent competent process management, bringing in the customer view while understanding the ESCO view
- Working towards quality standards and expanded sectoral application of EPC
- Implementing new projects



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Project Impact

Increased awareness and confidence

- Building owners
- Financial institutions

Over 100 events organised and attended

- Over 2,000 participants
- Among these about 60 are new EPC experts
- Positive feedback from target audience
- Requests for information from non-participating countries and even beyond EU



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Project Impact


New projects

- Over 360 buildings screened
- 30 more concrete projects received further support
- 17 resulted in concrete EPC projects: implemented, tenders are out or under preparation
 - About 1 million square meters
 - Energy cost baseline of almost 10 million Euros annually
 - Estimated energy savings between 10% and over 25%



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**EPC – Further
Development & Research**

Topics

- Quality Securing Instruments for EPC
- Financing for EPC
- EPC & White Certification
- EPC & Norms /Certification
- EPC & Comprehensive Refurbishment
- EPC & Facility Management

Two issues in more detail

- EPC & White Certificates
- EPC & Norms /Certification issues



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graph TD
    RA[Regulatory Authority] -- "Issuance of certificates" --> OP[Obligated parties  
e.g. supply companies]
    RA -- "Issuance of certificates" --> NOP[Non-obliged parties  
e.g. ESCOs]
    MO[Market operator for Registry] -- "Trading" --> OP
    MO -- "Trading" --> NOP
    OP -- "Partly internal trading" --> OP
    OP -- "Delivery of certificates" --> EU[End User]
    NOP -- "Delivery of certificates" --> EU
    
```

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**White Certificates and EPC
Principles and Methods**

...same overall goal

- Real savings in end use consumption (costs)

...overlap in group of actors / clients



- Obligated parties: energy suppliers, grid owners, ESCOs,...
- Eligible parties: building owners, ESCOs, ...

...overlap in methodological needs (Baseline, M&V, ...)

- Proper normalised baseline is prerequisite for savings verification
- Measurement & Verification needs to find balance between accuracy and handling

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White Certificates and EPC
Direct Links

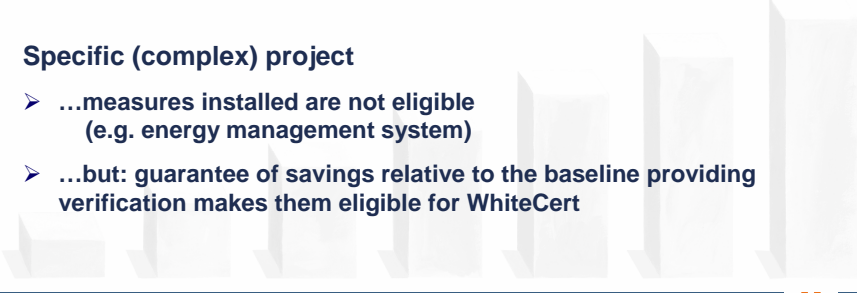
Services are eligible to WhiteCerts

Generic project – possible construction:


- ... equipment installed within EPC is eligible for WhiteCert
- ... bonus awarded for installation operation / maintenance within an EPC contract

Specific (complex) project

- ...measures installed are not eligible (e.g. energy management system)
- ...but: guarantee of savings relative to the baseline providing verification makes them eligible for WhiteCert



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EPC Quality Standards vs.
Certification /Norm

ESCO Certification: an option in the ESD

Postive:

- For clients: evaluation criteria, risk minimisation
- For ESCOs: marketing instrument





Potentially negative:

- Transaction costs increase > overall project costs increase
- Barrier for new companies in the ESCO business
- Certification procedures are an instrument of market regulation. They influence market development and leave less room for a development from itself
- ESCO market should be based on strong and transparent customer requirements and relevant quality securing instruments



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Challenges

- Market development**
 - Outsourcing-fears, non-interest, lack of information, transaction costs for project preparation
- Project development**
 - Weak project development, mainly big ESCOs, lack of specialised staff, administrative barriers in the public sector
- Project implementation /Financing**
 - Missing common parameters for handling investments and cash-flows in the internal accounting system
 - Interest rate- and investment risk
 - Provisions for monitoring & evaluation of long-term effects
 - MBI such as White Certificates are a potential market driver but need careful evaluation of possible counter-effects

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Opportunities

- Market development**
 - Energy prices, financing bottlenecks, refurbishment backlog, lead of public sector, climate change, market development campaigns, harmonised project development procedures across countries
- Project development**
 - Active project acquisition, political support increasing, lack of qualified staff on side of customers
- Project implementation /Financing**
 - ESC as part of public support models, financial participation of customers, new lease – type of models under development



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Recommendations

- **Flexibility versus Standards**
 - Standard documents should be available, but ...
 - ... modular standard offers including flexible financing
 - ... additional services
- Increasing cooperation with specialised enterprises for specific requests of potential customers
- Request for comprehensive refurbishment measures will increase
- Provisions for evaluation and monitoring
- Continuous and more support for project development needed

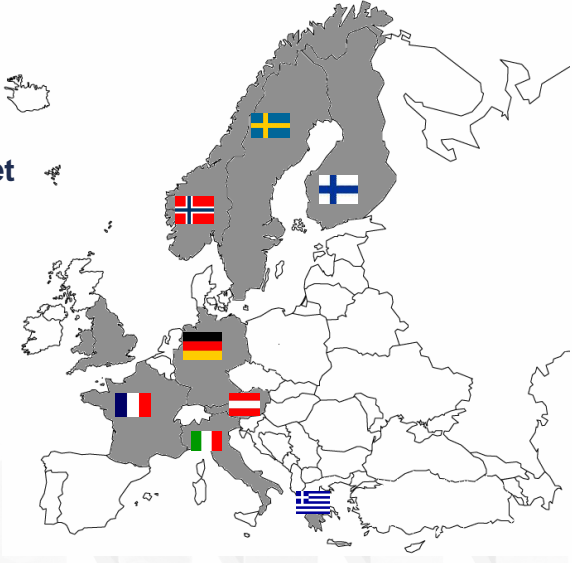




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Thank you!

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