



## **EVENT DESCRIPTION**

### **Project Partner: Energy Agency of Podravje and Municipalities of Maribor**

**Title of the event:** THE USE OF ENERGY CONTRACTING SYSTEM IN RECONSTRUCTION OF LIGHTING SYSTEM IN THE CITY – Workshop for municipalities and companies

**Date & location:** 8th of April 2015

**Organiser(s):** Energy Agency of Podravje (Energap) and Municipalities of Maribor (MOM)

**Number of Participants:** 44

The EPC model should be fully understandable by public and private partners.

At the workshop the legal, financial and technical aspect of EPC was explained, from the view of different stakeholders. There were 44 participants from Slovene Municipalities and from different companies. Participants were able to listen to the legal expert Mr. Kunovar, who presented the legal and financial correct procedures when we use the energy contracting in the energy reconstruction of public lighting system. From the representatives of Slovenian companies, which have been successfully reconstructed street lighting and indoor lighting in practice, we learn how to deal with the technical details. A representative from Graz Energy Agency presented a concrete example which has already been performed -reconstruction of public lighting in the city of Graz through energy contracting system, how to deal with this renewal, what costs they had and what savings were generated.

### **Objectives & main programme points**

#### **Objectives:**

- To introduce the Energy contracting system to the participant.
- To gain an interest from participants in this type of funding
- To show the participant the best practice in this field of financing.
- To create the knowledge and confidence in LED technology as well as in energy contracting model.
- To present the expert and technical assistance, advice and guidance the municipalities through the procedures of establishing contractual provision of savings and annual monitoring the level of energy savings and costs.

#### **Main programme points:**

- Energy contracting model.
- Guidelines for energy contracting.
- Technical characteristics, possibilities of regulation and control LED lighting and new trends in LED lighting system.



- Good practice energy efficiency of public lighting in the sports hall.
- Legal and financial correct procedures when we use the energy contracting.
- Examples of good practice energy reconstruction and energy contracting in the city of Graz.

## **Conclusions & lessons learnt (based on stakeholder input)**

### **Conclusion:**

Slovenia has no long experiences in EPC. The first law that allowed the EPC model was adopted in 2007. In 2014 Ministry for infrastructure, responsible for the energy and Ministry for finances published official explanation how EPC procedure should be carried out by municipalities that they fulfil all legal and financial aspects. Before there were many cases that Audit Court market some cases as not in the line with the legislation. And this is the reason why the workshop was oriented towards the municipalities and experts to inform them that there are proved methodologies for EPC and that the processes can start. After the discussions, participants were confident with the procedures. The main problems that were pointed out were that municipalities usually do not have concepts of the street lighting. They have technical elaborates regarding energy efficient lightning. If the savings are calculated with such basic they are not so high as could be if the whole concept of SL is taking into account. It means that municipality should decide where different lights are needed, which operate times set, cultural heritage and protected natural habitats should be taken into account. At the same time they have to decide about the places where to have more or less light as at the moment. In Slovenia there are very few ESCOs in SL and there is no real competition therefore the financial calculation is not as good as in other counties. Some municipalities already have their companies selected to perform services in SL and sometimes they have also long term agreement. It makes problems to start with the EPC, not only legally but also practically that they are thinking about losing jobs for local companies. But local companies do not have financial resource and technical skills and knowledge to perform EPC. Municipalities are interested in some combinations of making energy use reduction with ESCO and then maintaining with existing maintaining provider. But financial calculations are not in the favour of such models. Municipalities are also unsure how to deal with new lights in the future how to integrate them in EPC system.

### **Lessons learnt:**

- All stakeholders are happy that Slovene official manual for EPC procedure has been issued
- They are in favour to have a central contact point (as ENERGAP) to connect different stakeholders in EPC and that ENERGAP understands their individual point of view on EPC
- Municipality should have very good and exact cadastre of SL
- Municipality should have a clear concept what would they like to have in the future (also including different accepts of SL (cultural, natural, architectural, safety,..))
- After technical documentation for SL refurbishment should be prepared and it should focus on technical data: sort of lights, regulation system, operating times, pols, future development, solar systems,..) and this documentation is the basis for public procurement procedures and the content of the EPC agreement.
- Very good energy monitoring system should be implemented on the both sides to follow the savings. As proposed by Energap each year small revision of the performance should be carried out to have energy use numbers collected, all technical changes evidenced and the

view of public and private partner on the service collected. And such report could be a basis for and annexes needed.

- The decision on EPC should be adopted on the political level at the municipal council.
- Best practices are very important to foster the EPC process in Slovenia.
- Step by step guide for EPC is very important for public and private partners to make them sure that they follow correctly the procedure, because by Slovene law if procedures are not followed the result is annulation of the agreement and it affects very negative both partners.

