

Project Fact Sheet

Triggering the market uptake of energy performance contracting through street lighting refurbishment projects

Main information

Key Action:	CIP-IEE-2013.1.5
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Project's Partners	<ul style="list-style-type: none"> • OÖ Energiesparverband (ESV), Austria • Regionalna Energetska Agencija Sjeverozapadne Hrvatske (REGEA), Croatia • Energy Centre České Budějovice (ECCB), Czech Republic • Bałtycka Agencja Poszanowania Energii (BAPE), Poland • The Carlow Kilkenny Energy Agency (CKEA), Ireland • Energikontor Sydost (ESS), Sweden • Energetska Agencija za Podravje (ENERGAP), Slovenia • Centar za Energetska Efikasnost na Makedonija (MACEF), Macedonia • Escan, Spain • Magistrat der Stadt Wels (City of Wels), Austria • Zagrebačka Županija (Zagreb County), Croatia • Město Trhové Sviny (City of Trhové Sviny), Czech Republic • Urząd Miejski w Gdańsku (City of Gdansk), Poland • Kilkenny County Council, Ireland • Kalmar Kommun (City of Kalmar), Sweden

		<ul style="list-style-type: none"> • Mestna Občina Maribor (City of Maribor), Slovenia • Grad Skopje (City of Skopje), Macedonia • Ayuntamiento de Santander (City of Santander), Spain • European Federation of Agencies and Regions for Energy and the Environment (Fedarene)
	Project's website:	www.streetlight-epc.eu
	Benefits:	<ul style="list-style-type: none"> • Establishing EPC markets in 9 European regions • Implementing EPC projects, triggering investments in energy efficiency projects
	Keywords:	Energy Performance Contracting, street lighting, LED
	Duration:	1 April 2014 – 31 March 2017
	Budget:	1,437,399 Euro (EU contribution 75%)
	Contract number:	IEE/13/399/SI2.675823

Summary

So far, in most European regions, energy performance contracting (EPC) has not been able to develop significantly. Apart from legal barriers, this was due to the lack of understanding and trust in EPC, the absence of experienced ESCOs and of organisations facilitating the EPC market development.

Street lighting is a good "learning and testing ground" for EPC due to its lower technical and economic complexity (compared to building-related EPC). Furthermore, the recent market introduction of LED technology for street lighting offers high energy and cost savings with comparatively short payback times.

The project "STREETLIGHT-EPC" has been successful in creating demand and supply for EPC projects in 9 regions by setting up regional EPC facilitation services. These services provide comprehensive support to municipalities (operators of street lighting) and to SMEs as potential ESCOs.

The project team included 9 regional agencies/organisations, which provided the EPC facilitation services, 9 municipalities and a European network.

In total, 63 projects were realised, triggering an investment of 29 million Euro. The facilitation services will be continued by the regional partners after the project end.

Project's results

<p>Result 1</p>	<p>Establishing EPC markets in 9 European regions through regional EPC facilitation services:</p> <ul style="list-style-type: none"> - 63 regional events with over 2,000 participants were held - 183 quick-checks were completed - more than 500 enquiries (advices) were answered and documented - more than 255 "FAQs" (with answers) are available on the partner websites - 51 bilateral meetings were held with banks and financing organisations
<p>Result 2</p>	<p>Implementing EPC projects:</p> <p>The facilitation services have provided assistance to 99 promising projects (69 street lighting, 30 indoor lighting/other building-related energy efficiency measures). 63 projects are realised (total investment: 29 million Euro), 47 of these projects are using a variety of EPC models and 16 have turned to other financing or operational models. Through these projects, more than 28,000 MWh will be saved annually as well as over 3.5 million Euros for electricity and maintenance costs.</p>
<p>Result 3</p>	<p>Inducing SMEs to become ESCOs:</p> <p>The regional facilitation services have actively supported SMEs in becoming ESCOs. Overall, 12 new ESCOs have implemented projects in the context of Streetlight-EPC with the support of the facilitation services, 8 more companies have started offering EPC services (e.g. through the participation in tenders).</p>
<p>Result 4</p>	<p>Contributing to EU policies:</p> <p>The project partners worked actively towards improving the framework conditions for EPC in their respective countries to allow the instrument to fully play its role in achieving energy efficiency targets. Based on knowledge and experience accumulated during the Streetlight-EPC project, a paper with policy recommendations for an increased market uptake of EPC was developed.</p>

Lessons learnt

<p>Lesson 1</p>	<p>EPC can take many forms</p> <p>The projects implemented show that EPC is a flexible model that can take a large variety of forms. This permits it to be adapted to the specific legal, economic and social contexts of each region. The two core aspects are contractually guaranteed savings and financial consequences for the ESCO if these are not achieved. Other aspects can vary greatly (e.g. who invests, who finances, who is in charge of maintenance). Therefore, when designing EPC programmes or projects, it is key not to prescribe specific approaches that exclude good and economically viable solutions.</p>
<p>Lesson 2</p>	<p>It is all about trust and knowledge</p> <p>The project showed that many stakeholders have a high interest in the instrument of EPC. However, significant knowledge gaps on technical and economic aspects exist. Also, prejudices often need to be proactively overcome by a trusted information source. A strategic approach in reaching out to all target groups and stakeholders and providing them with concrete and situation-specific information is needed in early phases of market development. "Explain, explain, explain" is the motto to be followed.</p>
<p>Lesson 3</p>	<p>Quality is king</p> <p>EPC is a long-lasting partnership - good project preparation is therefore key for the success of the project. If the right approach is taken, EPC supports solutions with higher-level technical quality than would have otherwise been chosen. A well-defined tendering process can greatly contribute to high technical quality. In an early market development phase, it is better to have fewer, but convincing projects. Involving the citizens creates an understanding that projects are not only about saving money or energy but also about their security and quality of life.</p>
<p>Lesson 4</p>	<p>Facilitation works</p> <p>The Streetlight-EPC project has shown that market facilitation can be an effective instrument to start regional EPC markets. In addition to a different approach to procurement, EPC requires a new culture of collaboration between the public and private sectors. Many municipalities, especially - but not only - smaller ones, do not have sufficient staff capacities (both in time and knowledge levels) to start this process on their own.</p>

Last updated

31.03.2017

IMPORTANT NOTE:

- Please, attach logo as a separate .jpg-file if you decided to have one for your project.
- DO NOT send this file as a .pdf-file. For technical reasons we only accept it as a word-file.
- Please, title the file in the following way: Project acronym-year.month.doc