



GORIŠKA LOKALNA ENERGETSKA AGENCIJA – GOLEA
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**NEW FINANCING MECHANISMS AND
ESCO - Energy Service Company MODELS
PROVISION OF CONTRACTUAL SAVINGS
(EPC - Energy Performance Contracting)
CONTRACTUAL ENERGY AND HEAT SUPPLY
(ESP - Energy Supply Contracting)
A POSSIBLE APPROACH TO THE IMPLEMENTATION OF
SUSTAINABLE ENERGY PROJECTS
AND AN OPPORTUNITY TO BOOST THE ECONOMY**

Prepared by:

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1.0. INTRODUCTION

Given that investment funds available to local communities decrease from year to year, their share in co-financing from the EU Cohesion Fund in the next Financial Perspective is also expected to shrink, furthermore, possibilities for municipal debt are also limited ... the only available option for implementation of investment in increased energy efficiency and introduction of renewable energy sources is through grants for specific measures (up to 50%) combined with the means of energy service companies, applying contractual provision of savings and/or contractual energy supply, according to the principles of energy contracting in the form of public-private partnerships.

The source of return on investment for the private partner (the company that delivers energy services according to the principle of energy contracting), are the energy savings achieved following the implementation of energy efficiency measures, in which the associated risks of achieving the savings are borne by the contractor.

Energy contracting

The primary motivation for energy contracting (contractual reduction of energy costs), is the involvement of private investors in the implementation of measures for rational use of energy (RUE) on the side of consumption and supply of energy in order to lower energy costs, enhance the use of renewable energy sources (RES), without engaging public finances, or in order to engage them to a smaller scale. Energy contracting connects investment with operating procedures. In accordance with best practices (e.g. in Germany), this is a market that should be promoted at multiple levels including contractors, operators and institutions which measure the effects of savings. In addition to legal and institutional aspects, a very important element is the development and establishment of appropriate financial and guarantee schemes, to encourage the inclusion of commercial banks in the financing of such projects or public-private financing schemes.

Given the extremely weak investment potential of local communities, as well as the lack of capacity of public institutions for autonomous implementation of sustainable energy projects, in terms of increased energy efficiency and taking into account the fact that local providers of such services also lack relevant financial potential, while the financial market for obtaining favourable financial resources through commercial banks is turning more demanding with each passing day, it is clearly necessary to introduce appropriate mechanisms for energy efficiency, through financial or guarantee schemes for the implementation of energy contracting models.



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Such measures would be channelled through an ESCO Bank or ESCO Fund, in cooperation with commercial banks in order to establish the possibility of implementing financial engineering, to promote investment in energy efficiency, based on such energy contracting in which investment is financed at the expense of future savings. The measure can very well include support and funding from sources such as the EIB - European Investment Bank and other programs, such as ELENA, JESSICA ... and also resources from national, regional and local budgets as well as the resources of the European Cohesion Policy.

2.0. LEGAL ASPECTS OF THE ESCO MODEL

The legal basis for the regulation of the ESCO model is Directive 2006/32/EC on energy end use efficiency and energy services

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:114:0064:0064:EN:PDF>
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:114:0064:0064:en:pdf>

There is a need within the Community, to improve end-use efficiency and encourage the production of renewable energy. As the Community has undertaken to fulfil its obligations under the Kyoto Protocol, the European Parliament and the Council of European Communities have adopted, on 5 April 2006, Directive 2006/32/EC of the European Parliament and Council on energy end-use efficiency and energy services, at the same time repealing Council Directive 93/76/EEC.

Furthermore, the Community has adopted a Directive on Energy Efficiency (2012/27/EU), in which the public sector has a leading role in energy reform which requires that, starting with 1 January 2014, every year 3% of the floor area of buildings owned and use of the public sector are renovated, in such a way to achieve a 20% improvement in energy efficiency by 2020.

For the purpose of better understanding of the content, the following definitions are taken from Directive 2006/32/EC:

“Energy service company” (ESCO) is a natural or legal person that delivers energy services and/or other energy efficiency improvement measures in a user's facility or premises, and accepts some degree of financial risk in so doing. The payment for the



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services delivered is based (either wholly or in part) on the achievement of energy efficiency improvements and on the meeting of the other agreed performance criteria.

"Energy performance contracting" is a contractual arrangement between the beneficiary and the provider (normally an ESCO) of an energy efficiency improvement measure, where investments in that measure are paid for in relation to a contractually agreed level of energy efficiency improvement.

"Energy efficiency improvement measures" are all actions that normally lead to verifiable and measurable or estimable energy efficiency improvement.

"Energy efficiency" is the ratio between an output of performance, service, goods or energy, and an input of energy.

"Energy efficiency improvement" is an increase in energy end-use efficiency as a result of technological, behavioural and/or economic changes.

"Energy" are all forms of commercially available energy, including electricity, natural gas (including liquefied natural gas), liquefied petroleum gas, any fuel for heating and cooling (including district heating and cooling), coal and lignite, peat, transport fuels (excluding aviation and maritime bunker fuels) and biomass as defined in Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

"Energy savings" is the amount of saved energy determined by measuring and/or estimating consumption before and after implementation of one or more energy efficiency improvement measures, whilst ensuring normalisation for external conditions that affect energy consumption.

"Energy service" is the physical benefit, utility or good derived from a combination of energy with energy efficient technology and/or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to lead to verifiable and measurable or estimable energy efficiency improvement and/or primary energy savings.

"Energy efficiency mechanisms" are general instruments used by governments or government bodies to create a supportive framework or incentives for market actors



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to provide and purchase energy services and other energy efficiency improvement measures.

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"Energy efficiency improvement programmes" are activities that focus on groups of final customers and that normally lead to verifiable and measurable or estimable energy efficiency improvement.

"Energy efficiency improvement measures" are all actions that normally lead to verifiable and measurable or estimable energy efficiency improvement.

"Energy audit" is a systematic procedure to obtain adequate knowledge of the existing energy consumption profile of a building or group of buildings, of an industrial operation and/or installation or of a private or public service, identify and quantify cost-effective energy savings opportunities, and report the findings.

"Third-party financing" is a contractual arrangement involving a third party — in addition to the energy supplier and the beneficiary of the energy efficiency improvement measure — that provides the capital for that measure and charges the beneficiary a fee equivalent to a part of the energy savings achieved as a result of the energy efficiency improvement measure. That third party may or may not be an ESCO.

"Financial instruments for energy savings" are all financial instruments such as funds, subsidies, tax rebates, loans, third-party financing, energy performance contracting, guarantee of energy savings contracts, energy outsourcing and other related contracts that are made available to the market place by public or private bodies in order to cover partly or totally the initial project cost for implementing energy efficiency improvement measures.

Directive 2006/32/ES was already transposed into the national legal order of the Republic of Slovenia by the Amendment to the Energy Act (EZ-C) – Official Gazette RS, no. 70/2008, but this was followed by EZ-D Act - Official Gazette RS, no. 22/2010 and EZ-E Act – Official Gazette RS, no. 10/2012, transposing it into the national legal order is also achieved in the new EZ-1 Act, which is currently under consideration and adoption by the National Assembly.

The new EZ-1 Act, also implements the new Directive on Energy Efficiency (2012/27/EU):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:315:0001:0056:EN:PDF>



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ESCO IN THE PRIVATE SECTOR

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In the private sector, no special regulatory provisions are necessary to enable entering into contractual relationships for the provision of energy savings.

ESCO IN THE PUBLIC SECTOR

Although the public sector is meant to be exemplary in the implementation of energy efficiency measures, there are in fact, quite a few difficulties or obstacles both at legislative and administrative level, for the introduction of contractual savings and contractual energy supply. Community Member States need to, with the introduction of Directive 2006/32/EC on end-use efficiency and energy services, adopt and implement appropriate mechanisms for energy efficiency through financial schemes for the implementation of model energy contracting (ESCO).

Public procurement and public finance regulations are a serious obstacle in this area, and a factor of increased risk, as violations of law can easily occur, and it is therefore of the utmost importance that all the necessary procedures be correctly implemented.

At the GOLEA Local Energy Agency, we have obtained, with respect to such issues, relevant opinions from the Ministry of Finance, Directorate for Public property no. 354-5/2012/3 dated 13.3.2012.

Individual measures to improve energy efficiency can best be illustrated on the following cases, where the measures were implemented using ESCO mechanisms:

- Energy-efficient renovation of public buildings (such as contractual savings at Municipality Koper:

http://www.koper.si/index.php?page=razpisi&item=2002323&tree_root=104&id=22549

<http://www.uradni-list.si/1/content?id=109926>

An example of the renovation of a municipal building at Municipality Brda - MARIE project using the ESCO model GOLEA MARIE.

- Energy-efficient renovation of public lighting (eg renovation of public lighting in the Municipality Brda and Municipality Miren-Kostanjevica ...)



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(an example of combining large enterprise funding and an ESCO company)

http://www.miren-kostanjevica.si/page/razpisi_in_javne_razgrnitve (call UJR1 and ESCO)

http://www.miren-kostanjevica.si/media/razpisi/izvedba_koncesija_javna_razsvetljava/razpisna_dokumentacija_JR.pdf

- Example of contractual provision of heat with a biomass distance heating system (BDH Micro System Miren, ...)
- Example of contractual supply of heat (buildings within RES project for Primorska municipalities from Swiss Contribution funds).

<http://www.golea.si/ove> JN2590/2012

http://www.golea.si/ove/-/asset_publisher/SeNSNjK8MCJ8/content/objava-razpi-1?redirect=http%3A%2F%2Fwww.golea.si%2Fove%3Fp_p_id%3D101_INSTANCE_SeNSNjK8MCJ8%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-3%26p_p_col_count%3D1%26_101_INSTANCE_SeNSNjK8MCJ8_advancedSearch%3Dfalse%26_101_INSTANCE_SeNSNjK8MCJ8_key_words%3D%26_101_INSTANCE_SeNSNjK8MCJ8_delta%3D5%26p_r_p_564233524_resetCur%3Dfalse%26_101_INSTANCE_SeNSNjK8MCJ8_cur%3D6%26_101_INSTANCE_SeNSNjK8MCJ8_andOperator%3Dtrue

The primary motivation for developing the ESCO model GOLEA MARIE, was to produce a model that enables the public sector, most particularly local communities, to refurbish public buildings without engaging their own funds. It is necessary to take into account constraints arising from such borrowing and financing schemes that apply to Cohesion Funds, funds provided by large enterprises ...

BASIC ESCO MODEL FOR THE PUBLIC SECTOR

Essentially, three possible approaches are available to finance and implement measures that improve energy efficiency:

1. The municipality is the investor and implements measures to improve energy efficiency using public procurement:
 - The municipality provides for refurbishment from own available resources.
 - As owner and investor, the municipality bids for a grant (e.g. national calls from Cohesion funds, large enterprise tenders, other national and international calls).



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- As investor, the municipality benefits in full from the achieved savings.
- As investor, the municipality bears the entire risk of achieving savings.

Due to the reduced investment potential of municipalities, public institutions etc. this model is being phased out in favour of new forms of financial mechanisms for the implementation of measures to improve energy efficiency. Energy savings, which arise after the implementation of the measures, are essentially revenue in the investment project and serve to return the investment.

2. The municipality awards concessions for refurbishment (construction) and management (services) through public-private partnerships to improve energy efficiency:

- The municipality does not invest own funds in the renovation.
- The concessionaire (contractor) operating under their own name and in their own account, renovates the building, lighting, heating system, ventilation, cooling, ... and operates a service contract to provide energy supply and achieve savings. The municipality pays a monthly service charge, which must be lower than were the energy costs prior to the implementation of energy efficiency measures.
- Until expiry of the contractual relationship, the ownership of the means is with the concessionaire or contractor – based on the BOT model (built-operate-transfer).
- The concessionaire or contractor, on the basis of a concession contract or a contract for the provision of savings, bids for grants in available tenders (Cohesion, large enterprise, ...).
- The concessionaire or contractor bears all the risk in achieving savings.

This model is being phased in gradually, as the contract periods are relatively long, due to the fact that all the costs of the concessionaire or contractor need to be repaid and a return is expected on asset investment.

3. As investor, the municipality implements, through a public procurement, measures to improve energy efficiency, thereby awarding a concession or contract for the provision of energy services to achieve savings and to supply energy:

- The municipality itself provide funds for the refurbishment.
- As owner and investor, the municipality qualifies for a grant.
- As owner and investor, the municipality benefits from savings.

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- After implementing measures to improve energy efficiency, the municipality surrenders facility management, remote or local system of heating, cooling or ventilation, lighting, ... to a company that delivers energy savings performance contracting services and energy supply (ESCO).
- The concessionaire or contractor (ESCO), when taking over the facility, remote or local system of heating, cooling or ventilation, public lighting, ... for management on the basis of special and exclusive rights to provide energy services during the contracting period, pays the concession grantor or municipality a lump sum concession fee, which the grantor or municipality uses to close the financial plan for measures to improve energy efficiency.
- The public procurement procedure for implementing measures to improve energy efficiency and subsequent implementation of energy services is published as a single unified public tender (request).
- In terms of public finances, the municipality implements measures, through a public procurement process, to improve energy efficiency and pays the works carried out by the contractor, as the municipality holds ownership of the building, the heating supply system, public lighting, ... subsequently these are handed in management (hire) to the contractor or concessionaire who, on the basis of exclusive and special rights, due to a monopoly position, pays a concession fee (rent) in a lump sum. The refurbishment (construction) contractor and subsequent services (management, maintenance) contractor is usually one and the same, but this is not mandatory (subject to terms of the public tender).

MUNICIPAL BUDGET			
REVENUES		EXPENDITURES	
Investment			
x. Energy refurbishing	100	Energy refurbishing	100
x.1 Grants	49		
x.2 Concession Fee	51		
		402. Expenditures for goods and services	
		4025. On-going maintenance	
		Services for contractually guaranteed savings	

Grants are all grants acquired by the municipality, as an investor, from various ministries. For example: UJR 1, LS-1, LS-2, LS-3, large enterprises, Swiss Contribution, Norwegian Fund ... all in varying proportions.



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Contractually guaranteed savings services charges, after undertaking energy measures, must be lower than the cost of energy prior to implementation of the measures ($F < 1$).

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The key characteristic of ESCO model GOLEA MARIE is that the municipality is the investor and provides in full all the necessary funds for the investment in energy rehabilitation, pays the costs of the contractor and therefore holds 100% ownership of the building or energy infrastructure.

It is therefore a BTO (built-operate-transfer) system, rather than a BOT (built-operate-transfer) system, as was common practice in previous concessionary relationships for heat supply (BDH – Biomass District Heating).

Due care must also be taken to correctly implement accounting entries, according to the SRS - Slovenian Accounting Standards and International Accounting Standards.

In its accounting system, the public partner (municipality) books, based on invoices paid to the contractor for energy efficiency renovations, an increased value of the underlying assets in accordance with the principle of *superficies solo cedit* (principle of association of ownership of the land and the property on it).

The private partner (ESCO), according to SAS and International Accounting Standards is investing in a third-party property, which comes with a cost accrual. To the private partner, the cost is repaid through the term of the contract. Usually the private partner has a compensation clause, as insurance against the event of unilateral and unjustified early termination of the contract by the public partner. The risk in achieving savings is always borne by the private partner.

Payments to the contractor, which is to be paid out for the service by the public institution from energy savings, will be kept in the accounting system of the public entity under sub-accounts 402 - Purchase of goods and services in the framework of accounts 4025 – On-going maintenance. Penalty payments by the contractor, in the event of failure to comply with the guaranteed savings, will be booked in group 71 Non-tax revenues, specifically 714 Other non-tax revenue.

The volume of savings, and its distribution over contract length, needs to be specified very precisely through professionally prepared independent investment documentation, which is also a prerequisite for a public expression of interest by the public partner, which takes place prior to the adoption of the Act and actual publication of the invitation to tender.

It is equally important, throughout the duration of the contractual provision of savings and/or energy supply contract, to provide professional independent monitoring of the

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implementation and achievement of energy savings and auditing of the annual report of the contractor by a professional, independent person.

In accordance with the Regulation of methodology and obligatory contents of local energy concepts on the municipality level (Official Gazette RS, no. 74/2009) and Articles 322 and 323 of the new EZ-1, the local community carries out such duties by establishing or empowering a local energy organization.

Benefits of contracting are shown in the following table:

DECISION CRITERIA	OWN IMPLEMENTATION	ESCO Model
funding	100% owner	0 - 100% owner
technical and economic risk	owner	ESCO
optimization, operation, maintenance	highly motivated employees	in own interest of ESCO contractor
savings guarantee	no	yes
functionality guarantee	warranty period	contract work
price guarantees	no	yes
contract for a longer period of time	no	yes
the cost of preparing contracting	no	yes
knowledge and a set of ideas	owner (and consultant)	owner (and consultant) and ESCO
project specification	detailed	functional
package of services (one stop shop)	no	yes
life-cycle costs	mostly higher	mostly lower

The key feature of the ESCO model of contracting savings and energy supply, is that all risks are assigned to an external provider (ESCO) and that measures are implemented to improve the energy efficiency, consequently the new energy costs are lower than previous costs.

In doing so, there are three basic forms of contracting:

- LIGHT energy contracting, where simple organizational measures are implemented through basic forms of energy management.

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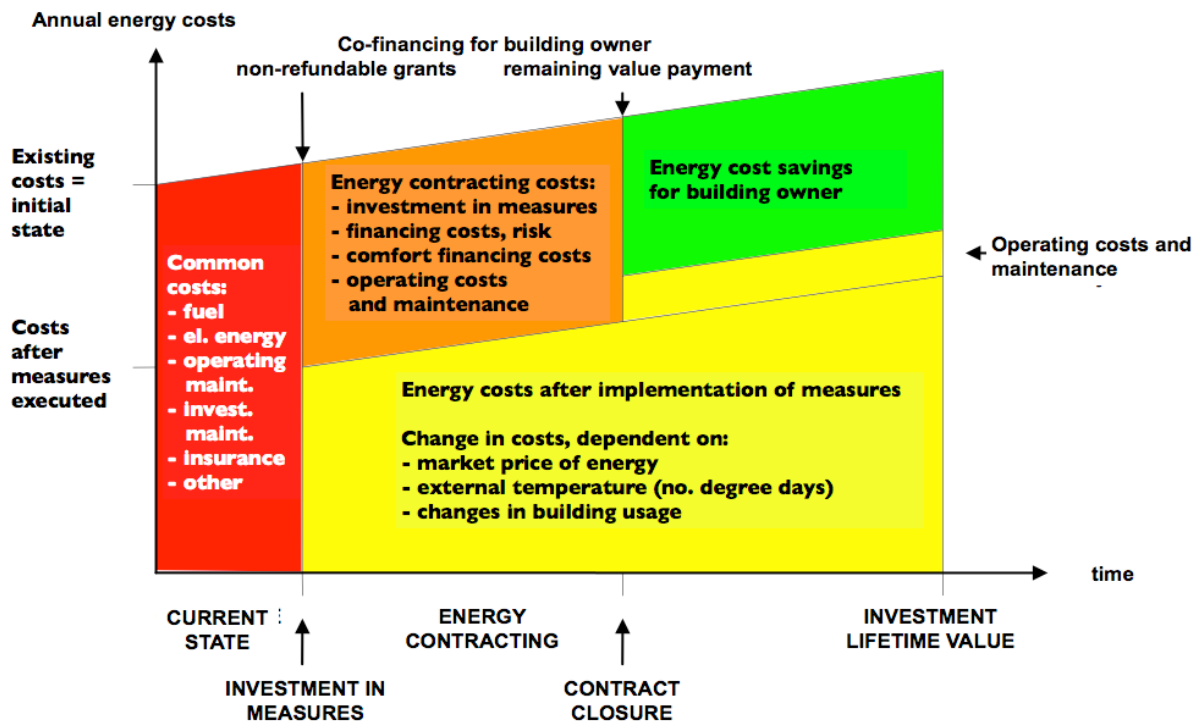
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- Energy contracting PLUS, which involves investment in energy efficiency improvement measures (e.g. complete retrofit of buildings with energy supply measures).
- GREEN energy contracting focusing on renewable energy sources.

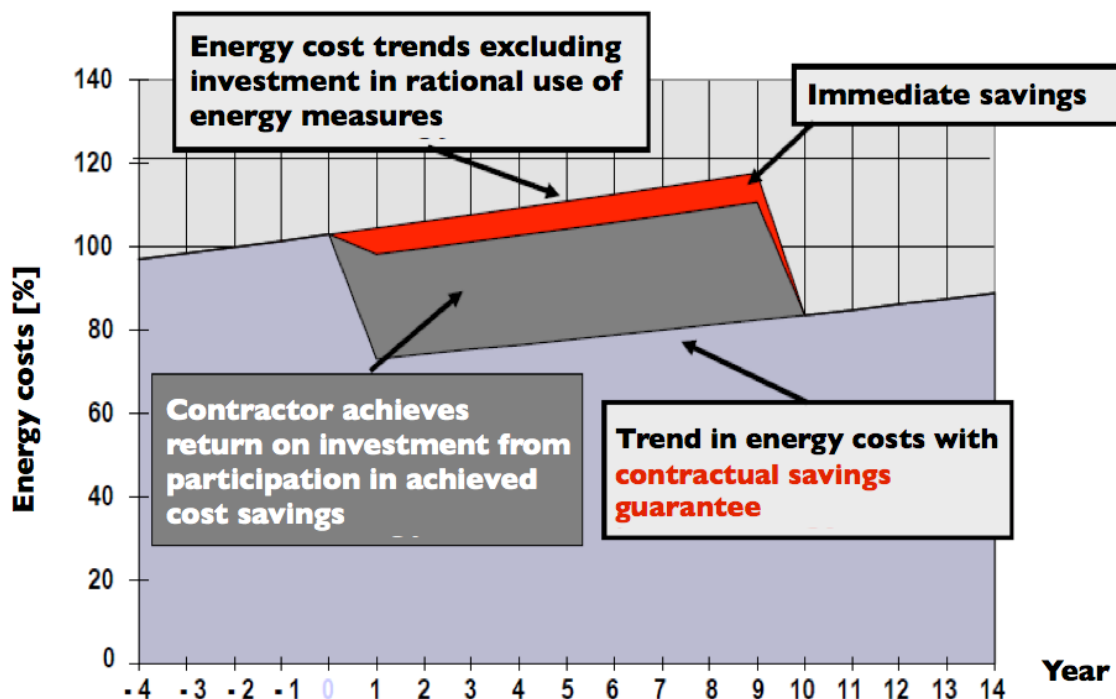
Costs prior and after implementation of measures for improving energy efficiency are shown in the following diagram:



The key question for the owner here is the extent of participation in the achieved savings:

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In these cases, the pilot renovation of public lighting in Municipality Brda and Municipality Miren - Kostanjevica is also important in terms of public finances. The cost of public lighting services was lowered, after measures were taken to improve the energy efficiency of public lighting ($F < 1$), as this is only way to avoid additional municipal borrowing.

$$SUM = (RP \times C + RV) \times F$$

SUM = annual payment by concession grantor (EUR)

RP = reference consumption (in kWh) el. energy

C = cost of el. energy in the reference contractual year (EUR/kWh), which contains all the energy costs, network charges and other fees set by the state including VAT, which can be increased/decreased proportionally taking into account the average rise/fall of el. energy prices

RV = reference maintenance costs

F = share factor for achieved savings

Therefore, in the public call for the selection of the concessionaire or contractor, the key criteria are:

- Investment amount in the renovation of public lighting.
- Concession fee paid at the onset of public lighting management.
- Cost sharing factor, which must be less than 1.



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APPROPRIATE PROCEDURES FOR THE ESTABLISHMENT OF A PPP MODEL

In terms of public procurement, public finance, ... the key to the establishment of a Public-Private Partnership model is following the necessary statutory procedures:

Phase in setting up PPP model

1	Establishing public interest -> representative organ of the municipality (Art. 11 PPP Act)
2	Preparing investment study in accordance with the Rules on the content of the eligibility of execution of a project according to the model of PPP (Off. Gazette no. 32/2007) and Art. 8 PPP Act.
3	Implementation of preliminary procedure -> approval by representative organ of the municipality (Art. 31 PPP Act)
4	Adoption of PPP decision -> representative organ of the municipality
5	Drafting and publishing public tender and tender documentation
6	Selection of concessionaire
7	Signing of contract with selected concessionaire

It is essential to this process that the investment documentation, the necessary project documentation, and the technical background to the investment documentation are prepared by a professional and independent institution.

Unfortunately, in practice, all too often we encounter situations where the private partner, as a promoter, draws up all the necessary documentation for setting up the PPP "free of charge" and it is unfortunately uncertain how many times over the public partner will pay, during the contract period, for these "free of charge" documents, on the basis of which the representative body of the public partner also adopted the actual decision regarding the feasibility of the proposed implementation of the PPP model.

Based on our previous experience, we have come to the conclusion that it is necessary, in energy rehabilitation of buildings, for the implementation of rational use of energy (RUE) with the introduction of renewable energy sources (RES), to provide at least some share of funding in the form of grants. Projects are just not attractive enough to potential investors, as the payback rate for invested funds is



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too long, the internal rate of return is also too low ... For this very reason, in order to introduce energy contracting, it is put forward to the Community and Member States that government proposes the adoption of appropriate mechanisms for energy efficiency, and the establishment of appropriate financing and guarantee schemes, which are to enable adequate funding of sustainable energy.

In doing so, we propose the adoption of a distinct financial mechanism, which combines public funds acquired from various public funding programs, primarily from the Cohesion Policy Funds, with assets of ESCO (Energy Service Company) companies through a suitable model of Public - Private Partnership (PPP).

Specifically, we are launching an initiative, that together with the relevant departments and ministries, a clear guide is to be drawn-up for the implementation of investment projects in sustainable energy, using the ESCO model of contractual provision of energy savings and heat supply.

In this respect, we recommend a study of the following literature:

http://www.eib.org/epec/resources/epec_guidance_ee_public_buildings_en.pdf

FINANCIAL RESOURCES OF ESCO COMPANIES

The implementation of energy contracting definitely requires, in addition to undertaking appropriate measures for energy efficiency, also devising corresponding guarantee schemes through which to arrange the financing of ESCO companies.

The European Parliament and Council adopted on 15 December 2010 the Commission Regulation no. 133/2010, establishing a program to aid economic recovery by granting Community financial assistance to energy projects of sustainable energy at local and community level, in the amount of €146 million. Taking into account the participation of EIB, CDP, DB ... the total amount rises to €265 million.

The potential beneficiaries are public authorities (e.g. municipalities), preferably at local and regional level, as well as public and private companies, acting on behalf of public authorities (e.g. local public utilities, energy service companies - ESCO companies that provide district heating, including combined heat and power



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(CHP) or the providers of public transport, ...). Projects are to register with ELENA at www.eib.org/green or <http://www.eib.org/products/elena/index> .

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In the program ELENA Slovenia, there were two pre-applications, the Municipality of Ljubljana and the University of Ljubljana. The project of the Municipality of Ljubljana is to proceed to the next phase.

In September 2012, a Government Program of Measures was adopted that included, under Energy Contracting, a commitment that this measure is to involve SID Banka d.d., in cooperation with commercial banks, to consider the possibility of a pilot implementation of financial engineering measures to promote investment in energy efficiency on the basis of energy contracting where the investment is financed at the expense of future savings.

The measure makes it possible to include, in addition to funds from SID Banka d.d., also financial means from the State Budget and the European Cohesion Policy. Part of this measure is to include the evaluation of the possibility of integrating assistance and funding initiatives from the EU, at JESSICA level. In this context, in 2012-2013 SID Banka d.d. could support, as pilot implementations, a set of projects to a total value of €10 million, with view to creating, at the next stage, a suitable approach to financial engineering measures that support energy contracting.

Unfortunately, we did not find news that the measure was ever implemented.

Regrettably, an adequate financial or guarantee scheme is yet to be established to enable ESCO companies access to funds through their commercial banks for eligible energy efficiency measures in the program ELENA. This is because there isn't yet an appropriate national financial institution (ESCO Bank or ESCO Fund), which could be the contractual partner of the EIB.

In addition to favourable credit lines, the ELENA scheme includes 1/25 technical assistance which co-finances all the necessary project and investment documentation and carrying out the necessary public tenders for procurement of



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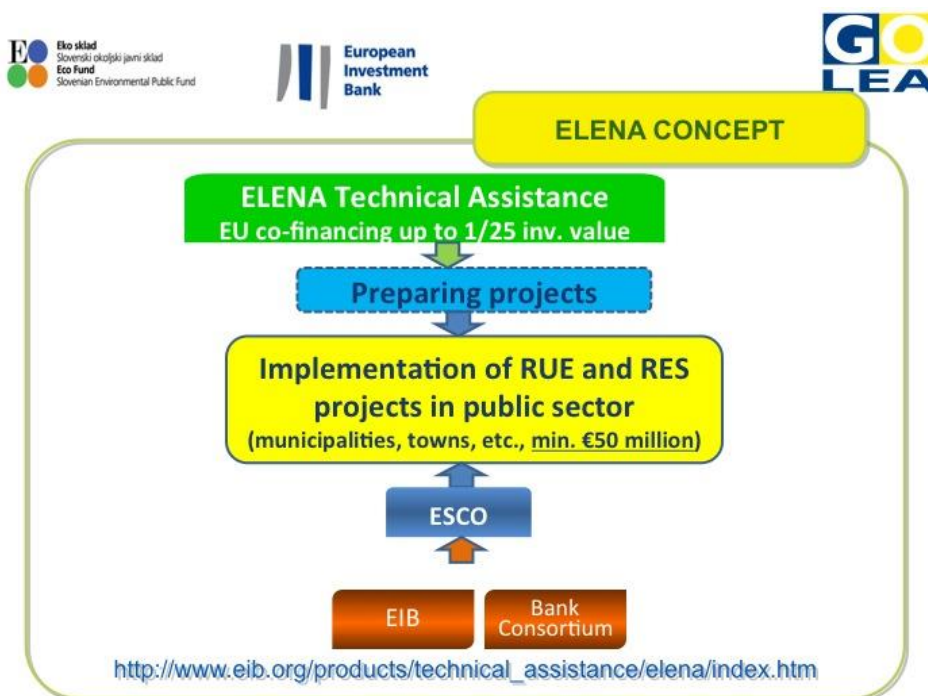
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ESCO companies to implement the proposed measures to improve energy efficiency with due emphasis on the professionalism and independence of the authors of the necessary preliminary documentation.

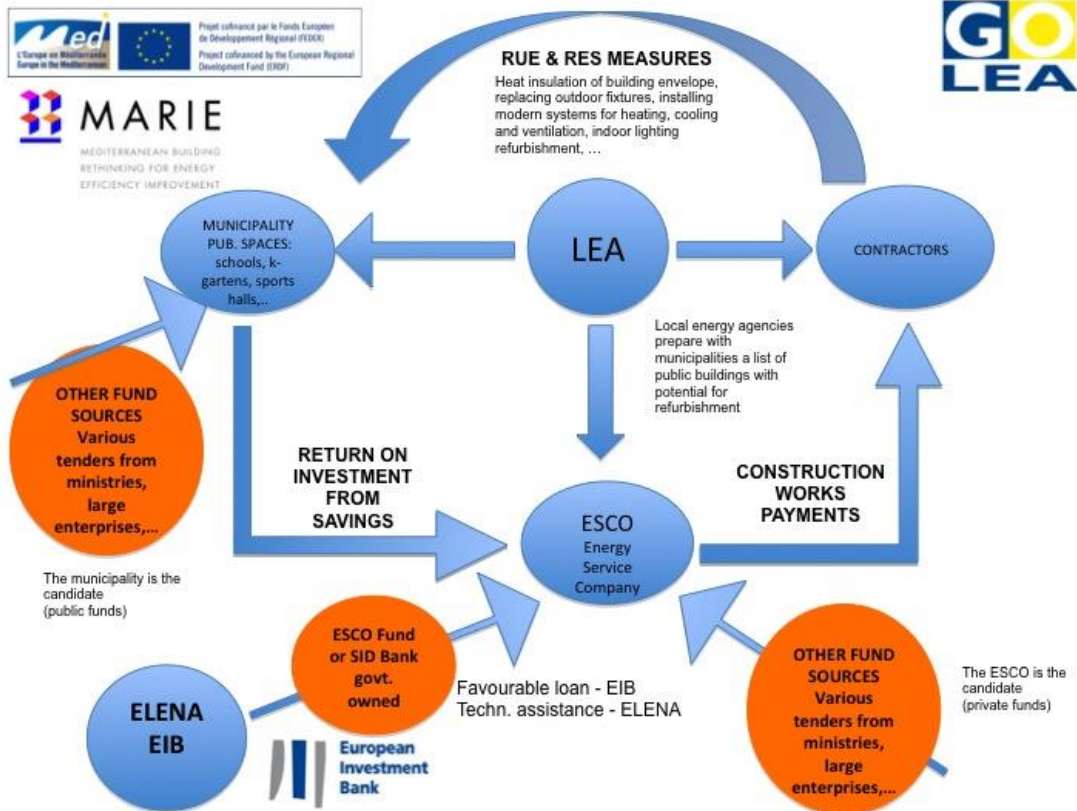


For the successful implementation of sustainable energy investment projects, and for the purpose of implementing measures for increased energy efficiency, it is proposed to make use of a combination of different sources of financing:

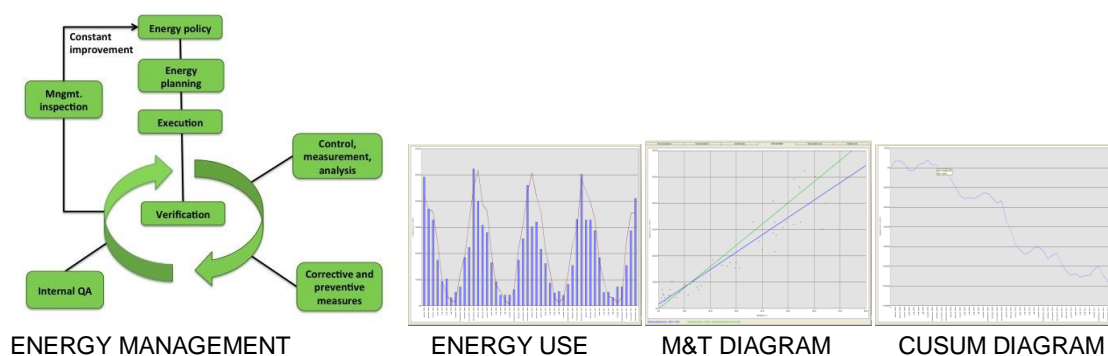


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In order to obtain relevant input data from local communities, public institutions ... it is proposed that energy management, energy monitoring & targeting is introduced:



Local Energy Agency GOLEA has introduced at the majority of Primorska municipalities, in part through the implementation of pilot activities within international projects, an online energy accounting system with energy monitoring and targeting (M&T).



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CONCLUSION

It is recommended to MARIE project partners, to propose to the competent authorities of the Community and to Member State Governments in the area of Program MED, the implementation of appropriate mechanisms for energy efficiency and adequate financing with guarantee schemes, including the establishment of an ESCO Bank or ESCO Fund for area MED, which will enable ESCO companies to obtain funds through their commercial banks for the purpose of implementing measures to improve energy efficiency, using the principle of energy contracting.

We propose to the competent energy ministry in the Republic of Slovenia, the Ministry of Infrastructure and Spatial Planning, the drawing up of guidelines for the implementation of measures to improve energy efficiency in public sector buildings, according to the principles of energy contracting.

Vrtojba, 11.12.2013

Prepared:

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GOLEA Managing Director with co-workers