

CHANGEBEST NEWS

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Energy Efficiency Services
ChangeBest Conference
January 2012, London UK

Promoting the development of an energy efficiency service (EES) market – Good practice examples of changes in energy service business, strategies, and supportive policies and measures in the course of the implementation of Directive 2006/32/EC on Energy End-Use Efficiency and Energy Services

01 July 2009 – 30 June 2012



HOW TO DEVELOP PROFITABLE ENERGY EFFICIENCY SERVICES AND ACCELERATE MARKET GROWTH – EUROPEAN CONFERENCE

Dear Readers,

The ChangeBest project team is pleased to invite you to the final European Conference of our ChangeBest project on **24 January 2012** in London. We are very glad that it will be possible to place our final conference as a pre-conference day of the next EU ESCO Conference professionally organised by Synergy on 24 – 26 January 2012 in London's Millennium Gloucester Hotel¹. The conference will unite today's leading professionals in the Energy Efficiency Service (EES) business in Europe.

The **ChangeBest Pre-Conference Day** of the ESCO Europe Conference on 24 January 2012 aims at

- Presenting a selection of new EES experience and good practice from 49 ChangeBest field tests in several European countries
- Presenting and receiving feedback on the overall results of the ChangeBest project
- Giving recommendations on necessary framework conditions, policies and measures to further accelerate EES market growth
- Intensifying EES networking of professionals, companies and company associations in Europe.

You may find more information, an invitation to submit abstracts to the ESCO Europe conference as well as registration possibilities at www.esco-europe.com.

This newsletter already presents some interim results of our ChangeBest project, which shall pique your curiosity. Looking forward to seeing you in London in January 2012!

Yours sincerely,



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CB Conference Organiser



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HRW
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¹ <http://www.millenniumhotels.co.uk>

ESCO EUROPE 2012

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January 2012
London, UK



THE ENERGY EFFICIENCY SERVICE MARKET IN 18 EUROPEAN COUNTRIES AND ITS POTENTIAL DEVELOPMENT

The analyses and studies carried out by ChangeBest have shown that there is a large potential for profitable Energy Efficiency Services (EES) in Europe. A more accelerated market growth would be possible. Despite the heterogeneity of the market and the substantially different policy environment in the different European Member States, there are many chances for various market actors (ESCOs, building technology providers, energy companies, other companies) to provide EES or partial services related to EES.

Sufficient profitability can be expected, if the EES are well-designed and important success factors are respected. In few cases profitability can even be expected to be extraordinary in this business field. The practical experience with identification, development and field-test of new EES by ChangeBest project partners showed that there is a huge interest by different actors in expanding the EES business.

If you would like to know more about the existing market situation in 18 EU countries, go to www.changebest.eu and under **Project results**:

[Download the National country reports and the Cross-country analysis of the energy efficiency business in the 18 countries and regions!](#)

For more information about EES market potential always go to www.changebest.eu and under **Project results**:

[Download the Analysis of the potential market volume for energy services!](#)

DEVELOPING NEW AND PROFITABLE ENERGY EFFICIENCY SERVICES

ChangeBest field tests of “new” EES business models

There are many different EES business models for various customer groups and addressing different Energy Efficiency Improvement (EEI) areas. When developing new EES business models, EES providers can learn from existing good practice examples, but have to take into account the respective market situation and policy framework in their country. Strategic product development of new EES should start from the identification of possible EES ideas that provide economic, energy-efficient solutions to the customers and lead to the development of professional business cases.

Within the ChangeBest project, 40 practice partners in 16 countries have been developing new EES towards such professional business cases. All of these field tests are still on-going. Some details of the services field-tested within the ChangeBest project are therefore still under development and improvement. These analyses of the field test status just give some preliminary results.

THE EUROPEAN ENERGY SERVICE INITIATIVE (EESI) BROADLY PROMOTES THE IMPLEMENTATION OF ENERGY PERFORMANCE CONTRACT IN, THUS CONTRIBUTING STRONGLY TO THE ESTABLISHMENT OF EFFECTIVE ENERGY SERVICE MARKETS IN EUROPE

WWW.EUROPEAN-ENERGY-SERVICE-INITIATIVE.NET



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The new EES were identified following strategic on-site discussions between experts of the ChangeBest project and practice partners. In total, 49 EES products for different fields of application have been developed to realise energy savings in lighting, refrigeration, pumps, circulators, heating, cooling, ventilation, building shell and further heat or electricity-using areas in private households, industry, commerce and public buildings.

In countries where the EES market is only at a very preliminary or initial stage, the focus of EES development has been on transferring more or less well-established EES models like EPC and heat and cold delivery services (cf. the example in Box 1).

Box 1: HELESCO

HELESCO is the first active independent ESCO operating in Greece. The market is in an initial stage. EES models like EPC are hardly known. There is no demand and no trust in models and providers yet. In the beginning of the ChangeBest project, HELESCO tried to apply EPC concepts to the Greek market. However, in the course of the project HELESCO learnt that it is much easier to sell energy supply contracting projects on CHP or biogas plants.

In other countries where EES markets are already in a more advanced stage of development, EES providers followed different strategies and faced different problems often related to policy barriers. For example, in countries with more developed EES markets and non-supportive policy environment like Austria, Germany and Denmark, EES providers have been concentrating on identifying EES or partial services connected to EES for market niches not yet addressed so far (cf. the example in Box 2).

Box 2: Lokalenergi

Lokalenergi is a provider of electricity, consultancy services in all customer segments and on all types of energy in Denmark. Lokalenergi also offers building energy labels, energy management systems and ESCO projects to their customers. Within the course of the ChangeBest project, Lokalenergi has developed a new service for private households to obtain value for the customer and customer loyalty for the utility, thereby entering into a strategic energy efficiency dialogue with them. Based on a customer segment analysis of demography, attitude to environment and price and ways to communicate, and a strategy workshop on possible actions and their prioritisation, a saving campaign with customer commitment of saving 500 kWh of electricity has been developed. In order to realise the savings committed to, customers can make use of existing offers for EES and different partial services connected to EES. Lokalenergi even considers offering EPC for renovation of the building shell and has started new campaigns to continue the dialogue with the customers.

In countries with existing white certificate schemes like Italy and France, EES providers look on how to link new EES to these schemes (cf. the example in Box 3).

Box 3: EDF

In France, the large electricity company EDF is developing and field testing several business cases within the context of the ChangeBest project. For example, for customers in the industrial or tertiary sector, EDF provides a partial service connected to EES containing an on-site evaluation including recommendations about energy management, based on European standard EN16001, in addition to the traditional technical energy audit. EDF furthermore offers to support the customers on their further way to increasing energy efficiency. The objective is to realise 5% to 22% energy savings by this approach. EDF is interested in incorporating energy management improvements realised by this service into the French white certificates scheme.

In general, additional or even “new” EES will not be developed for such market segments where restricting policies hinder market expansion (cf. the example in Box 4).

Box 4: El-tec Mulej

In Slovenia, El-tec Mulej is trying to apply an EPC approach to public buildings. However, a complex law on public-private partnership together with the public procurement law, and the treatment of contracting fees from EPC projects as a loan with limitation regarding municipal budgets still hinder the implementation of EPC projects.

THE FOLLOWING PROJECTS SUPPORTED BY THE INTELLIGENT ENERGY FOR EUROPE PROGRAMME ARE ALL DEALING WITH ENERGY EFFICIENCY SERVICES:



WWW.MINUS3.ORG



WWW.FRESH-PROJECT.EU



WWW.PERMANENT-PROJECT.EU



WWW.PROMETHEUS-IEE.EU



WWW.ESOLI.ORG



WWW.BIOSOLESCO.ORG

CHANGEBEST GUIDELINE ON STRATEGIC PRODUCT DEVELOPMENT

In order to support partners in successfully developing “new” EES business cases, a guideline was developed in the course of the ChangeBest project, which points to some general success factors that EES providers should respect indicating that:

- The focus of EES should not be a specific EEI technology...
- It is necessary to look at the EES “with the eyes of the customer” ...
- EES, information and marketing activities should be designed in such a way that acceptance by customer is eased...
- EES providers should carefully analyse the competitive advantage....
- If the EES provider is also involved in other business fields, links to these fields should be carefully designed...
- Economic viability of the EES offered is, of course, essential. However...
- The EES should not only be economically viable. Liquidity has to be secured in order to avoid any risk of insolvency of the EES provider...
- Risk management is another important task of an EES provider as there are several risks typically related to EES...
- Besides technical knowledge the EES provider needs to know how to bring his intellectual property to a customer...
- In order to be successful, several organisational changes and human resource development processes might be necessary for an EES provider...

For more information on strategic EES product development go to the www.changebest.eu and under **Project results**:

[Download the ChangeBest Energy Efficiency Service Development Guide!](#)

HOW POLICIES AND MEASURES COULD FOSTER EES MARKET DEVELOPMENT

The empirical analysis has shown that success in developing profitable EES business cases strongly depends on the maturity of the market in the respective country and market segment, and on the policies and measures hindering or fostering success of EES providers. Political decision-makers on European and national level have large responsibility in providing supporting framework conditions for EES market development and a level playing field that gives equal chances to all market actors.

At the moment, policies specifically stimulating the market for EES are rare. In particular, **there is no EU policy with direct effect on the EES market**. On the national level, there are only few policies and measures that specifically and directly support the demand for and supply of EES like accreditation, certification or labelling schemes for ESCOs or offered EES, platforms and support of EES market facilitators, legal arrangements that remove legal barriers for ESCOs or other support measures.

Moreover, in a number of countries there are still several legal and further barriers, which lead to a non-existent level playing field for EES providers.

ChangeBest has recommended several policies and measures on European and Member States level to remove such barriers and to specifically support EES market development.

Get the full report on policies and measures hindering or supporting EES market development and the report on preliminary policy conclusions at www.changebest.eu under **Project results**:

[Download the Analysis of policy mix and development of Energy Efficiency Services!](#)

[Download Preliminary conclusions and recommendations!](#)

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IEE/08/434/SI2.528383



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