

CHANGEBEST NEWS

INSIDE THIS ISSUE:

| | |
|---------------------------------------|---|
| <i>Overview of the field tests</i> | 2 |
| <i>Good practice examples</i> | 2 |
| <i>Accelerating EES market growth</i> | 3 |

We're on the Web!
www.changebest.eu

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



Dear Readers,

ChangeBest is ending by the end of June 2012 after three years of hard work; so now is the time to visit our Website (www.changebest.eu) and get all the results!

To start a new company or a new business is at the same time challenging and exciting. The ChangeBest project has supported the development of new energy efficiency services (EES) by ESCOs, building technology providers, energy companies and other companies.

In ChangeBest 38 companies across Europe have been supported. In total 48 new EES have been developed and field tested. This support included a strategic guideline, advice by email, telephone and face-to-face meetings as well as information exchange between EES providers at national and European workshops.

Most of the new EES were successful and serve as good practice examples while others EES were not successful. In both cases there were important lesson learned for EES providers.

ChangeBest gives a detailed assessment of the EES markets with conclusions and recommendations for the policy strategy to support EES development, both in the European Union (EU) and in the Member States.

In Europe there is a large potential for profitable EES, even in EES markets at an initial or not well developed stage. According to a ChangeBest estimate, the EES market is expected to grow by several billion Euros per year until 2020. Strong market growth is an important factor for EU to meet the 2020 target.

This sixth and final newsletter introduces the findings from the 48 EES field tests and as well as our policy recommendations for accelerating the EES market growth. The ChangeBest project team hope this will be interest and lead you to our Webpage for more information.

Sincerely yours,



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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



OVERVIEW OF THE FIELD TESTS

The main objective of the ChangeBest project was to support the development of marketable and successful EES.

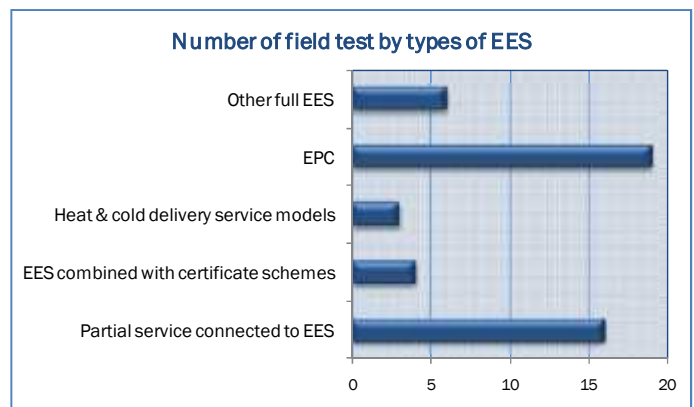
Business cases with EES field testing have been carried out in order to find new or optimised EES that contribute to filling observed gaps on the EES markets and increase the total EES market.

In total, **38 partners from practice** have participated and implemented **48 field tests** in 16 European countries, which is 31% more than planned. This indicates a strong interest from market players for development and provision of new EES. Some of the EES practical partners have provided more than one EES (in one case even 4 EES).

In the field testing there were four types of EES models:

- Energy Performance Contracting (EPC);
- Other full EES than EPC meeting all the criteria of EN 15900:2010;
- Heat & cold delivery service models, when the service includes an audit to identify energy-efficient solutions for the customer, the implementation of energy efficiency improvement actions and the ex-post monitoring to check the energy savings;
- Partial services connected to EES, which only include parts of the EES value chain, e.g. energy audits designed to directly or indirectly lead to energy efficiency improvements.

For countries that have implemented white certificate schemes, different types of EES have been field tested. This has been a separate category within the ChangeBest project.



An essential goal of the ChangeBest project was the economic

profitability of the EES. The majority (67%) of all EES providers participating in ChangeBest stated that their new EES were directly profitable during the field test phase or were soon expected to be profitable. Nearly 90% of the companies providing economic figures were profitable.

This is an encouraging result for all parties considering about to offer new EES products to their customers.

The energy savings achieve in the field tests ranged from 10-80% per contract. On top of that, some EES projects also provided heat and steam savings.

Range of savings per EES contract

| Range of energy savings per EES contract in kWh | from | to |
|---|--------|-----------|
| Electricity | 90 | 680,000 |
| Natural Gas | 3,000 | 1,600,000 |
| Oil | 18,300 | 380,000 |



The ChangeBest project has developed a guideline on how to develop profitable EES business cases. The full text is available at www.changebest.eu.

Content

Putting together an energy efficiency service

- Energy efficiency service according to European standard
- Motivations of energy efficiency service providers
- Three dimensions of energy efficiency services
- Value chain
- Market segments and customers
- Technologies and processes

Criteria for successful energy efficiency service

- Needs of the (potential) customers
- Competitive advantage
- Links to other business fields
- Economic viability
- Financing
- Risks
- Specific marketing and sales for energy efficiency services

Organising the provision of energy efficiency services

- Supplying integrated solutions via a network
- Using best available know-how
- Supplying of innovative energy efficiency services
- Professional project management
- Client-oriented
- Positive attitude

Putting together a business case

- The function of business plans / business cases
- Important elements of a business case for energy efficiency services

GOOD PRACTICE EXAMPLES

Good practice examples in ChangeBest are characterised by important energy savings, the level of innovation and integration, the cooperation model used, the market addressed, the feasibility of the business model and the possibility for replication. The ChangeBest final brochure at www.changebest.eu includes a detailed description of seven good practices examples.



CMI Greenline Europe - France

Fully integrated solutions for thermal processes in the process industry with an energy saving performance guarantee. The project provided high absolute amount of energy savings in a customer segment, which is rarely targeted by EES providers.

Eltec Petrol, d.o.o. - Slovenia

EPC with integrated building envelope energy efficiency measures matching customer needs in the public sector. High energy savings were unlocked by including external expertise knowledge and capitals.



EnerEfficiency - Portugal

An innovative small scale EPC showing a successful newcomer in the EES market. Easy and quick installation of mimicking equipment inside commercial refrigerators/freezers provides a better temperature control.

RENESCO - Latvia

EPC model for comprehensive energy efficient renovation of multifamily residential buildings, ideally suited for the housing conditions in Eastern Europe. This model takes all financial and technical risks and decision-making away from the flat owners. High amounts of energy savings are obtained.



Dalkia - Spain

Energy-efficient fuel switching using biomass for sanitary hot water production and pool heating in hotels. This is a good example of integration of energy efficiency improvement measures with renewable energies.

Lokalenergi - Denmark

New and innovative long term strategy platform for EES offers based on a detailed customer segmentation analysis. A continuous dialogue with customers is leading both to energy savings and customer retention.



Stadtwerke Tübingen GmbH - Germany

Installation of a high-efficient circulation pump with payment via the customer's electricity bill over a period of four years. A standardised small investment, which is easy to handle for the customers. The activity is implemented in cooperation with local craftsmen.

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

ACCELERATING EES MARKET GROWTH

Various policies and measures stimulate energy efficiency improvement (EEI) actions and demand for EES; but they need to be made more effective. In fact, there are only few policies and measures that directly support EES providers. A limited fraction of all EU countries directly stimulate EES activities or partial services connected to EES including raising awareness, providing information, advice on saving measures, technical planning and monitoring of results. These countries use targeted policy instruments. At the European level there is a general lack of co-ordination, consistency and utilisation of synergic effects of different energy efficiency, EES policies and measures.

It is urgent to revise national policies and legislative arrangements hindering the implementation of EES (e.g. tenant law in Germany and laws for public tendering in some countries). It is also necessary to remove barriers in order to establish a level playing field for all type of EES providers operating on the market and for EES compared to own implementation by the customer. Moreover, some of the currently existing energy efficiency policies with more or less public free EES create unwanted „competition“ to the commercial provision of EES. Such policies should be reformulated to create a fair level playing field for EES providers.

A mechanism that allows financing of energy efficiency improvement actions and force EES in sectors with smaller customers should be implemented in every Member State. Suitable mechanisms are energy efficiency obligation schemes or energy efficiency funds that are independent of the overall governmental budget. The public sector is an important agent to enhance the introduction and application of EES. The EU policy should therefore require Member States to ease and foster EES in the public sector: The public sector own activities should be good practice examples.

In conclusion, ChangeBest main policy recommendations on EU and Member State level are:

- **Provide more trust to EES and EES providers** by spreading information, establish quality requirements and assurance scheme, support market facilitators as well as platforms and networks;
- **Removing legal uncertainty and legal barriers** by harmonising definitions and policies on EU and Member State level with removal of legal barriers in order to create a fair level-playing field;
- **Supporting EES in the public sector** by several measures, particularly by market and project facilitators for public administrations that want to implement or tender for energy efficiency improvement actions in their buildings.
- **Facilitating pre-financing of EES** particularly in countries with less-developed EES markets, e.g., by addressing banks or by arranging guarantee funds;
- **Increasing the profitability** by increasing the level of internalisation of externalities e.g. through climate emissions trading and increased energy taxes.

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