



Ireland – Policy Innovation on EPC

Concerted Action Meeting

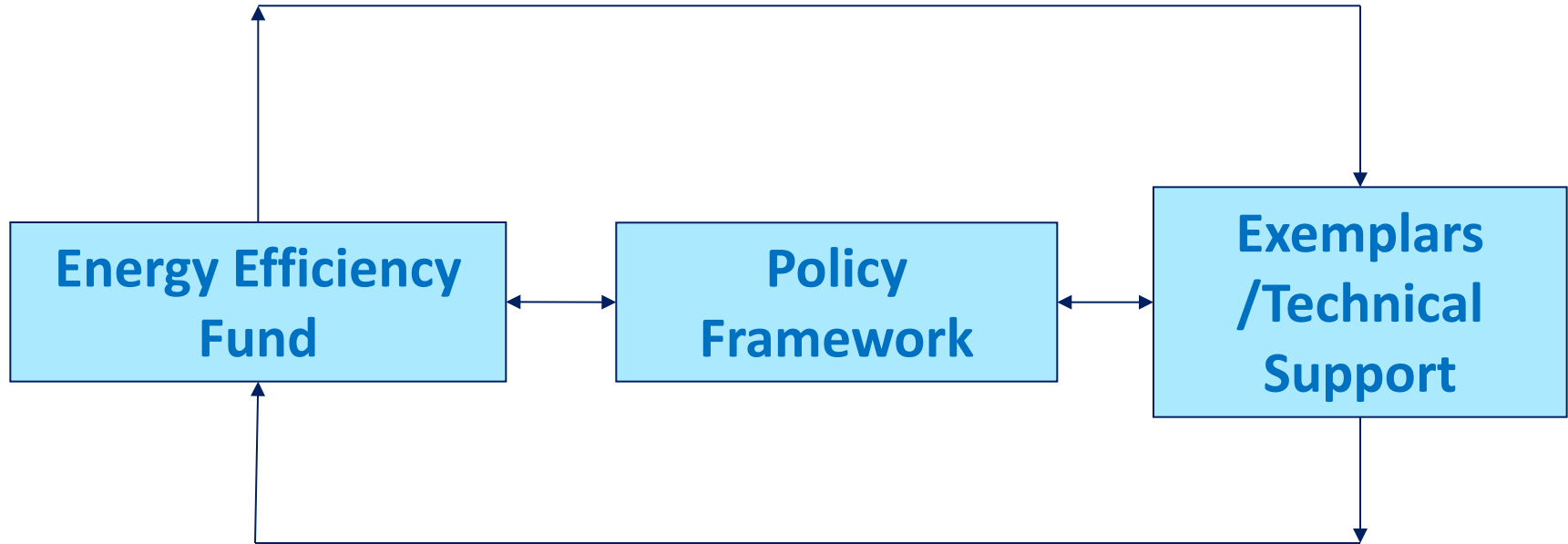
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National Energy Services Framework



Three-pronged approach to deliver energy performance contracting



National Energy Services Framework

The Framework has the following key objectives:

- 1.Enable new contracting and project development processes at scale
- 2.Standardise project development processes, which have buy-in from the market, to build capacity and reduce transaction costs
- 3.Ensure that energy performance criteria form part of every energy project, along with robust measurement & verification protocols



National Energy Services Framework

- PAYS for commercial and public sector bodies
- Framework will bring suppliers and buyers together under an agreed set of protocols
- Framework provides standard reference material on procurement, model contracts, technical support
- Will overcome existing barriers to deploy EPCs (meet EED requirements)
- Version 1.0 of Framework published Q4 2013
- Underpinned by the creation of an Energy Efficiency Fund
- Exemplar projects 'road-testing' the principles



National Energy Services Framework

Traditional

Consultant - Design, procure, supervise

Contractor – Supply, install, commission

Client – Pays for works...regardless of performance

Energy Performance Related Payment

Consultant – design / output specification, procure, supervise, (guarantees performance)

Contractor/ESCO – (design), install, commission, guarantees performance / savings... or losses a portion of fee

Client – Pays for works ... final payment on demonstrated performance

Local Energy Supply Contract

Consultant – output specification, procure, supervise

ESCO – Design, install, commission, operate & maintain, supplies energy for agreed rate

Client – Pays for energy. May pay capital cost.

Energy Performance Contract

Consultant – output specification, procure, supervise

ESCO – Identifies energy savings, design, install, commission, maintain, guarantees savings by paying for any shortfall.

Client – Pays for savings.



Energy Efficiency Fund

Rationale:

- Availability, cost and structure of finance key barrier
- Irish Govt. established a fund for non-domestic sector
 - €35 million government commitment
 - Matching funds being sought. Overall fund size €70m

Key Objectives:

- Stimulate activity in the sector
 - Not to become a distortion on pricing/competition
- Transparent pricing of finance elements of EPC contract
 - Fund will price finance on commercially viable projects
- Clear eligibility criteria
- Finance projects from 2014 on



Energy Efficiency Fund

- Procurement process (Aug. '13), Fund launch (March '14)
- Fund Manager – Sustainable Development Capital Ltd
- 3-year investment timelines
- Life of Fund 10 years, some PS projects may be longer
- First close completed May '14. Total of €35m committed.
- First deal – Tesco Ireland (€2m lighting retrofit). More deals in the pipeline before end 2014
- Est. is that 450 jobs supported for every €10m invested.



Exemplar Projects

- What are the Exemplar projects?
- Why Exemplars?
 - Recognise the challenge
 - Test the methodology & refine based on lessons learned
 - Bring to ‘investment ready’ status
 - Demonstrate progress
- Build capacity, introduce discipline, market development



Exemplar Projects

- 24 public & private sector projects
- Range is: retrofit, lighting, water pumping, biomass
- 5 Stages to be completed
- Early stage focus is technical; procurement & contract implementation later
- Slow but steady progress through 2014
- Networking – regular workshops
- Specialist training: competitive dialogue; M&V; Contract implementation
- Tailored Technical Assistance
 - Up to €37,500 @ 75% (EPC)
 - Up to €15,000 @ 75% (EPRP)
- €835K committed; €108k paid to date



Project Pipeline Development

- Project screening & helpdesk
- Exemplar project group coordination
- Communication & promotion
- Market development

CLIENTS WITH FINANCIALLY VIABLE PROJECT(S)	ESCO	Market development
	SEAI SUPPORTS	SEAI Business Programmes Exemplar Programme Technical Assistance
	HANDBOOKS/GUIDES	Energy Performance Contracts Energy Performance-Related Payments Local Energy Supply Contracts
	FINANCING	Investment into the Fund Investment Banks



Further information

- NESF overview: [www.seai.ie/Your Business/Energy-Contracting/](http://www.seai.ie/Your_Business/Energy-Contracting/)
- Supporting documentation (guides, model contracts): [www.seai.ie/Your Business/Energy-Contracting/Support-and-Guidance/](http://www.seai.ie/Your_Business/Energy-Contracting/Support-and-Guidance/)
- Energy Efficiency Fund: [www.seai.ie/Your Business/Energy-Contracting/The-Energy-Efficiency-Fund/](http://www.seai.ie/Your_Business/Energy-Contracting/The-Energy-Efficiency-Fund/)
- Sustainable Development Capital Ltd: www.sdcl-ee.com



Thank You!

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