CONCERTED ACTION
ENERGY SERVICES
DIRECTIVE

Good Practice Factsheet

Croatia - IPMVP obligation for public energy performance contracts

Topic	**Energy companies and energy services** **Measurement and Verification, IPMVP and other approaches**
Name of work programme/project	**IPMVP obligation for public energy performance contracts in Croatia**
Project scope and description	
Short description of the programme & what it hopes to achieve	The Croatian energy service market is still not sufficiently developed. This situation needed to be changed as per requirements of the Energy Services Directive. For that purpose, legislative and regulatory framework was established. The Law on energy end-use efficiency defines energy services as implementation of energy efficiency projects and other related activities based on energy performance contracts with the guarantee that, in reference conditions, it leads to verifiable and measurable or estimable energy efficiency improvement and/or energy (and water) savings. The Law further specifies the main part of the energy performance contracts, which are as follows: energy service user information, energy service provider information, third party information if it participates in financing, reference energy consumption, estimation of potential energy savings and efficiency improvements, guaranteed amount of energy savings and procedures for their measurement, financing mode, repayment mode, other issues. Based on this Law, the Government has adopted the Regulation on contracting and implementing energy services in the public sector. This Regulation specifies in more detail the content of energy performance contract and stipulates that an obligatory part of this contract should be a plan for measurement and verification of energy savings which must be in line with International Performance Monitoring and Verification Protocol (IPMVP). Reference is also made to IPMVP in the Regulation on monitoring, measurement and verification of energy end-use savings issued by the Ministry of Economy. In this regulation it is stipulated that all legal entities obliged to implement energy efficiency measures (public sector and large industrial consumers) need to report about achieved savings to the Ministry. Calculation of savings should be performed either by the use of bottom up method (for typical measures) or through the procedure which is based on M&V plan in line with IPMVP. When energy efficiency improvement measures are implemented through energy performance contracts, existence of Measurement & Verification plan in line with IPMVP is obligatory. With this regulatory framework the following is hoped to be achieved: • development of an energy service market through implementation of the ESCO model in the public sector • raised awareness and knowledge about the ESCO model and its suitability for investments in the public sector • improved trust in energy services through a standardised approach for monitoring achieved energy savings Making reference to the IPMVP in regulation was possible because there is Croatian translation of the Protocol available from the EVO website. Translation of the document was performed through the

Published date: 3rd January 2013

	PERMANENT project as well as training of trainers and experts involved in implementation of energy efficiency improvement measures.
What is the scope of the project? e.g. - National/regional/local - Building type/owner	The Law and above mentioned regulation is applied at the whole national level.
Who are the key people involved? e.g.: - Installers - Local Authorities	The jurisdiction for preparation of the regulatory framework was divided between Ministry of Economy and Ministry of Construction and Physical Planning.
Who was the target audience?	Regulation on contracting and implementing energy services in the public sector targets both energy service providers and users from the public sector (owners of public buildings and public lighting systems). Regulation on monitoring, measurement and verification of energy end-use savings targets energy service providers, but also informs energy service users on requirements for Measurement & Verification.
How was this work programme/ project financed?	Preparation of regulation is a part of regular activities of competent ministries, i.e. no extra funding for this purpose was needed.
What was the cost of the work programme/project?	Not applicable
When did it start and end?	The regulation was adopted in July 2012.
Project Outcomes & Communication	
What were the key achievements?	Based on this regulatory framework, the Government through the Ministry of Construction and Physical Planning has launched the national programme for refurbishment of public buildings through an ESCO model, which is starting to produce its first results, i.e. the first contracts for renovations of public buildings according to ESCO model are concluded. There are an increasing number of private companies, dominantly project design and construction companies, which are now entering the energy service market.
What were the outcomes and expected benefits?	It is expected that Measurement & Verification based on IPMVP in the public sector will enable better evaluation of expected and achieved savings and eventually increase the trust in energy services, which could become the solution for large-scale refurbishment of the public buildings stock.
What were the key lessons learned?	As the regulatory framework was adopted very recently, it is too early to talk about key lessons learned. However, it can be said for sure that it stimulates the energy services market.
Is there anything you would do differently in future?	As the regulatory framework was adopted very recently, it is too early to discuss mistakes made – these will be shown through time and practice.
What makes this a good practice example?	This is an example of how experiences and knowledge gained and transferred to stakeholders through participation in the EU co-funded project (PERMANENT) could be utilised for development of regulation. It builds upon the standard Measurement & Verification procedures voluntarily implemented worldwide. Making these procedures mandatory was considered to be the right approach for an immature energy service market in which the most important issue is gaining the trust for energy performance contracting and removing informational and administrative barriers for its implementation in the public sector.
Web links to further information	Ministry of Economy: www.mingo.hr Ministry of Construction and Physical Planning: www.mgipu.hr
Contact details of named person for further information	vesna.bukarica@fer.hr
Please indicate if you can give a short (15 minute) presentation at a Plenary Meeting or other event	Yes

Published date: 3rd January 2013

Please indicate if this case study can be made available to the public?	Yes