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CONCERTED ACTION
ENERGY EFFICIENCY
DIRECTIVE

European Code of Conduct for Energy Performance Contracting

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Transparensense project to increase transparency and trust in EPC markets



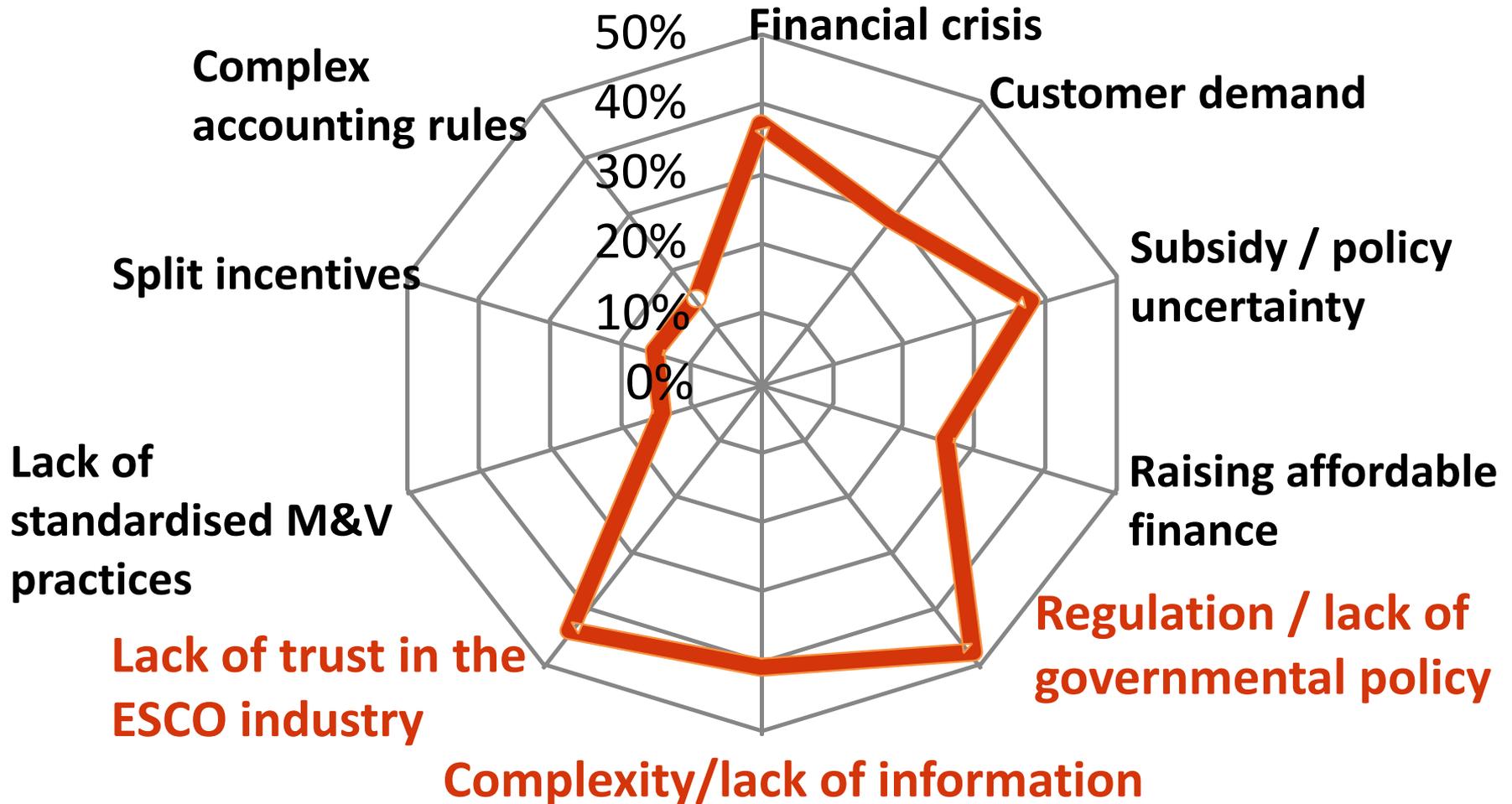
- Goal: increase the **transparency & trust** in EPC markets throughout Europe by: ..., **European Code of Conduct for EPC**, ...
- 20 European countries



04/2013 - 09/2015, co-financed by IEE Programme



Transparensense survey (2013) shows lack of trust in the ESCOs is one of main barriers



European Code of Conduct for EPC discussed with stakeholders & finalised



- Goal: single common **European Code of Conduct for EPC** in EU to support transparent and trustworthy high quality EPC markets
- The Code defines the **basic values and principles** that are considered fundamental for the successful preparation and implementation of EPC projects within European countries
- Describes the behavior expected from the energy service provider (and customer) in the preparation and implementation of EPC projects
- Discussed with stakeholders:
 - European level: eu.ESCO, EFIEES, EASME (EC), SC members
 - National level (national workshops): ESCOs, ESCO associations, policy makers and other stakeholders from 20 countries
- Finalised in July 2014



Nine principles of the Code (1)



1. The EPC provider delivers economically efficient savings

- The EPC provider aims at an economically **efficient combination of energy efficiency improvement measures**. This combination maximises the net present value of an EPC project for the Client.

2. The EPC provider takes over the performance risks

- The EPC provider assumes the **contractually agreed performance risks** of the project during the whole duration of the EPC contract. These include the risks of not achieving contractually agreed savings, design risks, implementation risks, and operation risks.



Nine principles of the Code (2)

3. Savings are guaranteed by the EPC provider and determined by M&V

- The EPC provider **guarantees** that the contractually agreed level of savings will be achieved. If an EPC project fails to achieve them, the EPC provider is obligated **compensate** savings shortfalls.
- Contractually agreed savings as well as achieved savings are determined in a fair and transparent manner by **Measurement and Verification** (M&V) using appropriate methodology (such as IPMVP) as defined in the contract.

4. The EPC provider supports long-term use of energy management

- The EPC provider actively supports the Client in the implementation of an EMS during the contract period and eventually after that. This helps sustain the benefits from the project even after the contract period.

Nine principles of the Code (3)



5. The relationship between the EPC provider and the Client is **long-term, fair and transparent**
6. All steps in the process of the EPC project are conducted **lawfully and with integrity**
7. The EPC provider supports the Client in **financing** of EPC project
8. The EPC provider ensures **qualified staff** for EPC project implementation
9. The EPC provider focuses on **high quality and care** in all phases of project implementation



National Code Administrators



- Each of 20 countries has National Code Administrator
- Simple procedure:
 - Download signing form, sign and submit to the relevant National Code Administrator
 - National List of Signatories for each country online
- Code of Conduct is a **voluntary agreement**
- No quality control
- 3 signatory categories:
 - EPC provider
 - Association of EPC providers
 - EPC facilitator & other signatory



- **ESCOs:**
 - marketing tool which helps to sell EPC to clients
 - Increased visibility (list of signatories)
- **Clients:**
 - guidance for client to distinguish good quality services
 - Code principles required by the client in tender dossier & contract
- **ESCO associations**
 - support the Code or serve as distribution channel

Good practice example from Bulgaria



- Collaboration with an EBRD project aiming to promote EPC to Bulgarian municipalities
 - **Code implemented in the developed comprehensive tender dossier** (requirements, evaluation criteria, draft contract, etc.) for EPC in buildings. Many municipalities supported to implement EPC, based on this tender dossier.
- Strongly committed National Code Administrator - SEDA
 - Sustainable Energy Development Agency is the State Authority implementing energy efficiency policy in Bulgaria
 - Plans to develop and provide to public authorities an **EPC model contract** for building renovation, based on the EBRD contract with **Code already integrated**



Code of Conduct and Certification process



Code of conduct

Marketing support to the market development

Improved project quality and confidence in EPC by compliance with principles

Soft tool to achieve quality (no quality control, except through customer)

Certification scheme

Support of the market development by established rules

Improved project quality by mandatory rules

Enforce quality (method for controlling the quality; withdraw certification in case of non-compliance)



Code of Conduct and Article 18



- Article 18 → Model Contract
- Quality EPC (Code of Conduct) → **full tender dossier** (ToR, requirements to tenderers, evaluation criteria, model contract)
- Provision of complete tender dossier to public authorities ?



Thank you for your attention



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