

Interreg

CENTRAL EUROPE



European Union
European Regional
Development Fund

PROSPECT2030

TAKING
COOPERATION
FORWARD



PEER TO PEER LEARNING

15th of October 2020



EPC investment based on aggregation of demand by Piemonte Region



PROSPECT2030

OPERATION RISK ALLOCATION IN THE EPC

The legal nature of the EPC in a PPP context, imposes that the ESCO must take on specific risks:

TECHNICAL RISKS: risks regarding the planning and design of the technical solutions phase, risks regarding the technical efficiency of the measures and services performed;

FINANCIAL INVESTMENT RISK: increase in the cost of loans and money over the contract duration

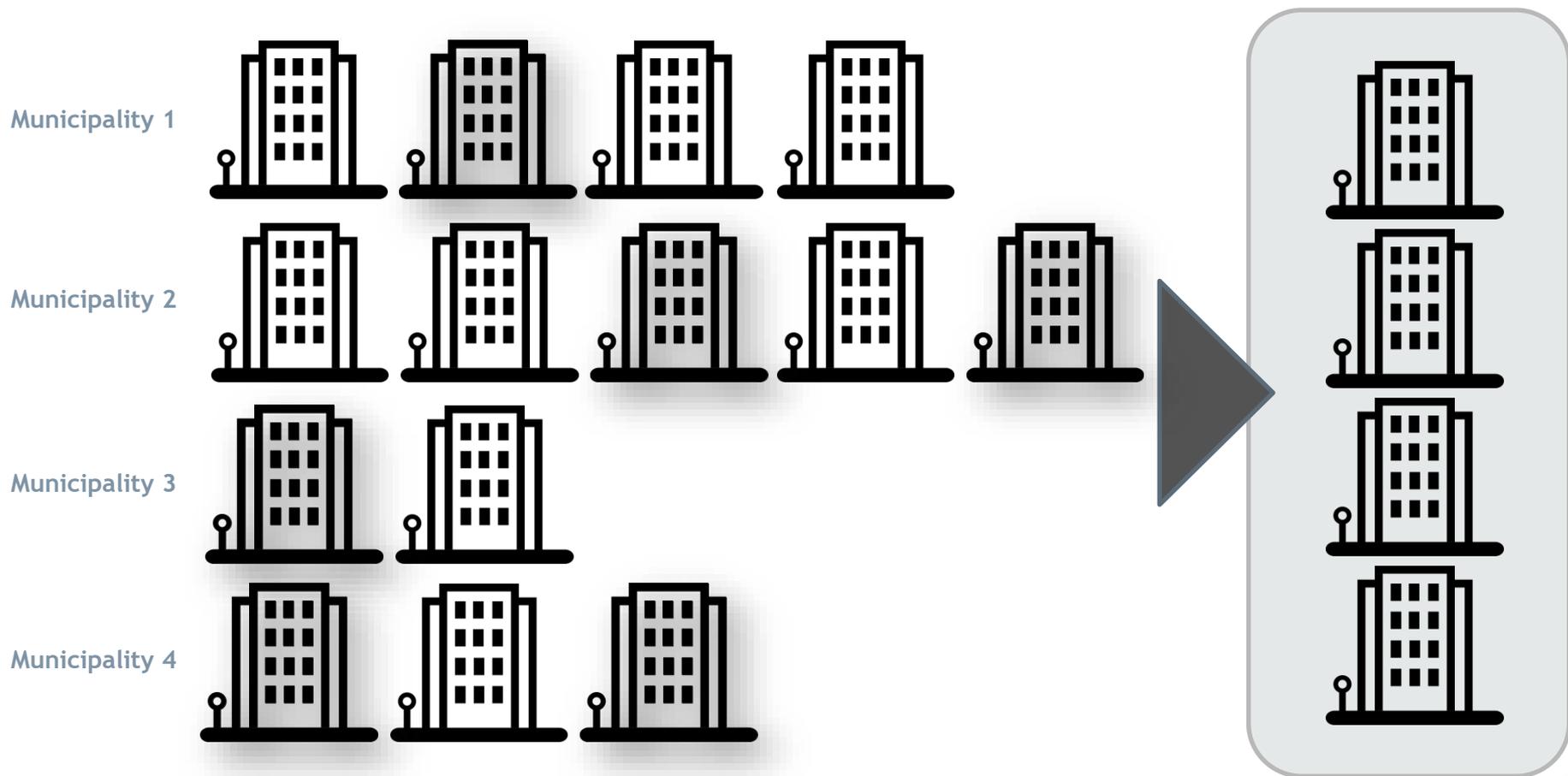
CONSTRUCTION RISKS: related to the late completion of works, non compliance to planned standards, increase in building costs, any inconveniences related to the building performance and activities as well as the non completion of the e.e measures.

PERFORMANCE RISK: the risk of not reaching guaranteed performances and results implicates the proportioned reduction of payback fees

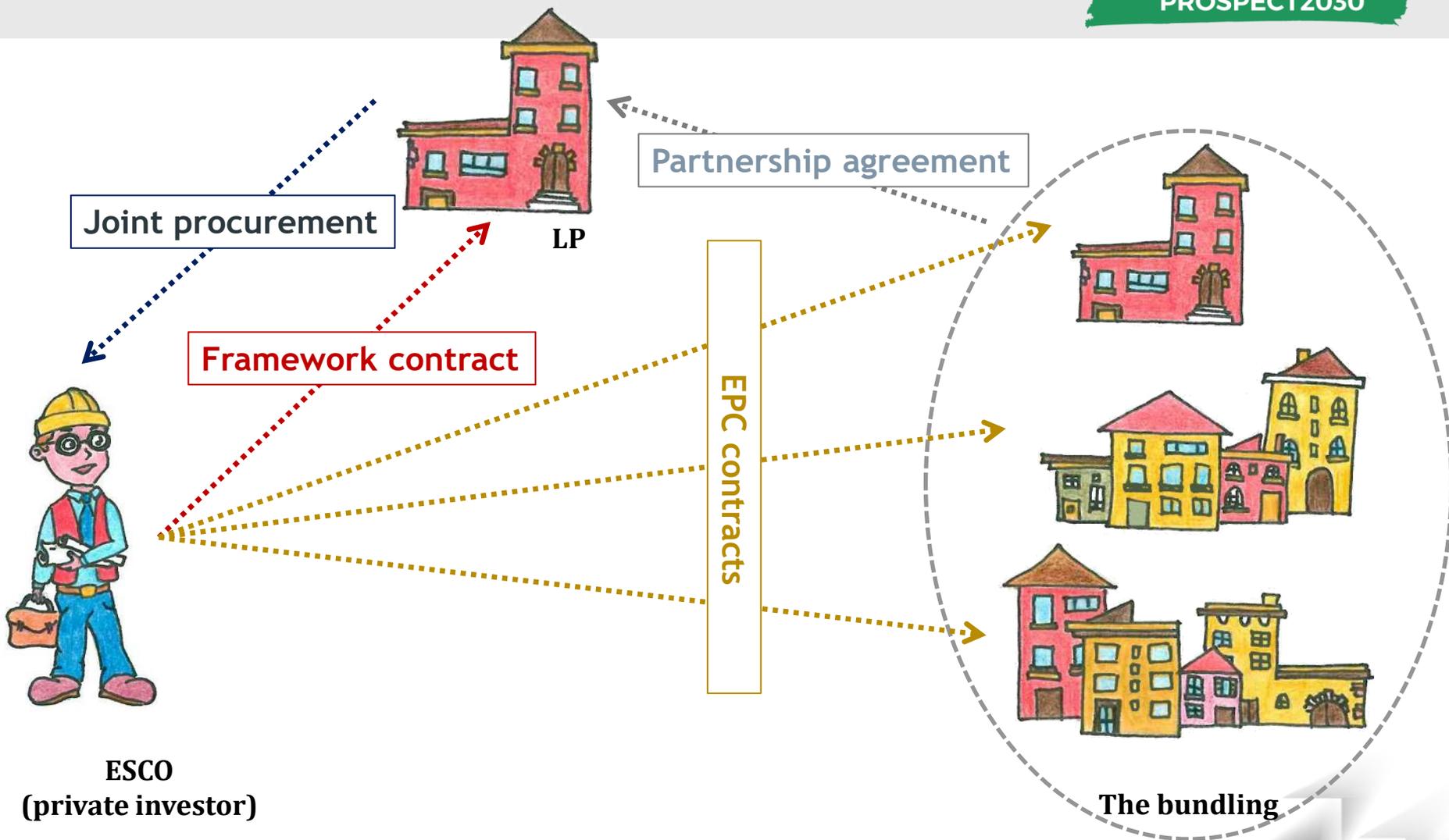
LESS ENERGY SAVINGS = LESS PAYBACK FEES



AGGREGATION OF DEMAND



ADMINISTRATIVE SCHEME



EPC INVESTMENTS IN PIEMONTE

Type of investments	Amount	Status	Project
18 public buildings (5 Municipalities)	2.5 M€*	<i>Awarded and in operation</i>	2020Together
3.000 street light points (6 Municipalities)	2.4 M€*	<i>Awarded and in construction phase</i>	2020Together
3 public buildings (1 Municipality)	0.5 M€**	Failed	PEACE_Alps
8 public buildings (4 Municipalities)	0.5 M€**	Failed	STEPPING
6 public buildings (2 Municipalities)	0.5 M€**	<i>Tender launched. No bids</i>	STEPPING
8 public buildings (1 public authority)	2 M€*	<i>Awarded . Design phase</i>	STEPPING
16 public buildings (10 Municipalities)	1 M€*	<i>Awarded . Design phase</i>	STEPPING

*Awarded **Baseline



EPC INVESTMENTS IN PIEMONTE

- Energy Renovation of 18 public buildings coupled with energy supply
- EPC duration of 13 years (1 for construction + 12 of maintenance)
- 5 Municipalities and Bosch Energy and Solutions Italy as ESCO
- Guaranteed savings by 61% with a shared system in the case of over-performance (70-30)
- Investments: 2.5 M€ + VAT



EPC INVESTMENTS IN PIEMONTE



Site visits

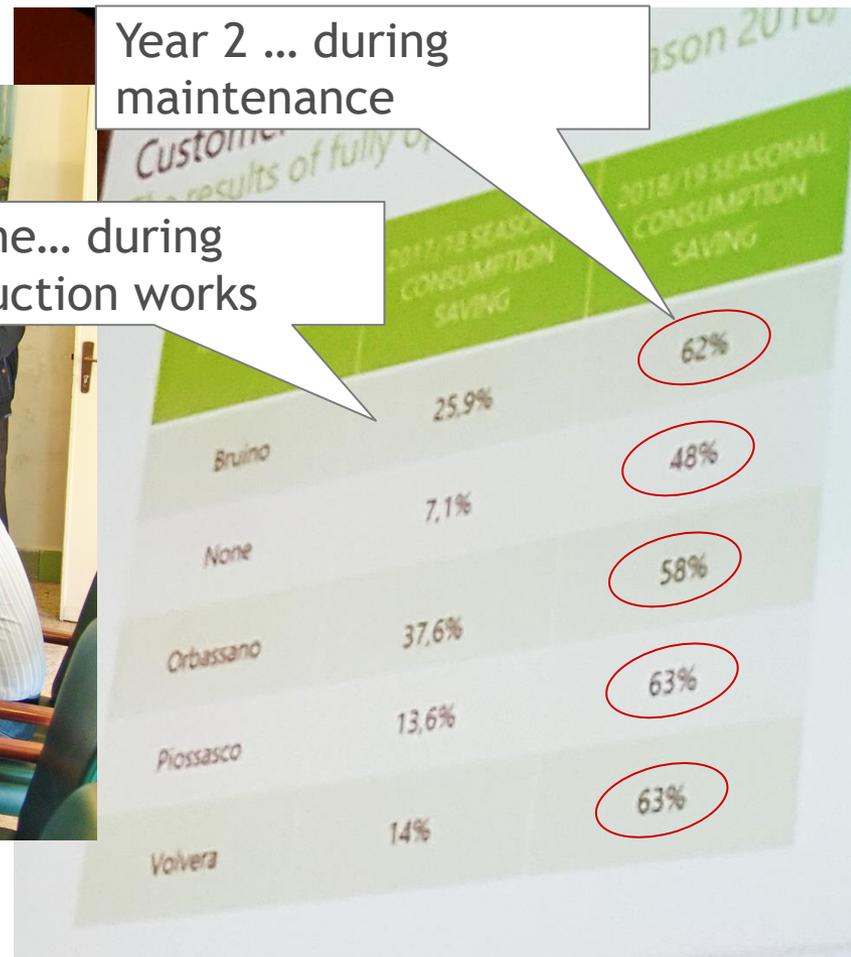


EPC INVESTMENTS IN PIEMONTE



Year 2 ... during maintenance

Year one... during construction works



CONCLUSIONS

- TPF and EPC can be a solution but their feasibility must be adequately assessed on a case by case basis
- EPC can provide benefits for the Public Administration, but these are not only to be considered from a financial point of view
- PDA services are essential in order to keep the public interest as the top priority
- Maintenance and management phase is key and measurement and verification phase must be carefully considered from the beginning
- It is crucial to move the attention to impacts in their broader senses

