UPDATE ON REEP’S CONTRIBUTION TO PUBLIC SECTOR ENERGY EFFICIENCY IN THE WESTERN BALKANS

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Update on REEP’s public energy efficiency projects

- Programmed and managed by the EBRD
- Supported by the Energy Community
- Funded by the EU Western Balkans Investment Framework and the Western Balkans Joint Fund

**Activity area**

**Policy dialogue support**
To create effective legislations for public sector energy efficiency (EE)
- EE works & services procurement by preparing procurement law, contract templates and guidelines
- Transposition of ESCO elements of EU Directives 2006/32/EC and 2012/27/EU
- General policy dialogue

**Technical assistance**
To help public authorities procuring EE projects
- Identification of EE Projects
- Support municipalities in tender preparation and procurement

**Financing**
- Credit line with commercial banks (WeBSEFF) EUR 152m and 18 partner banks
- Direct financing (WeBSDFF) EUR 100m
Market development: scaling up and replication in other sectors

Energy efficiency and ESCO projects more widely accepted

Cities and other consultants are starting to use EBRD REEP contract and procurement templates for preparing their own projects.

In Serbia by now 9/38 of all PPPs are street lighting energy efficiency projects (status September 2016).

State authorities are interested in cooperating and using the approach (e.g. Croatia CEI, APN).

Replication in other sectors is starting.

Public building owners and district heating utilities are starting to use ESCO/PPP approach for making their assets more energy efficient.
EBRD support in project preparation: public sector energy efficiency opportunities

In Western Balkans:
- 4 street lighting projects implemented
- 2 street lighting projects to be implemented in 2016
- 7 tender under preparation for tendering in Q4/2016
- 14 tenders under preparation, including street lighting Belgrade and Novi Sad
- 8 municipalities indicated interest in projects

Policy dialogue
- Legislative support for EE Projects

TC assignments
- Energy efficiency (EE) Project preparation
- ESCO tenders under preparation using REEP resources
- Feasibility/scoping studies prepared by REEP
- Public authorities indicated interest in project

Tenders published, contracted or implemented: REEP policy or technical support
Street Lighting Projects
• Increasing interest from municipalities and companies
• ¼ of all PPP Projects in Serbia street lighting modernization
• Two municipalities using REEP contract template implemented tenders and implementation to be completed in Q4/2016
• Larger municipalities interested, including Belgrade and Novi Sad
• Cooperation with the Ministry, Standing Conference of Towns and Municipalities and ESCOs for streamlining more projects
• Cooperation with Ministry of Mining and Energy, PPP Commission and City of Belgrade on further improving the legislative framework

Other sectors
• Interest in energy efficiency improvements in public building
• Several municipalities planning Energy Supply Contracting (ESC) PPP projects
• Ministry of Mining and Energy approached EBDR REEP for support for development of one more by-law defining model contract for ESC
Street Lighting Projects
• Street lighting is mainstreamed, REEP contracts and procurement documentation being used by other actors too.
• Agencies and municipalities interested and larger cities interested.
• Several projects with REEP support implemented, several on-going.

Other sectors
• Interest in ESCO energy efficiency improvements in public building starting
• Energy Supply Contracting (ESC) projects starting
EBRD supporting ESCO Project preparation
Public Lighting in Novigrad, Croatia

Total number of street lights: 1,684
Total energy consumption (street lighting): 762,244 kWh
Energy savings: 57%

Implemented measures
- Lighting design
- Demounting of old luminaires (High pressure Sodium / Metal halide/ Mercury)
- Installation of new LED luminaires
- Project documentation verified
- Technical inspection and Energy certification

Energy cost savings: 33,062 EUR/year
Maintenance savings: 19,080 EUR/year
EnPC contract period: 98 months
Total ESCO fee offered by the most preferred bidder: 460,526 EUR

Economic data
Modernisation:
57 % energy savings with highly efficient LED luminaires

CO2 emission:
New street lights achieve energy saving of 297,262 kWh/year and a reduction in CO2 emissions of 112 tCO2/year

Cost savings:
Annual energy costs reduced from EUR 58,160 to EUR 25,098

Installed Capacity:
the installed capacity decreased from 126 kW to 54 kW

Maintenance costs savings:
Maintenance costs could be substantially saved because exchange cycles could be extended significantly

Short contract duration:
Because of high energy savings and the long nominal lifetime a contract duration of 98 months (8.2 years) was possible
Bosnia and Herzegovina – ESCO Market development

Energy supply Contracting (ESC)
- District heating ESC tender launched. However delays during tendering.
- Other municipalities interested.
- Political and legal environment could be more enabling.

EnPC building project
- Prepared and tender could have been launched earlier this year
- Political and legal environment could be more enabling.
Upcoming activities

Mainstreaming scaling EE/ESCO street lighting
Major cities are interested and there will be larger projects tendered in Q1/2017.
Replicate the approach in additional municipalities.

Replication in other sectors
Public owners have contacted EBRD to prepare ESCO/PPP based projects for
• building owners and
• district heating utility

Replication in other countries
• Montenegro – based on findings of scoping studies
• Kosovo – several stakeholders indicated interest in street lighting projects
Thank you!

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