



EVENT DESCRIPTION

Project Partner: Energy Agency of Podravje (ENERGAP) and the municipality of Maribor

Title of the event: FINANCING ENERGY EFFICIENCY - Roundtable for mayors and municipality representatives

Date & location: 7th of October 2015

Organiser(s): Energy Agency of Podravje (Energap) and the municipality of Maribor

Number of Participants: 18

Summary

A working meeting with mayors and municipal representatives was organised. There were 18 participants from Podravje region municipalities. At the meeting legal requirements, including procurement rules, phasing out requirements and technical solutions as well as step-by-step information towards a successful energy performance contracting (EPC) project were presented and discussed. Specific and locally relevant information on how to start with the legal and financial procedures of EPC was also provided.

Objectives & main programme points

- To raise awareness among mayors about energy and money savings, importance of street lighting and other energy related projects for municipality. The mayors as the highest decision makers by Slovene law have a big influence to plan investments in energy efficiency.
- To introduce the EPC model.
- To introduce some new documents and guidelines: Action plans 2014 – 2020, Strategy for encourage investments in energy renovation of buildings in the field of energy efficiency and a document about financing public energy renovation.
- To present the whole legal and financial procedure, which step should be taken to fulfil the obligation
- To present how technical documentation should look like.
- Go through the procurement process.
- To present how to monitor the progress of EPC and results.
- To present new EU and national guidelines on EPC projects.



Conclusions & lessons learnt (based on stakeholder input)

Slovene municipalities are autonomous in decisions about energy efficient measures. Especially mayors have very strong decision making power. They are not aware of all strategical and legislative documents on national level. Many of municipalities have also problem with the shortage of money and budget deficits. Because of the 4 years mandates the mayors are not always interested to work on the projects with long term results, especially financial. So the streetlight EPC project are good measures where they can show the results immediately and investment are divided in future years. Because of the size of the municipality and its administration (usually there are 5-10 people employed), they often do not have enough knowledge and experiences to proceed with EPC projects. The responsible ministry is not always able to help them or to answers in time. In Slovene strategical energy documents for the period 2014 - 2020 there is not much about energy efficient street lighting system and there are not financial funds to cover part of the investment. Only ICT systems for monitoring and regulating street lighting will be financed in next years.

The activities of ENERGAP as a street lighting EPC facilitator were presented to them. Some of them were not yet aware of it although all municipalities were informed about it through a workshop in April 2015 and information material was sent to them. It is very helpful when all important issues should be presented to the mayor or vice mayors.

Municipalities are also not aware of the strategic document accepted at national level. Sustainable energy is a broad issue on EU and national level. The responsible ministry is not actively informing municipalities about all documents. However, municipalities are waiting for official information. Energap regularly sends information about all new issues regarding energy to the municipalities. However, it should be noted that personal meetings or calls are still very important in Slovenia.

The Slovene government cut municipal budgets by a few percent in 2015, 2016 and 2017 so mayors are looking to save money where they can – such as on their energy bills. The saving potentials are presented to them and they have seen that there is a big potential for savings also in the first or second years if and EPC agreement is set in this way.

Regarding EPC procedure they are very happy that Energap will help them because they do not have enough knowledge to perform the project on their own. They ask for personal assistance to talk to ESCOs, banks and help them with procurement procedure. There was discussion about how to combine two or three municipalities to lower Energap's workload. The problems are also for the lamps that are part of the cultural heritage and municipalities need special permission for cultural heritage authority. Usually these lamps are also more expensive which causes some problems in financial calculation.

The municipalities have not established a system or roles for monitoring savings. Usually they do not have a specialised person within the authority to follow the savings. If they

have to hire external experts, the costs should be included in the project calculation. Energap will try to find a software program to be able to monitor more than one streetlight system in the region – a sort of streetlight management system. It will be cheaper for the municipality and easier and more efficient for Energap to follow more projects at the same time.

There was also discussion about a Guidance note from EUROSTAT about accounting roles for investment in EPC projects. Regarding this note there is not a problem for street lighting projects because the value of the asset or infrastructure for street lighting is not very high and investments are above 50% of the value. A big problem arise for EPC in buildings since they have quite high asset value and investments are not so high, therefore the municipalities have to put the investments in their accounting balances as a debt. For Slovene municipalities, this is a big problem since they already have debt. Since the debt is limited, they do not have debt potential anymore.

