



## **EVENT DESCRIPTION**

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

**Title of the event: Working group meeting for Private Public Partnership**

**Date & location:** 12 May 2016, Municipality of Maribor

**Organiser(s):** Municipality of Maribor

**Number of Participants:** 14

### **Summary**

The working group with city experts (energy, legal and financial experts of city administration), the director of municipal public services, the director of the Energy Agency of Podravje and the vice-mayor discussed issues about EPC projects. The legal issues regarding Streetlight-EPC pilot project were also discussed.

### **Objectives & main programme points**

The working group discussed possibilities of energy performance contracting at the Municipality of Maribor:

- street lighting pilot project with 18 lights and its legal issues regarding existing concession agreement for street light maintaining with company Nigrad.
- EPC of 2 public buildings (kindergartens) to be realized.

### **Conclusions & lessons learnt (based on stakeholder input)**

Maribor has already given the public services on maintaining the street lights to the company Nigrad in 2011. The agreement (concession agreement) is long term, lasting till 2026. There were legal studies prepared and the result was that the municipality is not allowed to have a new EPC agreement for street lighting because it could have negative interactions with the existing one.

Therefore the idea was to have only a pilot project with only 18 lights. The ESCO was meant to be the existing company Nigrad that maintains the system in Maribor. Some activities in supporting Nigrad to become an ESCO had started.



Already the technical and financial documentation to implement the project with 18 lights were prepared. The legal documents were studied again and the result was that the municipality of Maribor is not allowed to have a new agreement on the streetlight system.

Due to the legal obligation of the existing agreement with Nigrad, there is no possibility that a new service - EPC - including investments in new lights - could be performed within the same, existing contract. The only possibility is to have an EPC system that takes into account only the electricity savings. A short feasibility study considering only the electricity costs (excluding maintenance cost) and where the maintaining service would be provided by the existing company Nigrad should be prepared to see the financial outputs.

The municipality of Maribor is still hesitant to do the EPC project, especially to combine its own investments with EPC. Some ideas within the buildings have been studied. There are energy saving potentials. The buildings are not only in bad energy conditions but they would also need some other investments (kitchen, sanitary rooms, etc).

The EPC projects are interdisciplinary (technical, legal, financial) but the municipality has no experiences with such projects. EPC for buildings would need a pooling of buildings – educational, cultural, sports. It is even more difficult to organise since there are many legal entities managing these buildings. The participants agreed that firstly organisational optimisation should take place and then EPC will be a very good solution regarding technical and financial aspects.

There are also organisational challenges. The city has changed four directors of the Maribor city administration in last year and a half. The processes are taking much longer to come to the final decision. EPC procedures also take at least 4-6 months to implement the project.