



# EPC market development in Slovakia

***Marcel Lauko***

*Energy Centre Bratislava*

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1. experience as how to support development of EPC market in Slovakia, incl. the scope, outcomes/examples of the solutions of the Guarantee
2. History of the market development
3. Barriers and obstacles
4. Success Factors
5. Comprehensive energy efficiency refurbishment
6. Complex refurbishment
7. Real Life Observations
8. Challenges – barriers and opportunities



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## *History of market development*

- Start in late 90's
- Approximately 20 - 30 projects in public sector until 2006
- Interruption in period 2006 – 2011 (competition of EU SF)
- **Revival since 2012** (50 – 80 projects since then)
  - Hospitals, Municipalities (buildings, street lighting), Universities
  - Focus mostly on technologies (standard EPC)
  - EPC used as financial resource
  - Focus on private sector since 2015 (competition of ESIF)



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## *Barriers and Obstacles*

- Low trust – too good to be true  
(low level of awareness about implemented projects)
- Low trust – no support in legislation
- Lack of capacities on side of possible clients
  - Different approach to project development (no experiences)
  - Applies also to possible facilitators
- EPC as part of public debt
  - Not a key barrier for individual projects
  - Important for intended support schemes



- Interest of stakeholders (market players + government) combined with support of EU projects
  - EESI and older projects
  - TransparEnSe
    - EU Code of Conduct for EPC
    - Support for establishment of ESCO association
  - guarantEE
    - Private sector
    - Capacities of EPC facilitators
  - QualitEE
- Political Support
  - Regulatory framework (Ministry of Economy)
  - Financing (Ministry of Finance)

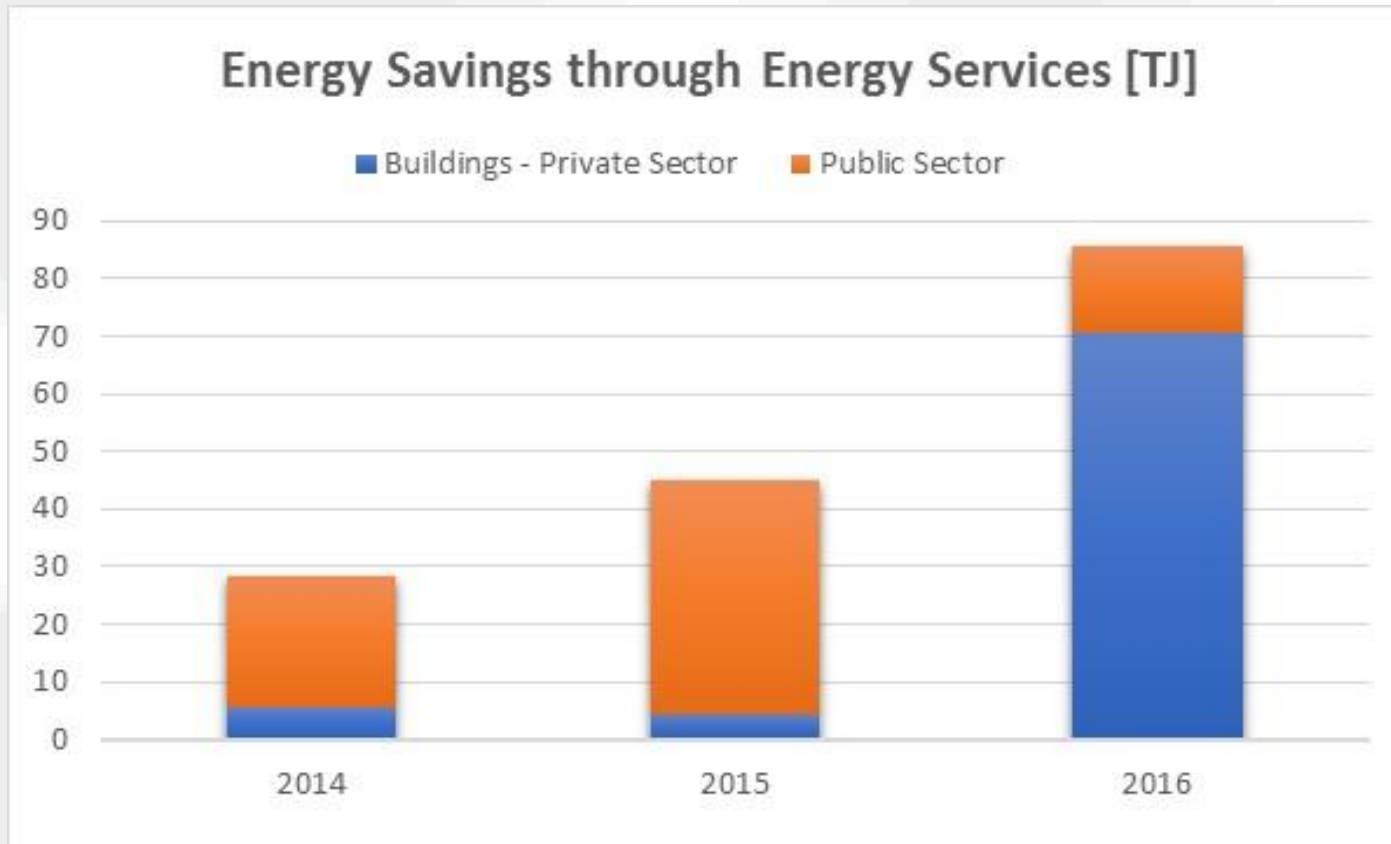


- Changing approach of clients – preference of results
  - Visible in private sector
  - Impact on Public sector is expected
  
- Unreserved approach to market variability



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## Results



Data Source: Draft of NEEAP 2017 – 2019, Ministry of Economy of the Slovak Republic

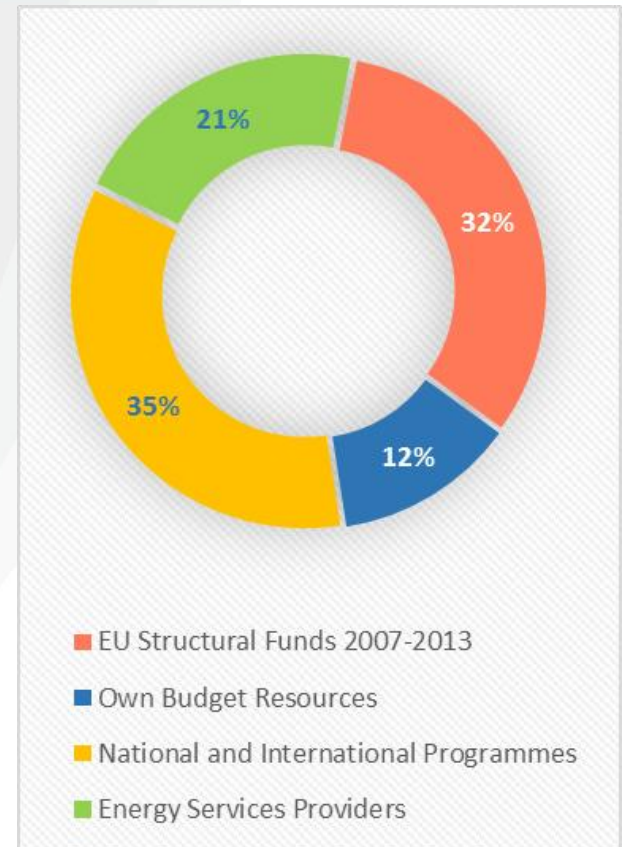




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## Results

- **540 TJ saved**  
*in public buildings in period 2014 – 2016*
- **65% with subsidies**  
*Mostly Comprehensive refurbishment within EU SF, SlovSEFF and MunSEFF*
- **21% share of Energy Services**  
*Mostly measures on Building Technologies (pre-financed by ES providers) repaid from guaranteed savings*



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## *Project guarantEE*

- The guarantEE project aims to foster the use of Energy Performance Contracting (EPC) in the public and private sector across Europe.
- 14 partners from different EU countries
- Financed from Horizon 2020 programme

**guarantEE**

Building Energy Services in Europe



*This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 696040.*

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- New business models
- Split Incentive Dilemma (in rented buildings)
  - TrippleWin Approach ([guarantee-project.eu](http://guarantee-project.eu))
  - Focused mostly on private buildings
  - Applicable also on public sector (schools) in SVK
- Contract variants
  - Focus on private sector
  - Mostly simplifications of contractual conditions
    - Early termination
    - Measurement and verification of savings
    - Utilization of subsidies



- ⊙ **Building capacities of EPC facilitators**
- ⊙ EPC facilitators are **key to the sound project and market development**
  - ⊙ Majority of clients do not know what they want
  - ⊙ Those who know what they want usually do not know how to reach it
  - ⊙ EPC client that knows what and how and wants to do it, does not exist
- ⊙ (Inter)National platform of EPC facilitators
  - ⊙ Knowledge sharing
  - ⊙ Discussion forum



- **EPC facilitators** are key to the sound project and market development
  - Majority of clients do not know what they want
  - Those who know what they want usually do not know how to reach it
  - EPC client that knows what and how and wants to do it, does not exist
- **Reliable Baseline** and **Clear Methodology** for energy savings calculation is fundamental for success of the long-term client-ESCO relationship
- **One contract for everyone** – comparing of contracts from different ESCOs is the most reliable way how to kill a project



THANK YOU FOR YOUR ATTENTION

*Marcel Lauko*  
[lauko@ecb.sk](mailto:lauko@ecb.sk)

*Energy Centre Bratislava is member of*  
**Association of Energy Services Providers**  
[www.apes-sk.eu](http://www.apes-sk.eu)



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Energetické centrum Bratislava  
Ambrova 35, 831 01 Bratislava, Slovak Republic  
**Tel.:** +421 2 593 000 91,  
**e-mail:** office@ecb.s,  
**web:** www.ecb.sk

**energy**  **centre**  
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