

Cooperation for refurbishment of municipal buildings in Limburg (B)

SEI Forum Roundtable
15 May 2018

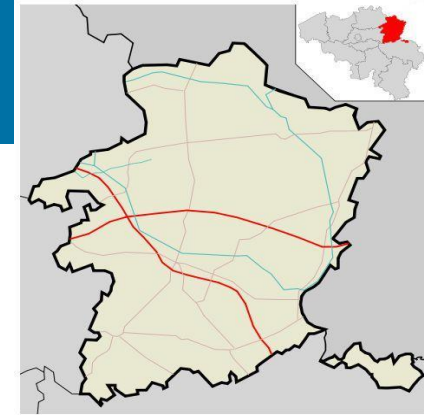
Patrick Boucneau - Province of Limburg (Belgium)



ESCOLimburg2020

- Context
- The project
- Projectgoals
 - Policy dialogues
 - Capacity building
 - Improvement of the ESCO-model
 - Innovative financial models
- Lessons learned

Context: the partners



- 838 050 inhabitants in 44 (small) cities and towns
- The province as a partner for the municipalities
- Limburg wants to be climate neutral
- All 44 cities and towns signed the COM in 2011
- The province is territorial coordinator for COM



- Infrax: public grid operator in Flanders
- Electricity, gas, cable and sewage



- Provincial consultancy for sustainable building
- Building and renovation advice



ESCOLimburg2020: the project

- How to give the **good example** by renovating municipal buildings?
- **New public ESCO** for refurbishment & RES
- **IEE MLEI-PDA** - call 2012
- 1 April 2013 – 31 march 2016 (36 months)
- **Prolongation 1 year till 31 march 2017**
- EUR 19.8 million investments (17% leverage)



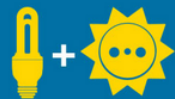
Project goal: capacity building

Building sector

- ESCO and public procurement?
- Renovation with high ambition?

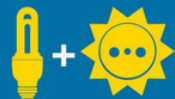
Municipalities

- ESCO?
- Project financing?
- Learning from good examples



Project goal: policy dialogues

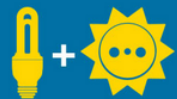
- Province as **Covenant Coordinator**
- ESCO framed in the municipal climate ambition
- Translating SEAPs into
Retrofit and Renewables Action Plans (R&R)
(= building investment plan for the municipality)
- **Policy dialogues:** convincing the municipalities!



Project goal: new ESCO service

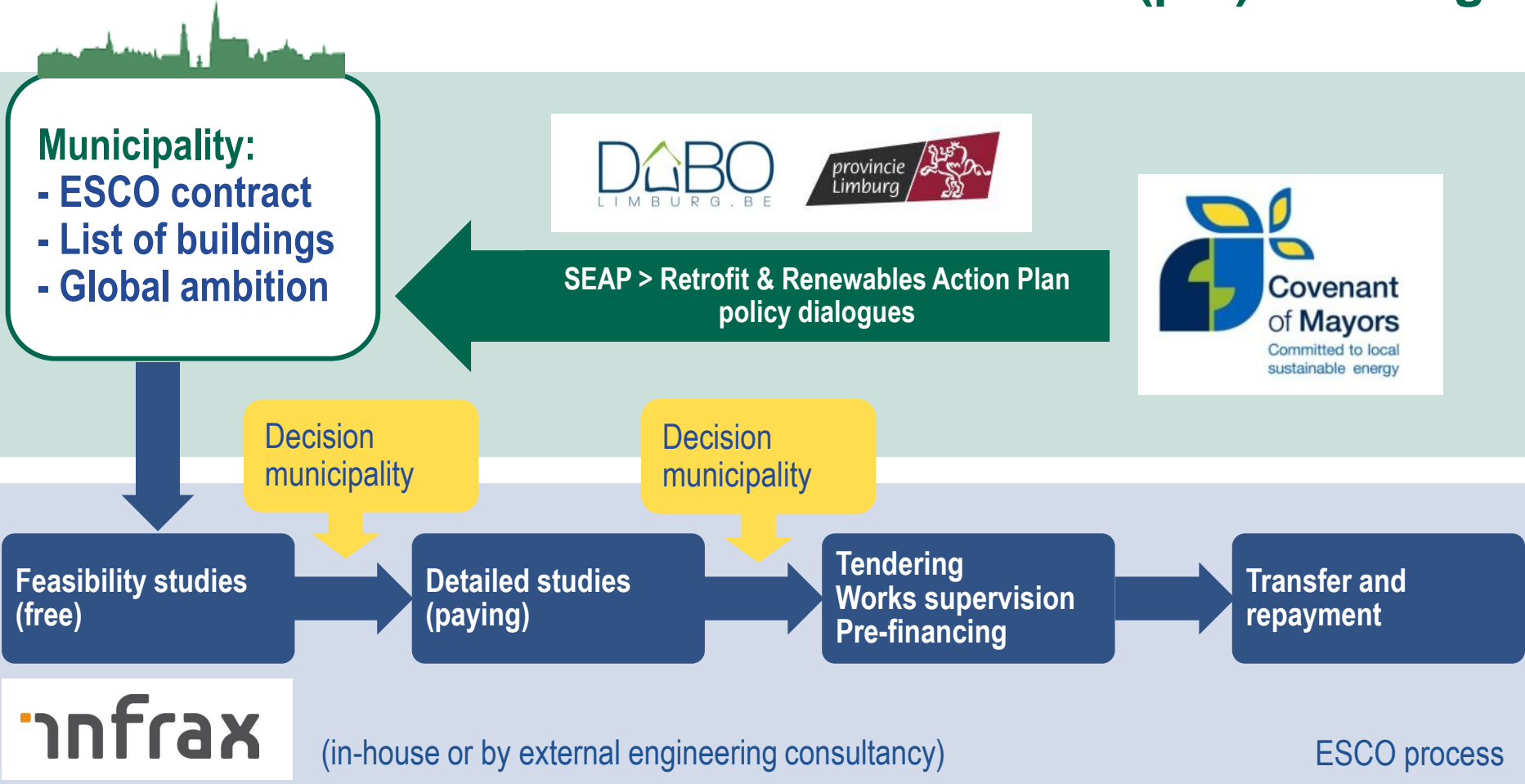
Infrax:

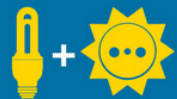
- Improvement of the ESCO-model
- Based on energy accounting municipal buildings
- Building envelope, RES, relighting, HVAC...
- High ambition (>30% savings) and no cherry-picking
- Innovative financial models



Our ESCO model: how & what?

No real EPC but calculated savings, 'unburdening' & (pre)financing

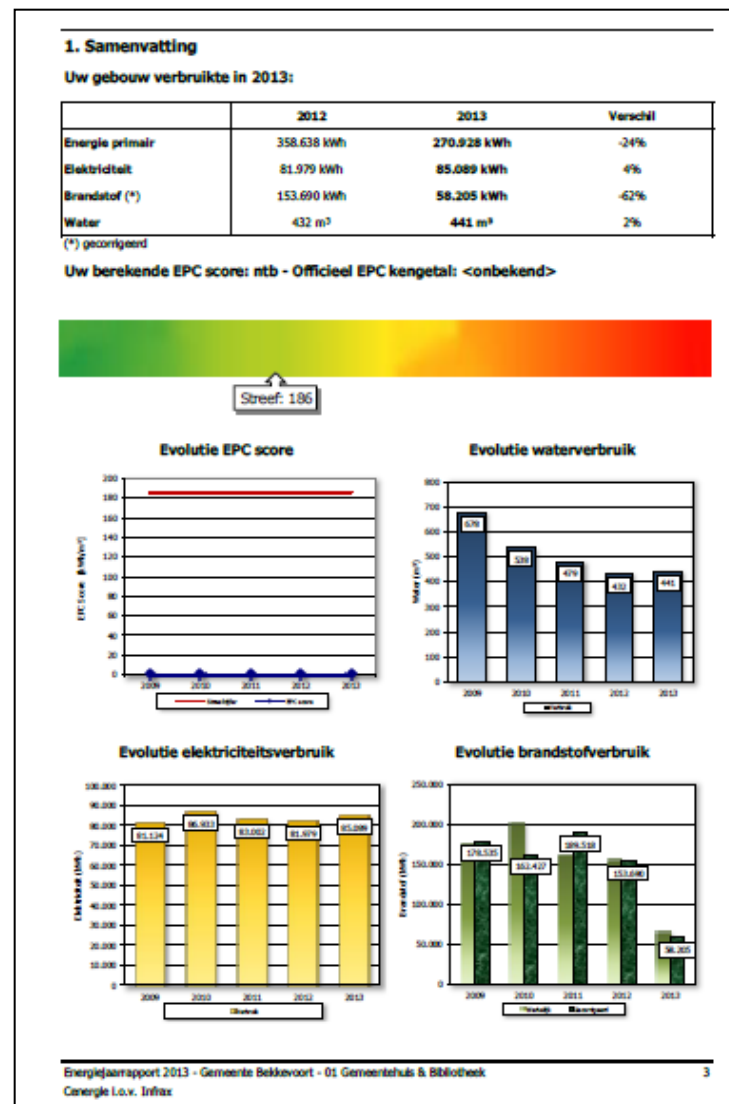




The basis: monitoring



- 1.200 buildings
- Benchmarks
- Advice





Aggregation of projects

Bundling projects – tendering

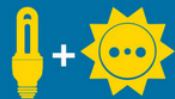
- To contractors
- To engineering offices

 *Better offers, lower Prices*

Bundling projects - execution

- List of preferred contractors
- 1 contractor for more projects

 *Higher efficiency of the project*



Project goal: project financing

(Pre-)Financing investments by Infracx

- Repayment after transfer (acceptance and invoice)

Own financing or bank loan by municipality*

- Loan capacity?

* loans on balance!

Deferred repayment (loan) by Infracx*

- Very easy (no additional costs) without long procedure
- Best offer?

-
- The diagram consists of a light green background. On the left, a white rounded rectangle contains a list of financing options. A thick green arrow points from this box to the right, with the word 'loans' above it and '€€€' below it. On the right, another white rounded rectangle contains the text 'Municipal projects (via ESCO)'. Above this right box is a silhouette of a city skyline.
- Own financing
 - Own bank loans
 - Loan via Infracx

loans

€€€

Municipal projects
(via ESCO)

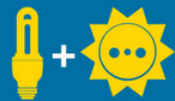


Exploring alternative financial models

Feasibility study by KPMG

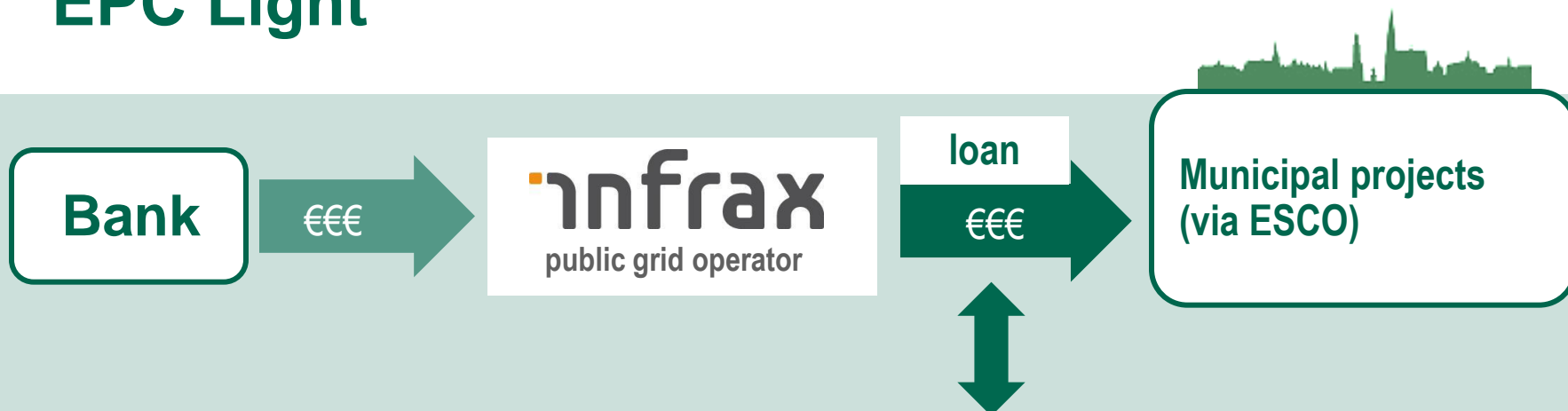
- Long list of 'all' possible financial strategies and products
- A short list was drawn up through scoring and ranking:
 - ✓ EPC light with sculpted financing
 - Structural cooperation with private ESCO parties
 - ✓ Cooperation with public financial parties: Green Investment Fund
 - Intermunicipal partnership
 - Revolving Fund

Selection of models are tested in pilot projects



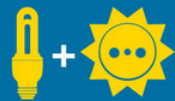
Innovative financial models?

'EPC Light'



EPC Light:

- Calculation energysavings = Repayment 'loan'
- 'Loan' term max. 20 years and adaptable
- Postcalculation (3 years) > Adaptation of repayment or 'loan' term
- No real savings guarantee or contract
- Only real energy investments (no other investments/maintenance)
- On balance!

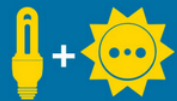


Innovative financial models?

Green Investment Fund



- Mobilise more 'cheap' money for municipal ESCO-projects
- Use the existing Limburg Climate Fund
- Create involvement of citizens at local level
- Improvement of municipal facilities by and for the citizens
- Combining money from: municipalities, Infrax, NUHMA (municipal holding company), citizens, private banks, EEEF...
- Put on hold for the time being, but can quickly be reactivated when interest rate environment changes



Innovative financial models?

Green Investment Fund

Municipal projects (via Infrac ESCO!)

infrac
public grid operator

equity

NUHMA
holding 

equity

Private bank(s)

loans


ESCOFIN
(Green Investment Fund)

€€€

loans
or
leasing



shares

€€€

LIMBURGS
KLIMAATFONDS 

loans

loans

Other projects





Best practices - conclusions

Financial problems municipalities?

- 'EPC light' can be a solution
- Other funding possible? (green investment fund)
- Real EPC possible?

(Support municipalities when hiring a private ESCO for real EPC contracting)

In our region:

Municipalities have no great financial problems & low interest rates !



Best practices - conclusions

Cooperation is possible everywhere!

- Cooperation province - Infrac - Dubolimbург

Policy dialogue !

Our ESCO-services

- Design an approach for your situation, based on:
 - energy monitoring and benchmarking (priorities)
 - feasibility and detailed studies
 - support tendering process (bundling, frame contracts...)
 - project management, construction supervision
 - Pre-financing!

Unburden the municipalities !



Final results



Impacts	Targeted	Achieved
Investments (€)	19.837.230	20.537.905
Avoided GHG emissions (t CO2e/year)	4.352	4.619
Primary energy savings (MWh/year)	19.504	19.152
Renewable energy produced (MWh/year)	2.170	147



Final results on DEEP Platform

Aggregated performance data of over 10,000 renovation projects  across Europe

DEEP PLATFORM
DE-RISKING ENERGY EFFICIENCY PLATFORM





473.794
kWh



93.987
kg



139.334
kWh



1.269.000
€



BOUWEN AAN EEN DUURZAME TOEKOMST

- HOME
- ESCO
- NIEUWS
- PROJECTEN
- CONTACT

NIEUWS



NIEUWE PROJECTEN VAN ESCOLIMBURG 2020

25-09-2014

Steeds vaker nemen lokale overheden ESCOLIMBURG2020 onder de arm voor het verduurzamen van hun bestaande patrimonium. Dit jaar werden onder andere het gemeentehuis van Diepenbeek, sporthal De Bemvoort in Overpelt en drie provinciale scholen – in Lommel, V

LEES MEER



EXCURSIE VLAAMS- BRABANT OP 30 OKTOBER

15-09-2014

Hoe werkt een warmtenet? Zijn er opportuniteiten en uitdagingen van deze innovatieve manier van collectieve verwarming voor uw gemeente? ESCOLIMBURG2020 neemt u op donderdag 30 oktober mee op excursie naar Vlaams-Brabant en geeft u antwoorden op al uw vr

LEES MEER



ESCO IS WINST

ESCO geeft impulsen aan de Limburgse economie: de investeringen van de Limburgse gemeenten ter verduurzaming van het eigen patrimonium komen ten goede aan aannemers uit onze provincie.



Brochure

Available languages:

NL, EN, FR, DE, IT, PL, ES



Final Report

Available languages:

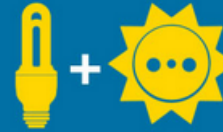
NL, EN

www.ESCOLimburg2020.be/nl/downloads

ESCOLimburg2020

1 april 2013 - 1 april 2017

www.ESCOLimburg2020.eu



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