

# Investment Opportunity with Impact

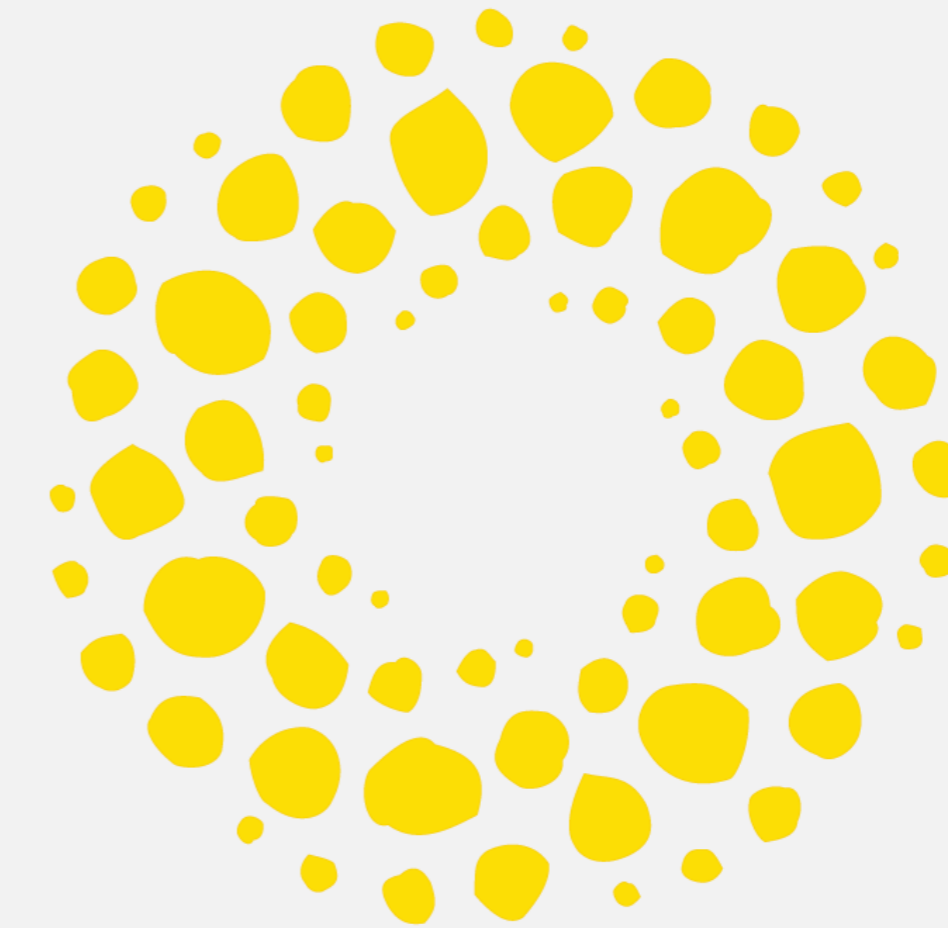
Investment Guideline –  
Legal Criteria - Energy  
Performance  
Contracting

Latvian Baltic Energy  
Efficiency Facility

2018



This project is funded by Horizon 2020 Framework  
Programme of the European Union

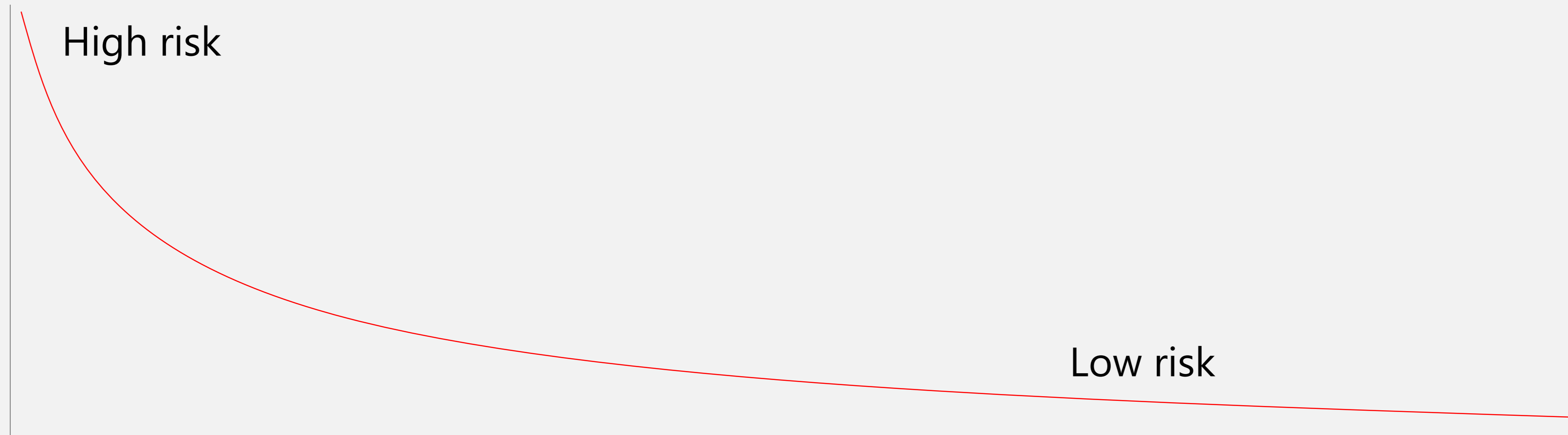


**SUNSHINE**  
SAVE YOUR BUILDING  
BY SAVING ENERGY



# RISK!

## Project life cycle



### Development finance

- Equity
- Grant (PDA)

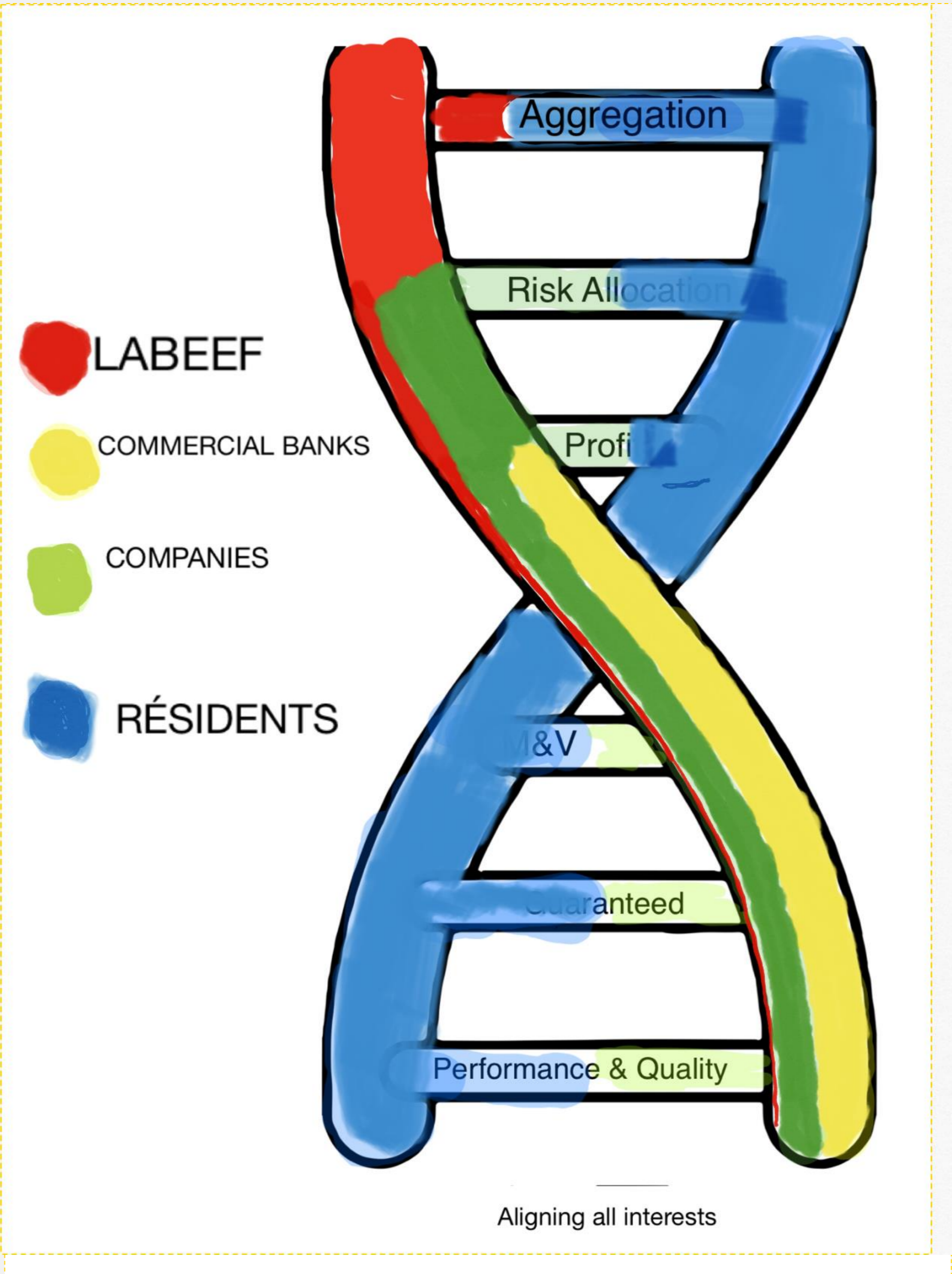
**Scarce**

### Implementation finance

- Debt

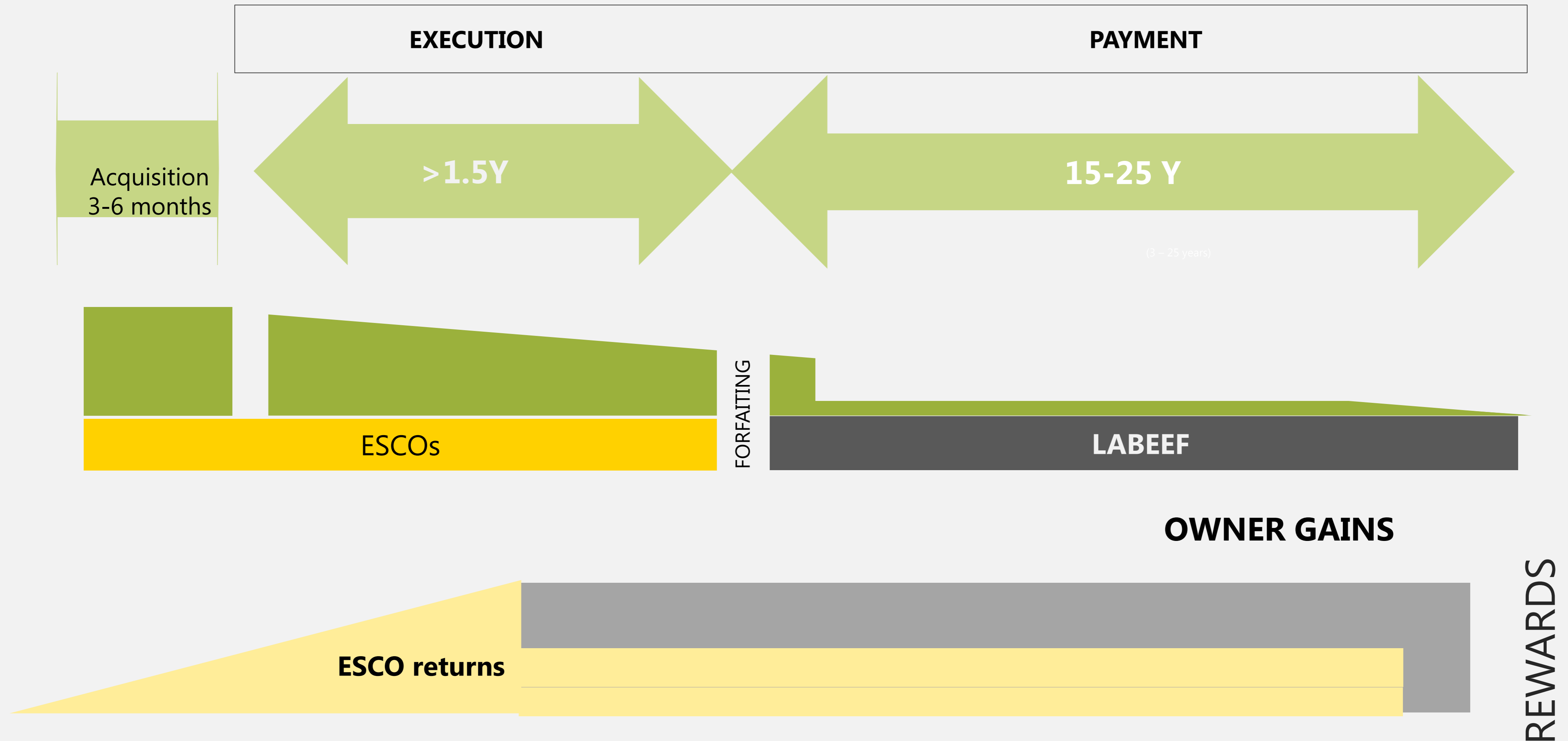
**Abundant**

# Double HELIX









# The concept

LABEEF sells performance, safety, health and comfort targets and buys low risk





Menu

-  Home
-  Organizations
-  Assets
-  Projects
-  Users
-  Admin



ACIF



Funding  
Opportunities



How to  
Participate?



Work as an  
Expert



My Personal Area



Information and  
Support

# Investment Guideline

## Contents

<b>General Eligibility criteria</b>	<b>Technical criteria</b>	<b>Legal</b>
For the covered assets	Energy efficiency targets	<b>Templates</b>
For ESCO	Structural measures	EPC
For Financial Instrument	Minimum EE measures	Fin. Instrument
	EPC    EPC+    EPC++	Maintenance
	Additional measures	<b>Instructions</b>
		EPC
		Forfeiting
		M&V

# Legal Framework

## **DIRECTIVE 2012/27/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

Energy Performance Contracting' means a contractual arrangement between the beneficiary and the provider of an energy efficiency improvement measure, verified and monitored during the whole term of the contract, where investments (work, supply or service) in that measure are paid for in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion, such as financial savings

## **LATVIAN ENERGY EFFICIENCY LAW**

Important information on EPC:

- List of energy efficiency measures and budget
- The guaranteed energy savings
- Measurement and verification
- The term of the contract
- Remuneration of the provider
- Project financial impact
- General terms and condition to address subcontractors, documentation of project changes, changes in contract conditions, etc.
- The provider bears project's financial, technical and commercial risks



# Legal review process



ENERGY PERFORMANCE CONTRACT

LABEEF  
EPC

Contract reviewed and adapted  
to Latvian legal framework

Commented and reviewed by the  
Consumer Rights Protection Centre and  
stakeholders

Contract drafted based on international best practice  
and experience  
Legal review from Bird & Bird LLP

LATVIAN  
LAW  
FIRM

LATVIAN  
ENGINEERING  
FIRM

STAKEHOLDERS  
(ESCOs/NGOs/House  
Maintenance Co.)

CONSUMER RIGHT  
PROTECTION

European Bank for  
Reconstruction and  
Development

Funding for Future



# LABEEF energy performance contract

**SCOPE** of the contract is clearly defined: What the ESCO delivers and at which costs!  
ESCO bears **technical**, **financial** and **commercial** risks!  
The contract clearly **explains**:



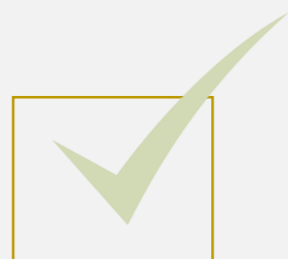
**Guarantees** energy savings and the way they are measured and verified



The **terms** of the contract



Client (apartment owners) and Contractor (ESCO) **rights and obligations**



During the construction period



Operation / maintenance / responsibilities during the contract terms



How to solve disputes, changes in conditions, unexpected problems

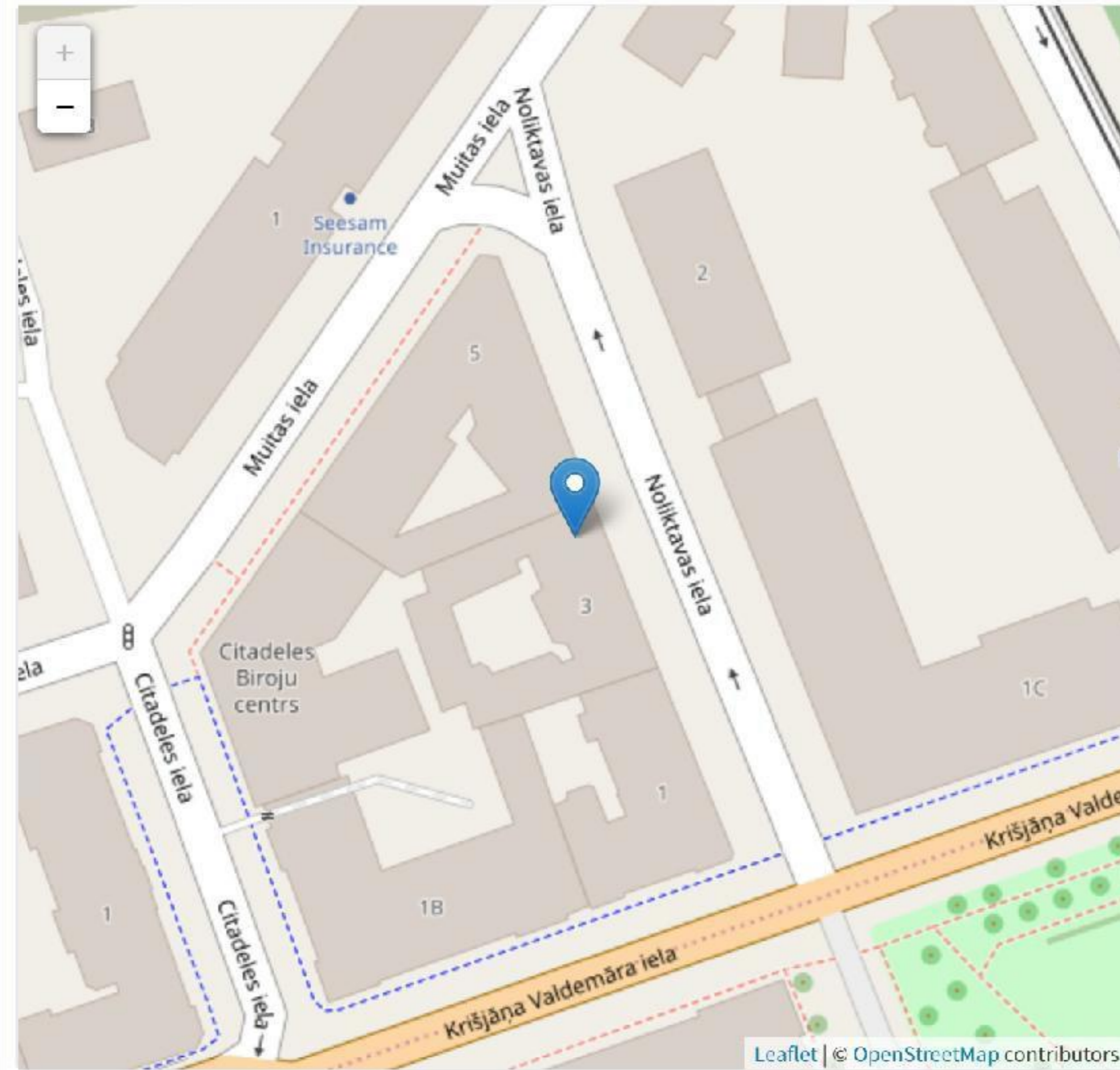
3, Noliktavas iela, Centrs, Rīga, Vidzeme, LV-1340,  
Latvia

Valid

### Asset Information

#### Menu

- Home
- Organizations
- Assets
- Projects
- Users
- Admin



Building Series	Total area
Type 464	1232
Number of flats	Heated area
12	2333
Billing area	Number of floors
2111	12
Number of staircases	Cadastral Number
6	23213112313



Drag a file here or browse for a



# LABEEF energy performance contract – template

## SPECIAL CONDITIONS

### I. PARTIES

1. RENOVATION WORKS AND BUDGET

2. SAFETY, QUALITY AND COMFORT GUARANTEED

### II. SCOPE

3. ENERGY SAVINGS GUARANTEED

4. OPERATION AND MAINTENANCE

### III. OBLIGATIONS

5. CALCULATION OF PAYMENT AND INDEXATION

6. AUTHORISED REPRESENTATIVES

## GENERAL TERMS AND CONDITIONS

1. DEFINITION AND INTERPRETATIONS

2. SAFETY QUALITY AND COMFORT GUARANTEED

3. RIGHT AND OBLIGATION OF THE ESCO

4. RIGHT AND OBLIGATION OF THE BUILDING

5. FEE, MUTUAL SETTLEMENT AND REMUNARATION

6. SETTLEMENT PROCEDURES

7. TERM OF THE AGREEMENT

8. LATENT CONDITIONS

9. ENERGY MANAGEMENT SYSTEM

10. DISPUTE PROCEDURES

11. MAINTENANCE OF THE IMPLMENTED MEASURES

12. INSURANCE

13. ASSIGNMEENT OF CLAIMS

14. TITLE OF THE FACILITY

15. CHANGE IN USE OF THE BUILDING

16. DISPOSAL OF DISMANTLED FACILITIES

17. LIABILITY

18. EARLY TERMINATION OF THE AGREEMENT

19. FORCE MAJEURE

20. CONFIDENTIALITY

21. CONSLUSION AND AMENDAMENTS

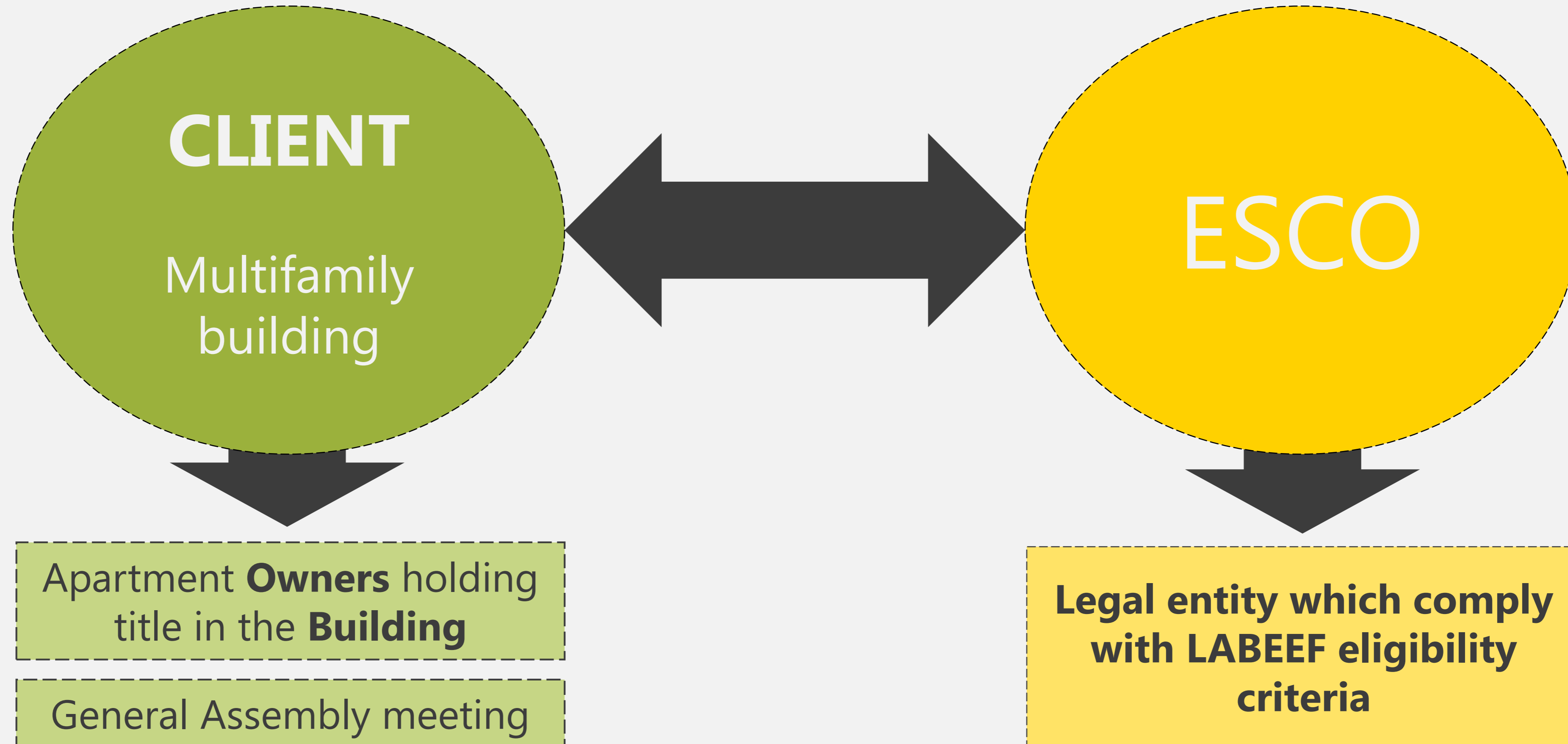
1. DEFINITION

2. ESCO COMMITTMENT

3. BUILDING COMMITMENT







4. LABEEF FINANCIAL AND TECHNICAL GUIDELINE

# Parties in the agreement





Menu

-  Home
-  Organizations
-  Assets
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<b>44rr</b> Name	<b>Yatrus Analytics</b> Project owner	<b>10</b> Contract terms	<b>2019</b> First year contract
---------------------	--	-----------------------------	------------------------------------

<b>Yatrus Analytics</b> Client	<b>3, Citadeles iela, Centrs, Riga, Vidzeme, LV-...</b> Multifamily building
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Guaranteed indoor air temperature

---

**44°C**

Guaranteed domestic hot water supply temperature

---

**44°C**

Guaranteed energy savings

---

**50%**

Construction period

---

**01.02.2019**  
04.04.2020

Asset Information

Building Series

---

**Czech project**

Total area

---

**2333**

Number of flats

---

**22**

Heated area

---

**2100**

Billing area

---

**2000**

Number of floors

---

**10**

Number of staircases

---

**12**

Cadastre Number

---

**213444123124**

Assign role to user in this project

Search user by email or name

Currently assigned roles to project



# Scope of the Agreement

**ESCO** arrange **engineering, procurement, supply, installation, start-up, commissioning** and **financing** (Renovation Works) for the renovation of the Building

RENOVATION  
WORKS

All activities and measures are described including a detailed budget breakdown

**ANNEX 1. ENOVATION  
WORKS AND BUDGET**

GUARANTEED

ESCO guarantees comfort and quality standards  
ESCO guarantees annual energy savings

**ANNEX 2. QUALITY AND  
COMFORT GUARANTEED**

SERVICE &  
MAINTENANCE

ESCO mantains the measures for the all term of the agreement including cost andactivities (operation and maintenance manual)

**ANNEX 3. ENERGY SAVINGS  
GUARANTEED**

CONSTRUCTION  
PERIOD

ESCO indicates the dates for the construction period (start of the works and end of the works)

**ANNEX 4. OPERATION AND  
MAINTENANCE**

# Client's Obligations

TERM OF PAYMENT

CLIENT pays the contractual fees for an agreed period of time = **20 years**

CONTRACTUAL FEES

All contractual fees are shown and the way are calculated explained

**ANNEX 5. CALCULATION OF PAYMENT AND INDEXATION**

Energy Fee

To cover the cost of energy **after** renovation (metered)

Renovation Fee

To cover the investment cost for renovation

O&M Fee

To cover the operational and maintenance cost **after** renovation

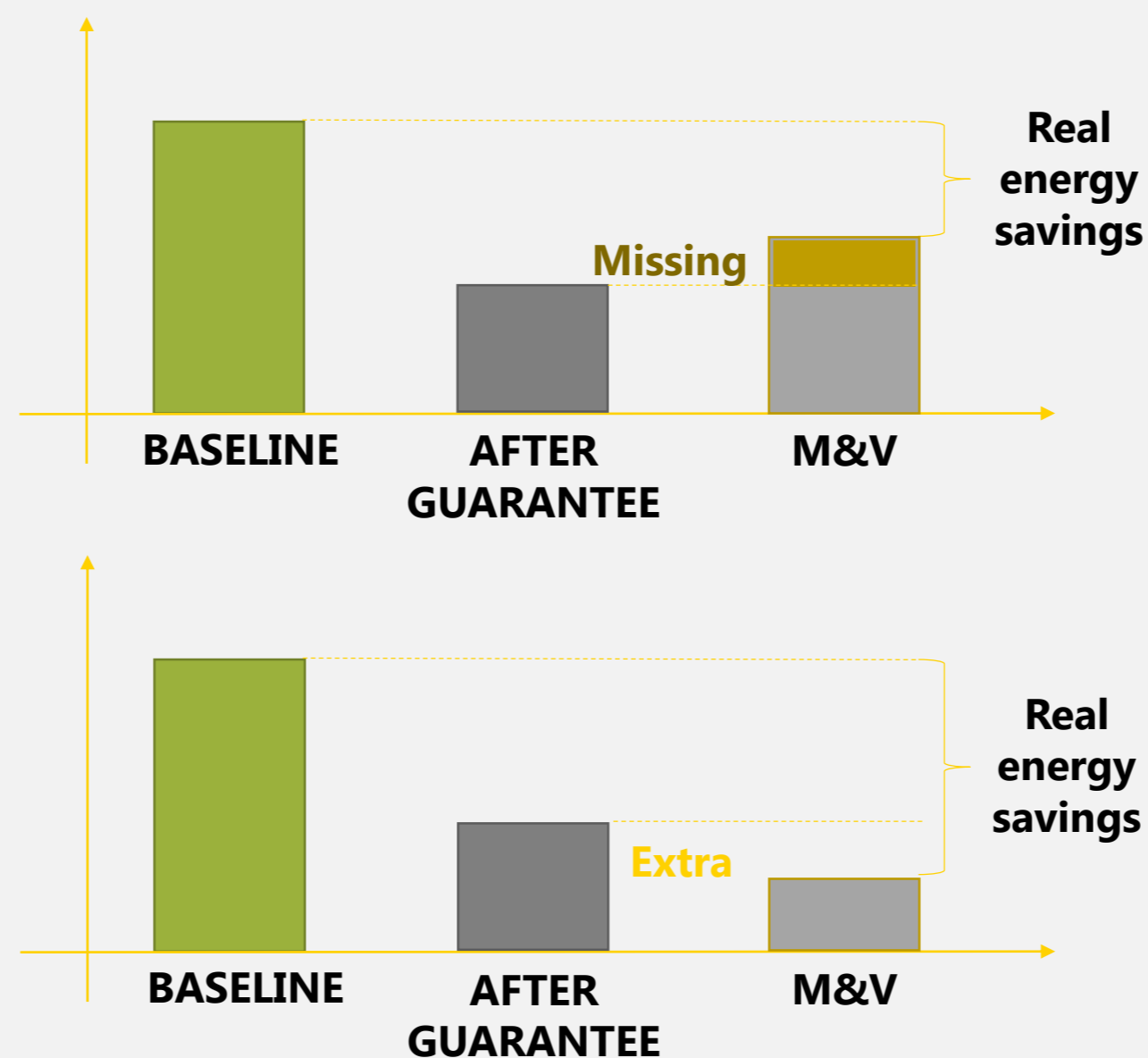
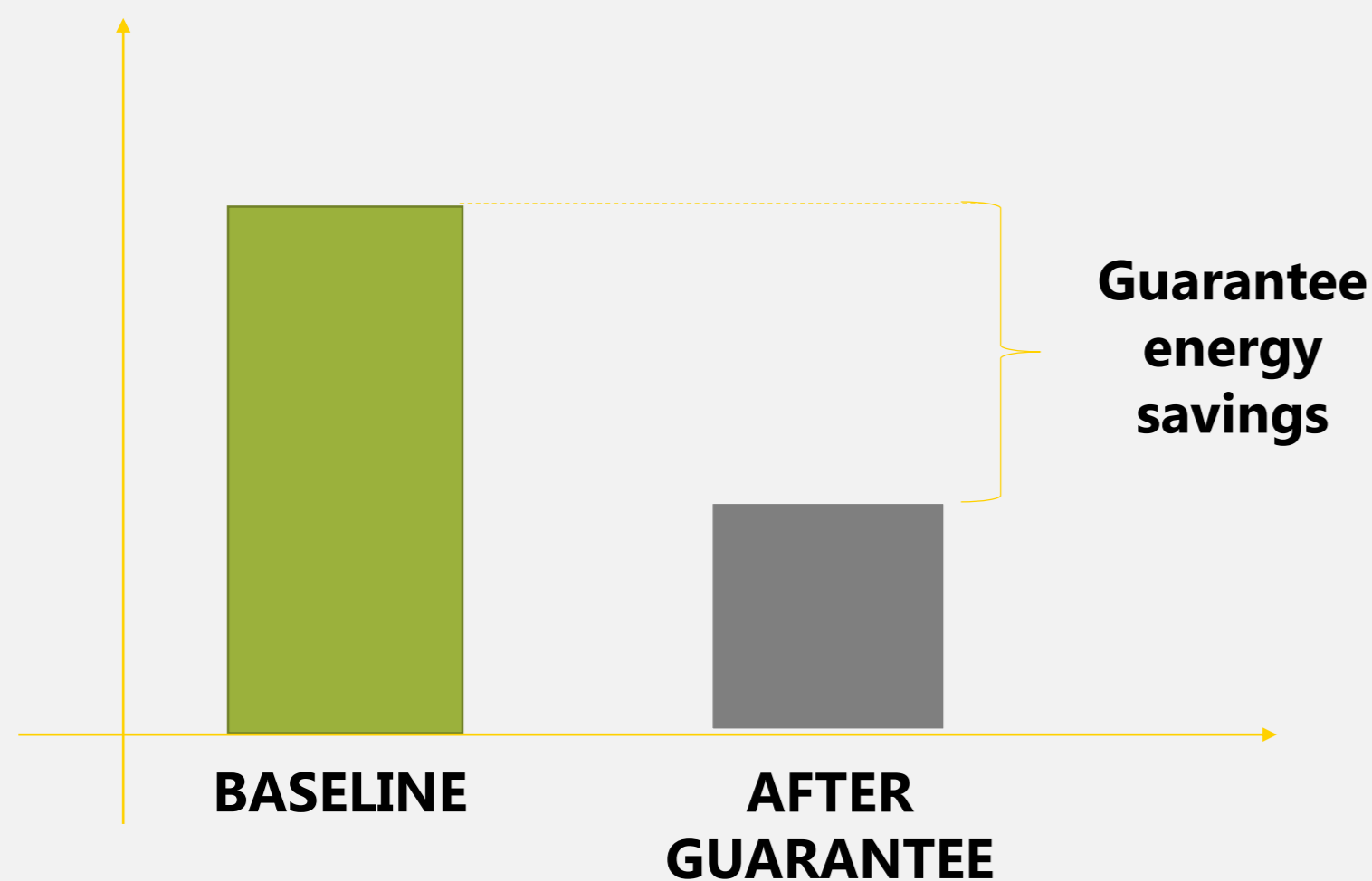
Hot water

To cover the hot water costs (metered)

# The first Guarantee

ENERGY SAVINGS

In the Energy Performance Contract the ESCO guarantees that after renovation energy consumption is reduced compared to the baseline and at the same climate conditions



The ESCO pays back the missing energy savings.

The ESCO gets the extra energy savings.

Guaranteed energy savings indicated in the Energy Performance Contract

Measurement and Verification

Settlement



# The Safety, Health, Comfort Guarantees

## SERVICE QUALITY

In the Energy Performance Contract the ESCO guarantees that the installed equipment and the used materials for the full length of the contract = 20 years

## INDOOR AIR QUALITY

In the Energy Performance Contract the ESCO guarantees suitable number of air exchanges. = good ventilation of the building.

## INDOOR AND HOT WATER TEMPERATURE

In the Energy Performance Contract the ESCO guarantees a minimum indoor air temperature level (for example 22°C) and suitable domestic hot water supply (for example > 55°C)

## 1. RENOVATION WORKS AND BUDGET

<b>Project development costs and Management Cost</b>	<b>Costs</b>
Energy audit	
Civic engineering appraisal	
Technical design for construction works	
Technical design for heating, ventilation and domestic hot water systems	
Preparation of grant application	
Tendering of renovation works	
Contracting and commissioning	
Management and coordination	
<b>Total development and management costs</b>	

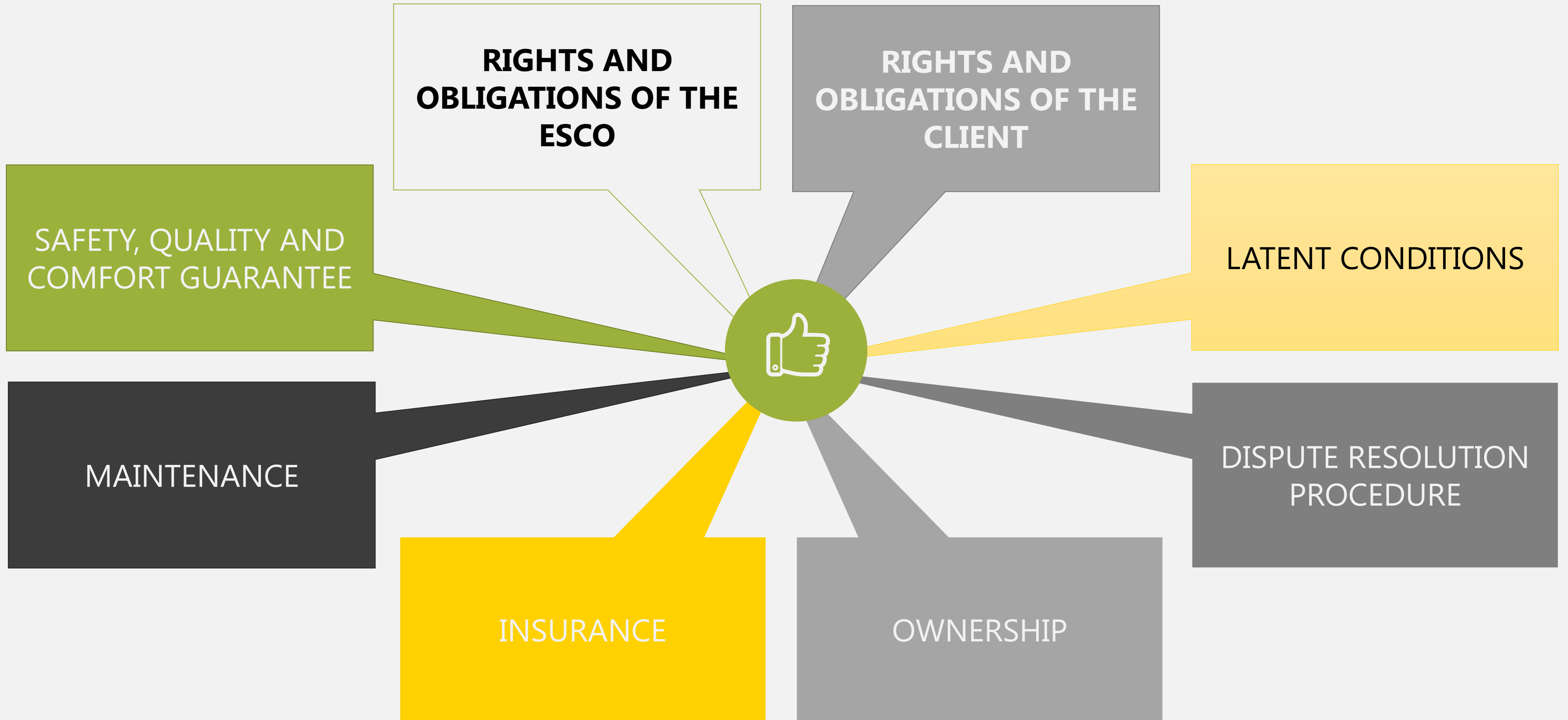
<b>Project supervision</b>	<b>Costs</b>
Building supervision	
Author supervision	
<b>Total project supervision costs (ex-VAT)</b>	

<b>Financial charges</b>	<b>Costs</b>
Bank Fees	
Forfeiting Fees	

## 1. RENOVATION WORKS AND BUDGET

Nr.	Code	Construction and installation works	Cost EUR	Including		
				Salary EUR	Material EUR)	Consumable EUR
1	2	3	4	5	6	7
1	1-1	Budget breakdown Nr.1-1 Facades (A)				
2	1-2	Budget breakdown Nr.1-2 Balcony/Loggias (N)				
3	2-1	Budget breakdown Nr.2-1 Plinth (A)				
4	2-2	Budget breakdown Nr.2-2 Sidewalks (N)				
5	3-1	Budget breakdown Nr.3-1 Roof thermal insulation(A)				
6	3-2	Budget breakdown Nr.3-2 Roof refurbishment (N)				
7	4-1	Budget breakdown Nr.4-1 Attic thermal insulation (A)				
8	5-1	Budget breakdown Nr.5-1 Common area - windows replacement (A)				
9	5-2	Budget breakdown Nr.5-2 Exterior doors (A)				
10	5-3	Budget breakdown Nr.5-3 Closing / glazing of balcony/loggias(A)				
11	5-4	Budget breakdown Nr.5-4 Interior doors (N)				
12	5-5	Budget breakdown Nr.5-5 Apartament - windows replacement (N)				
13	6-1	Budget breakdown Nr.6-1 Heating system refurbishment (A)				
14	7-1	Budget breakdown Nr.7-1 Hot water system refurbishment (A)				
15	8-1	Budget breakdown Nr.8-1 Ventilation system(A)				
16	9-1	Budget breakdown Nr.9-1 Heat substation (N)				
17	10-1	Budget breakdown Nr.10-1 Renovation of staircases (N)				
18	11-1	Budget breakdown Nr.11-1 Cold water system (N)				
19	12-1	Budget breakdown Nr.12-1 Electrical system (N)				
		Subtotal				
		Contingency				
		Profit				
		Social taxes				
		Total				

# Most important general terms and conditions





## Apartment 3056

Home // Apartment 3056



### Energy

kWh

Daily

Weekly

Monthly

Set Timeframe

From

To

📅 21 Sep, 2017 08:45:21 AM

Print Report

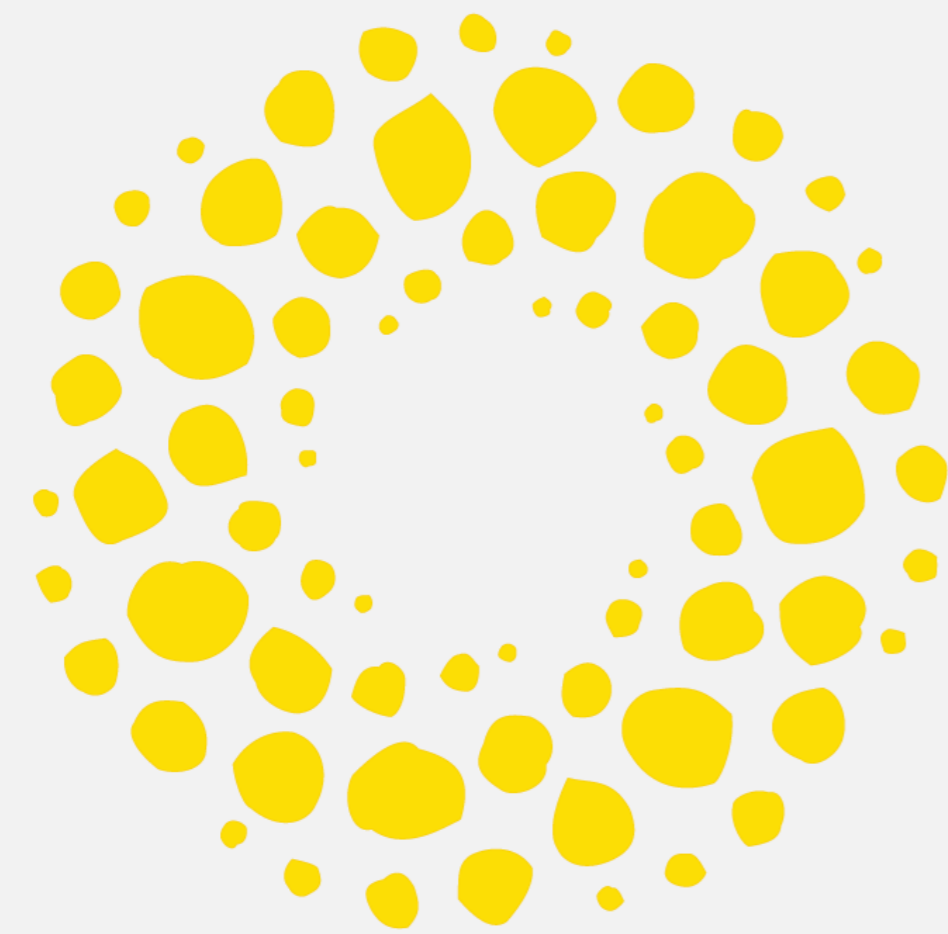
Pay

kWh

— Average Weekly Consumptions: 972kWh



PERIOD	CONSUMPTION	DUE DATE	STATUS		
📄 11.04.2018-10.05.2018	<b>703kWh</b>	25.05.2018	Unpaid	📄	Pay Bill
📄 11.04.2018-10.05.2018	<b>703kWh</b>	25.05.2018	Paid	📄	Pay Bill



**SUNShINE**  
SAVE YOUR BUILDING  
BY SAVING ENERGY



# Thank you!

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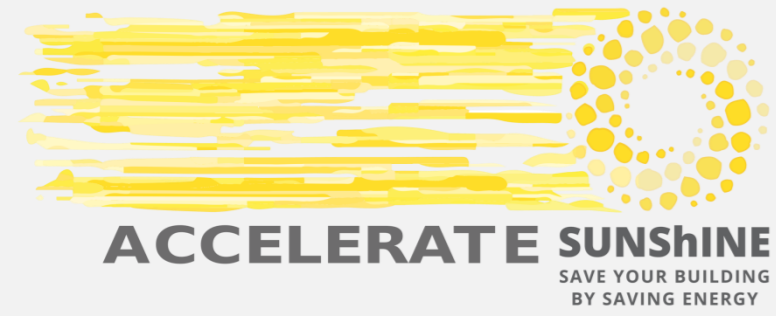
[harijs@fcubed.eu](mailto:harijs@fcubed.eu)

Claudio Rochas

[claudio@cubed.eu](mailto:claudio@cubed.eu)



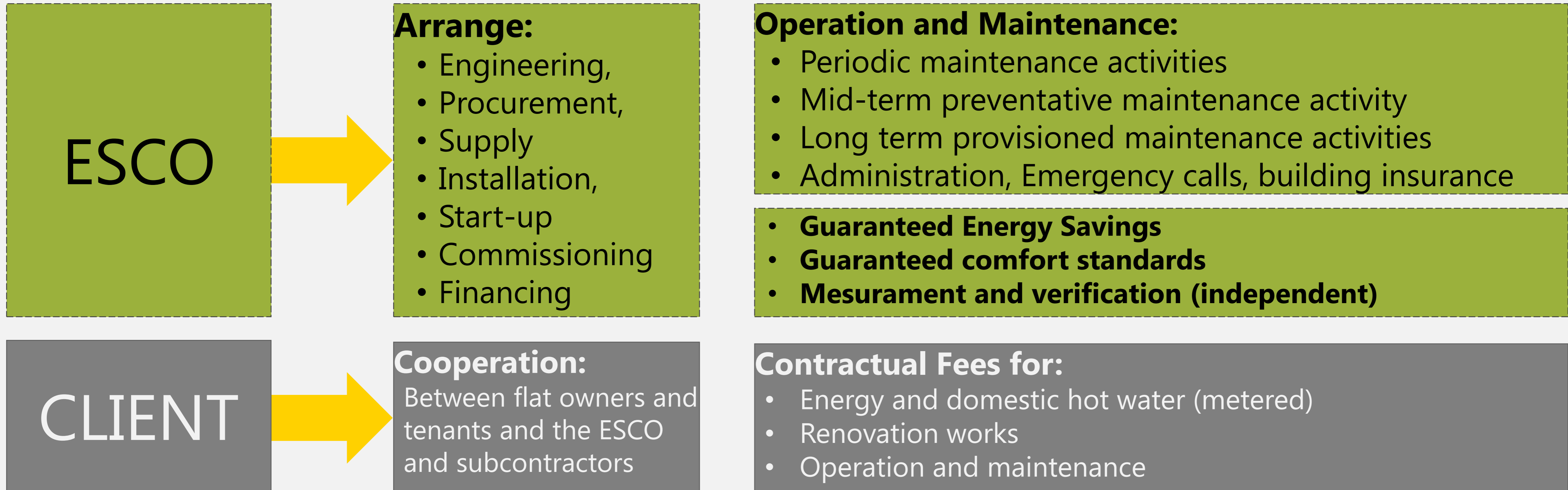
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# Scope and Obligations





# Covered assets

Series **103**, **104**, **119**, 316, 318, **464**, **467**, 602

Czech, French project

Special projects modifying any of the mentioned series



104

PROJEKTS



119



602



ČEHU



103



467



316



464