

RENOWATT

Sustainable Energy Investment Forum
September 28, 2017



RenoWatt is partner of the H2020 project





Ordre du jour

- **Introduction**
- RenoWatt: presentation
- RenoWatt+: Next steps



GRE Liege – Reconversion economic agency of Liege province

Groupement
Redéploiement
Economique

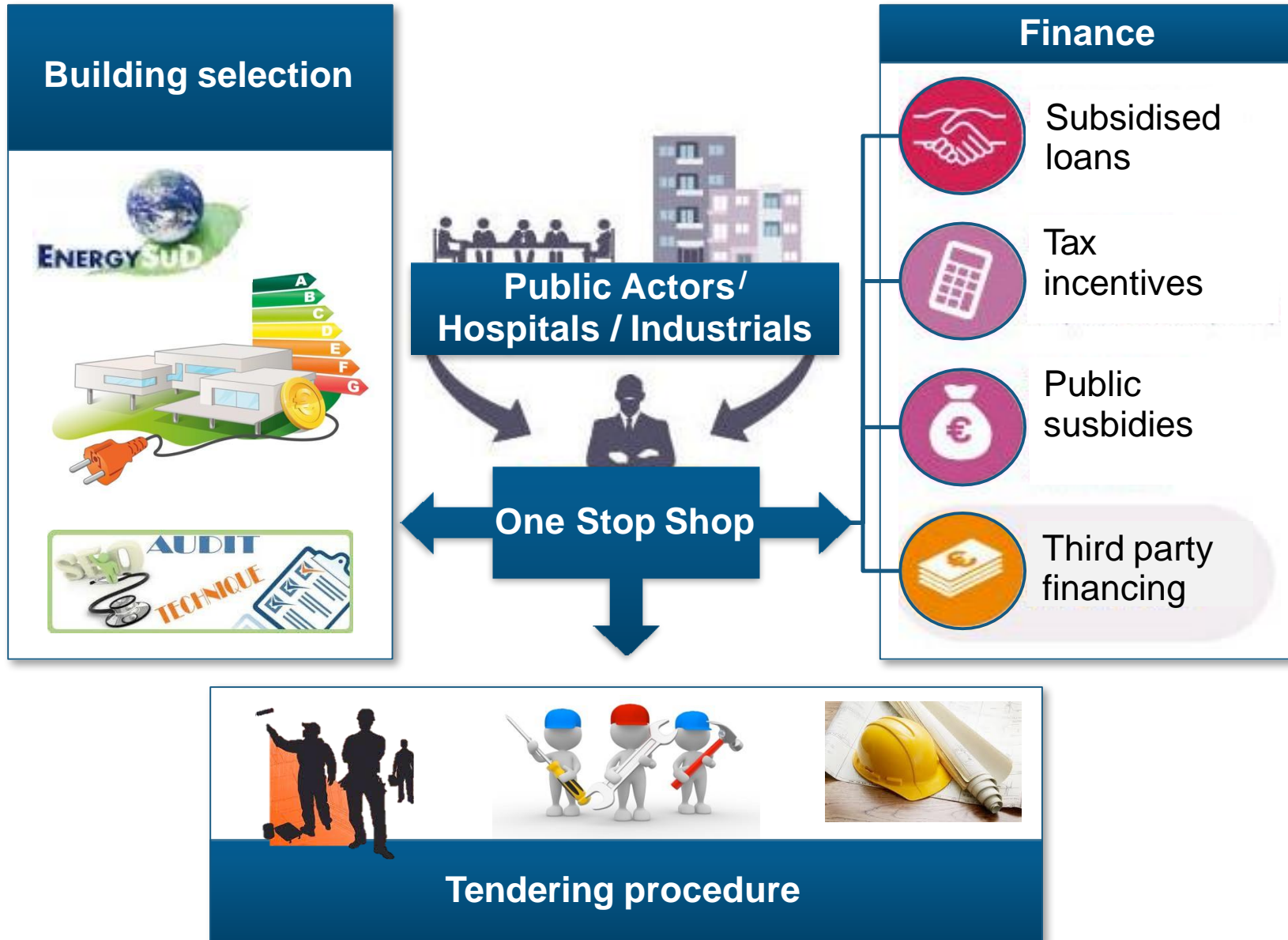


- Develop conditions to create sustainable jobs for the future generations
- Created in 2004, following the announce of Arcelor Mittal closure

New Job
Just Ahead



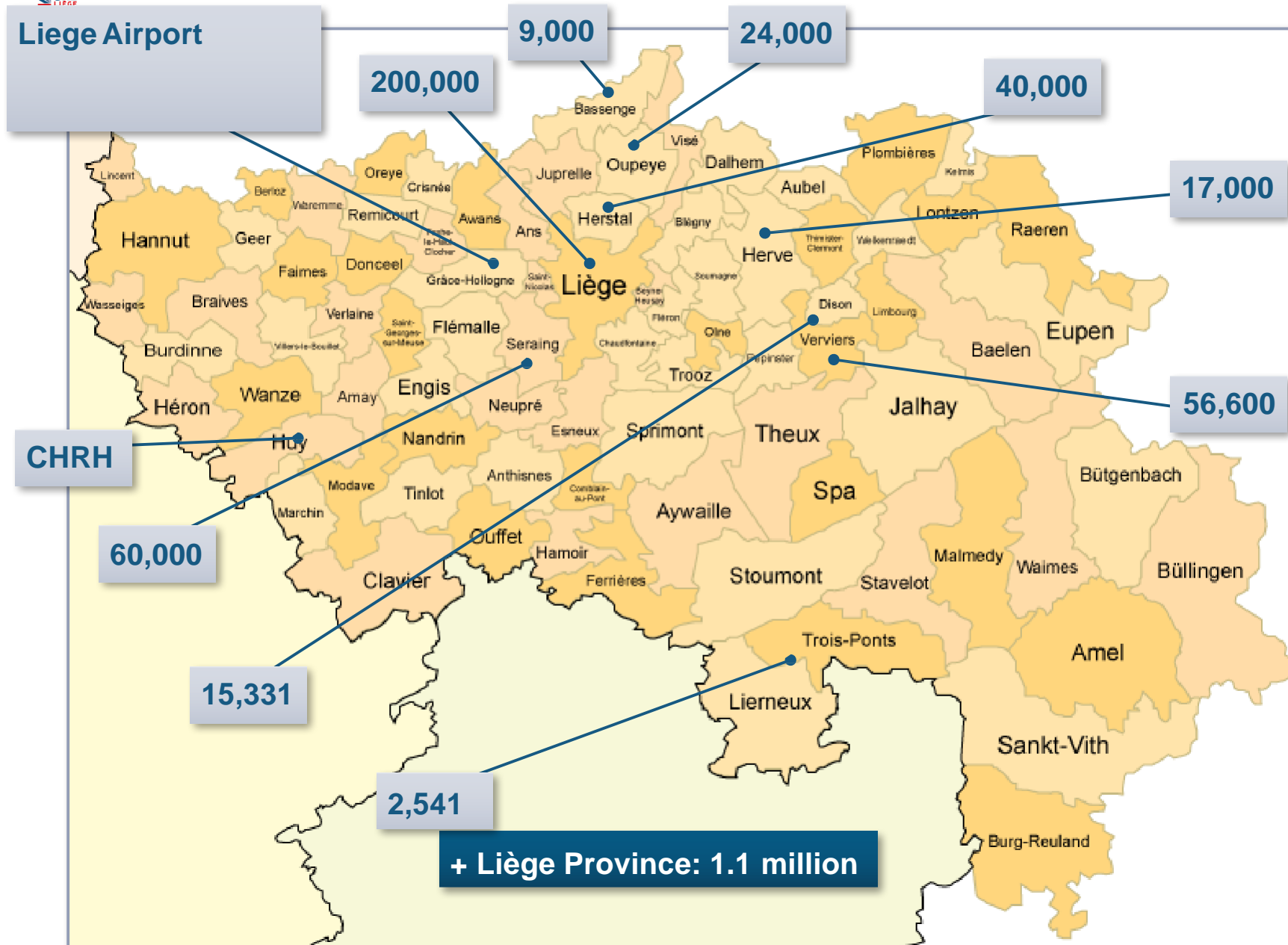
Support beneficiaries (local authorities, hospitals, industrials...) in their energetic retrofitting projects through a one-stop-shop





11 entities joined the project as well as one hospital

Inhabitants





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RenoWatt in figures

- **Amount of the tenders** € 59 millions VAT incl.
- **Investissements (CAPEX)** € 36,6 millions VAT incl.
- **Number of buildings** 64 sites and 136 buildings
- **Energy savings** 33%
- **ROI** 22 years
- **CO2 decrease** 7,545 tons of CO₂
- **Jobs** 322 direct and 780 indirects
- **Training** A minimum of 16,500 hours of training
- **Other** « Best Energy Service Project 2017 » awarded by the EU



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 - Ø **Concept**
 - Ø Achievements
 - Ø Lessons learned
- RenoWatt+: Next steps



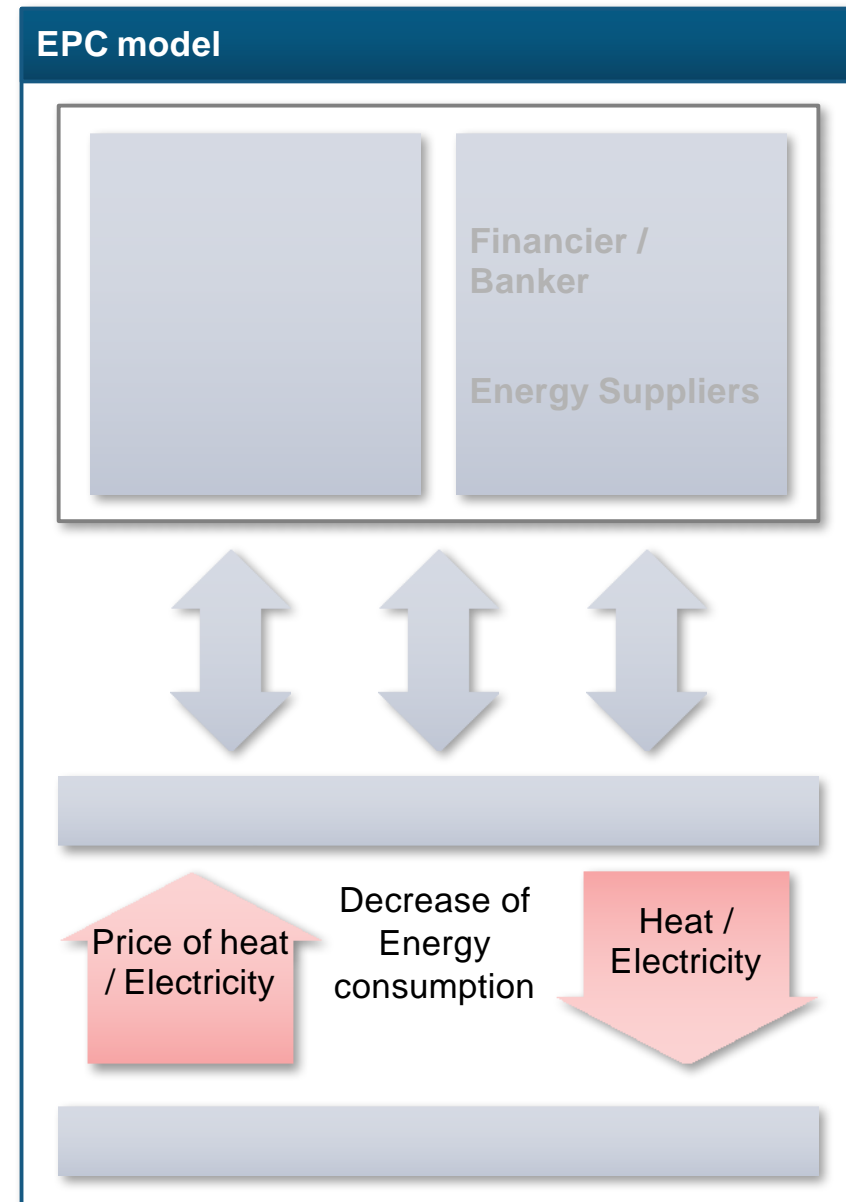
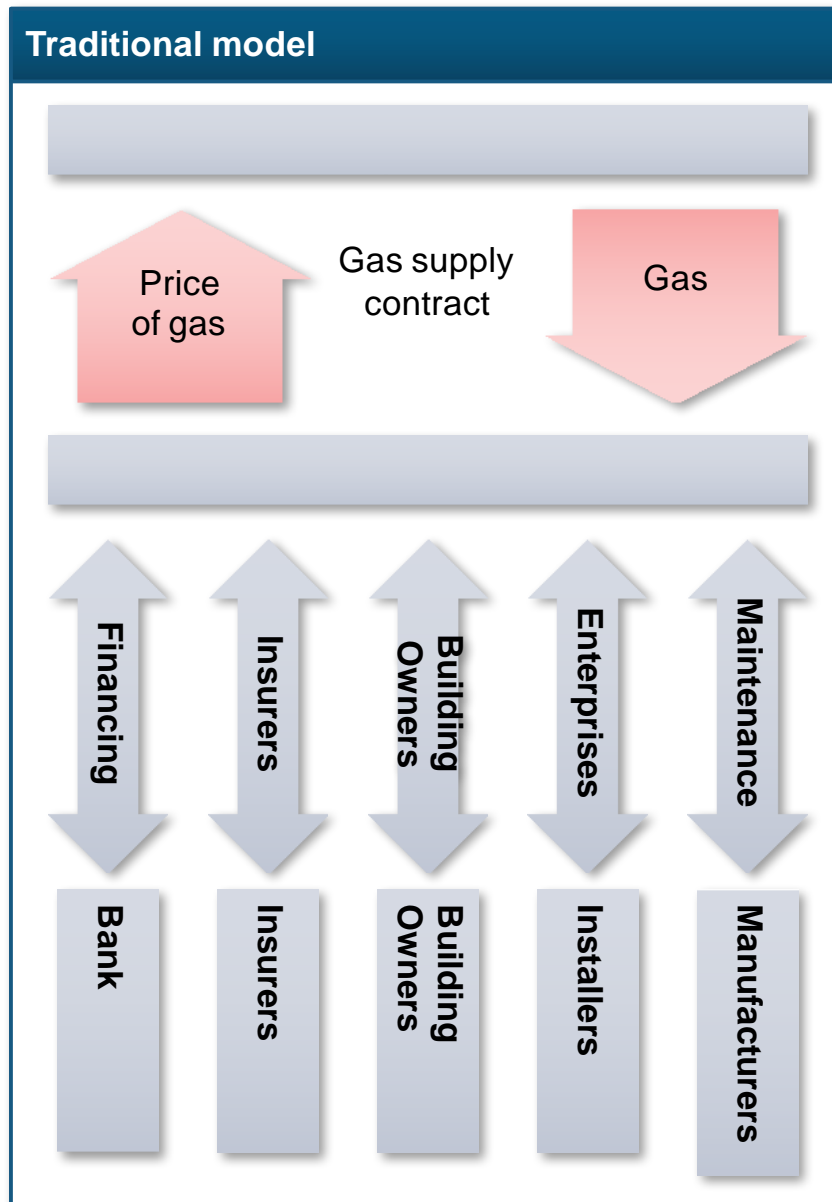
Three basic principles to which the public authorities have subscribed

- 1 Tendering agency adhesion
- 2 Work according to Energy Performance Contracts (EPCs)
- 3 Grouping the buildings into batches / pools of buildings



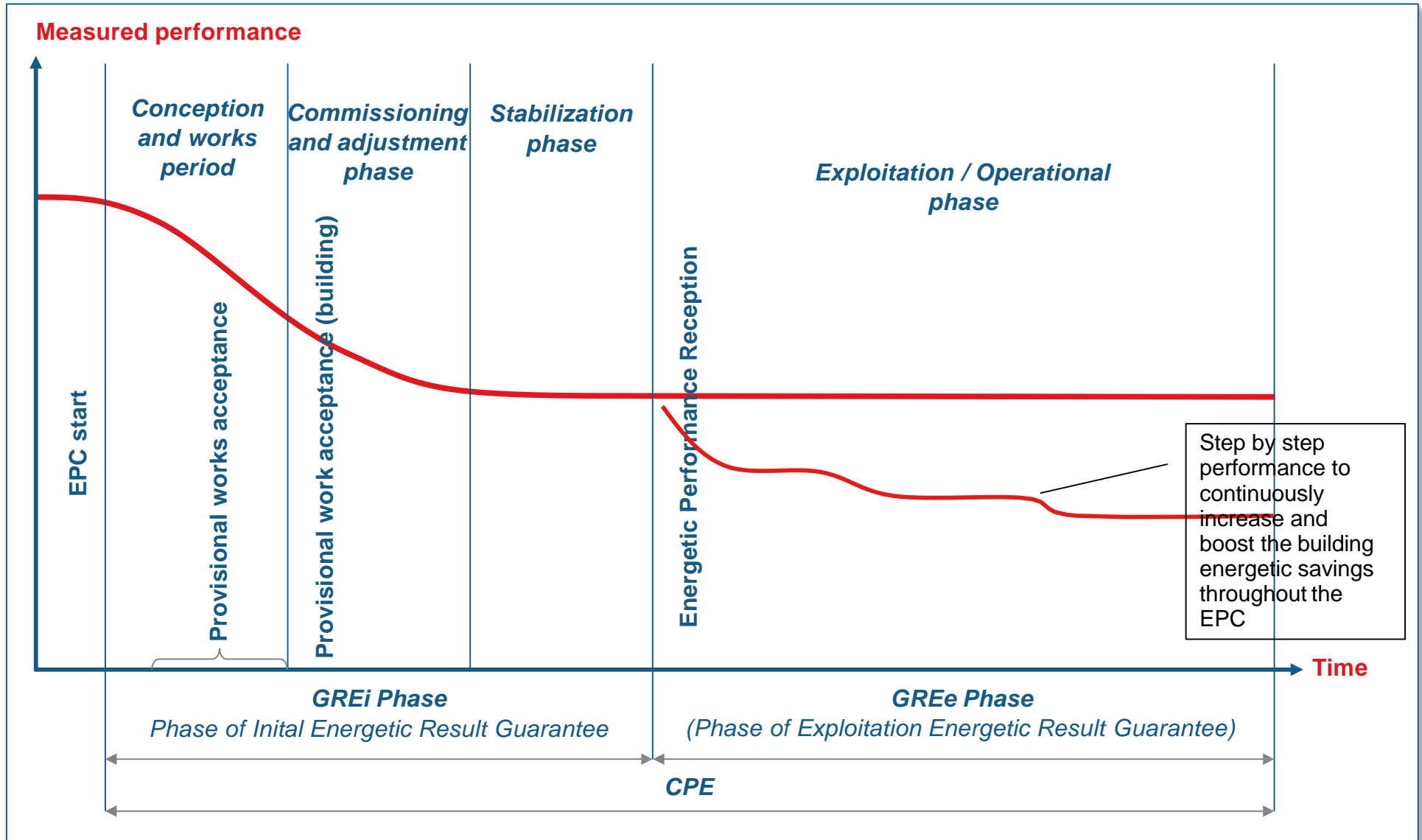
by GRE LIège

2 Giving priority to the EPCs, when it makes sense





2 RenoWatt' approach for the EPC





2 RenoWatt' approach for the EPC

- A guarantee on your forecasted energy savings
- Global solution (conception, works and maintenance)
- Financing possibility
- Out of the SEC 2010 debt boundary
- Win-win approach between the public authorities and the ESCO (both parties have a profit in case of extra energy savings)



2 Grouping buildings into different pools / lots comprising multiple buildings

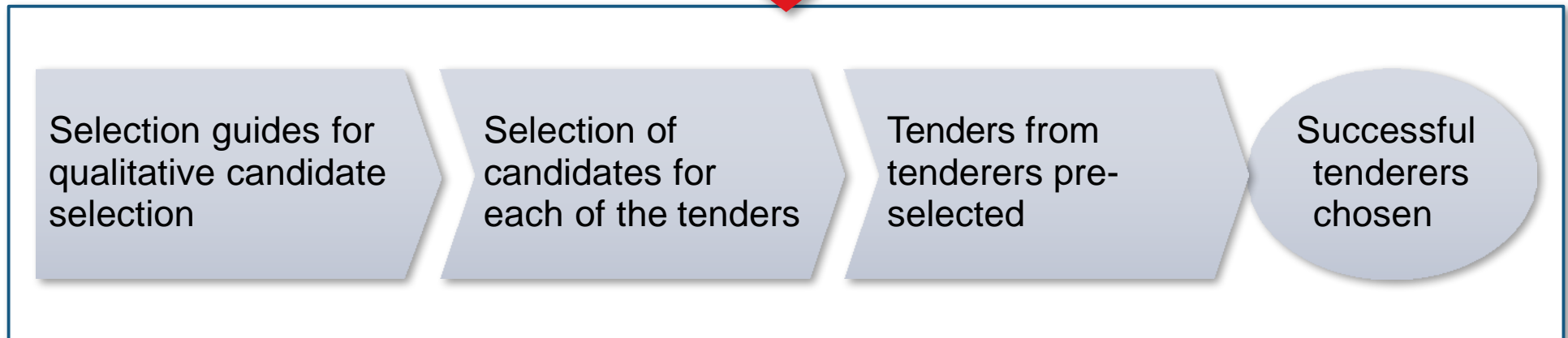
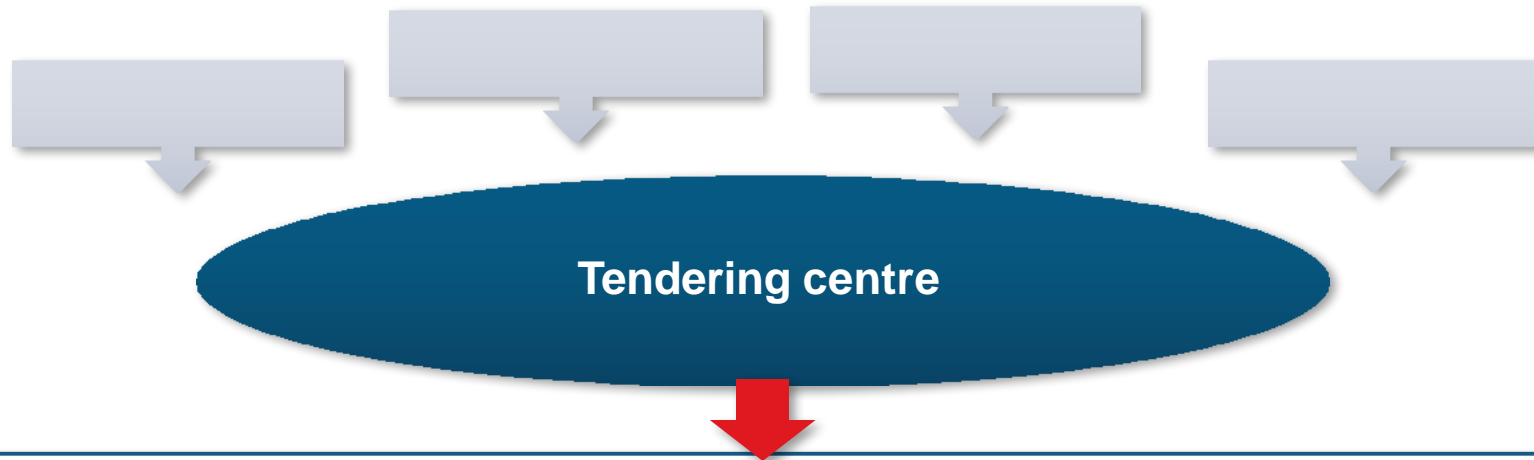
- Grouping multiple buildings, depending on the potential energy savings within a single project
- The buildings may belong to a single public body or to multiple public bodies



- Achieving an **adequate size for the EPC**
- **Diversifying the risk** for financiers (and obtaining more attractive financing conditions)
- Reducing the number of contracts (and transaction costs)



3 Launching a tendering agency: implementation of the pilot project





European negotiated procedure with publication

- **Nature of services and pitfalls**
 - Does not allow prior determination of an overall price
 - Market specifications cannot be established precisely enough to make it possible to award contracts through an invitation to tender process

- **New and complex tendering process** (long-term collaboration, large number of buildings and BAPs, overall package of supplies and services from a private partner, energy savings guaranteed for the duration of the contract by the private provider)

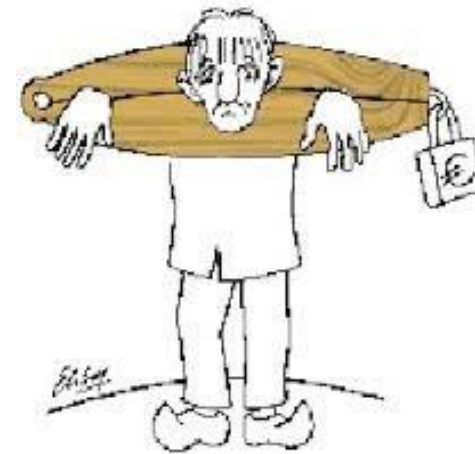
- Offers from tenderers will depend on preliminary **audits and studies carried out by the tenderers** themselves. Renowatt is currently only carrying out estimates of potential

- **Negotiations** with tenderers on payment terms, work done, technical aspects of the tender etc.

- **No competitive dialogue** because the negotiations are about the tenders, not the solutions, even if these are identifiable



To promote local employment
and combat social dumping



**Strict compliance with the
framework of European law
and current Belgian legislation**



Creation of a working group to reflect on the social and ethical clauses that need to be included in the contract documents





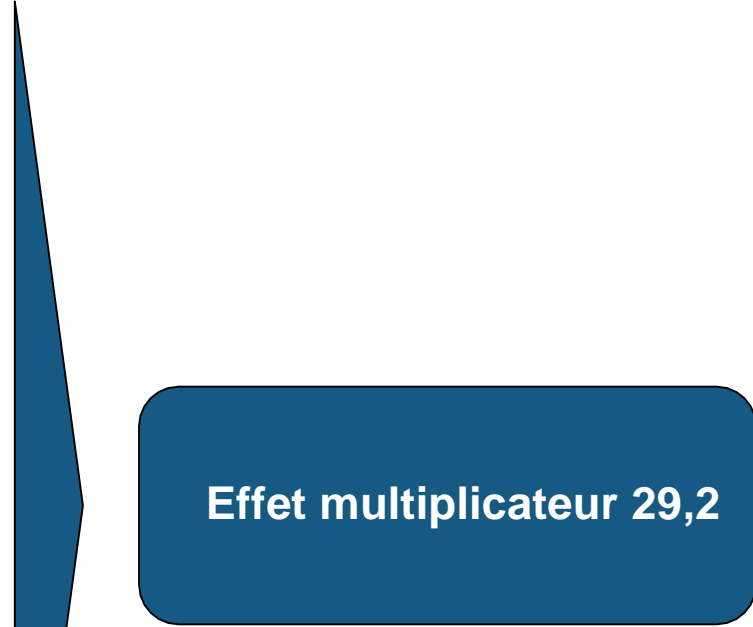
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RenoWatt EPC – a leverage factor of 29,2 was achieved in 5 different tendering procedures

Tender	Amount, EUR VAT Incl.	Energy Savings (final)
CHRH	7.930.181	17%
Administrative	4.348.544	34%
ECOLE 1	15.610.816	30%
ECOLE 2	16.341.948	
Sport	14.265.860	41%
Total	58.497.349	30%



Effet multiplicateur 29,2

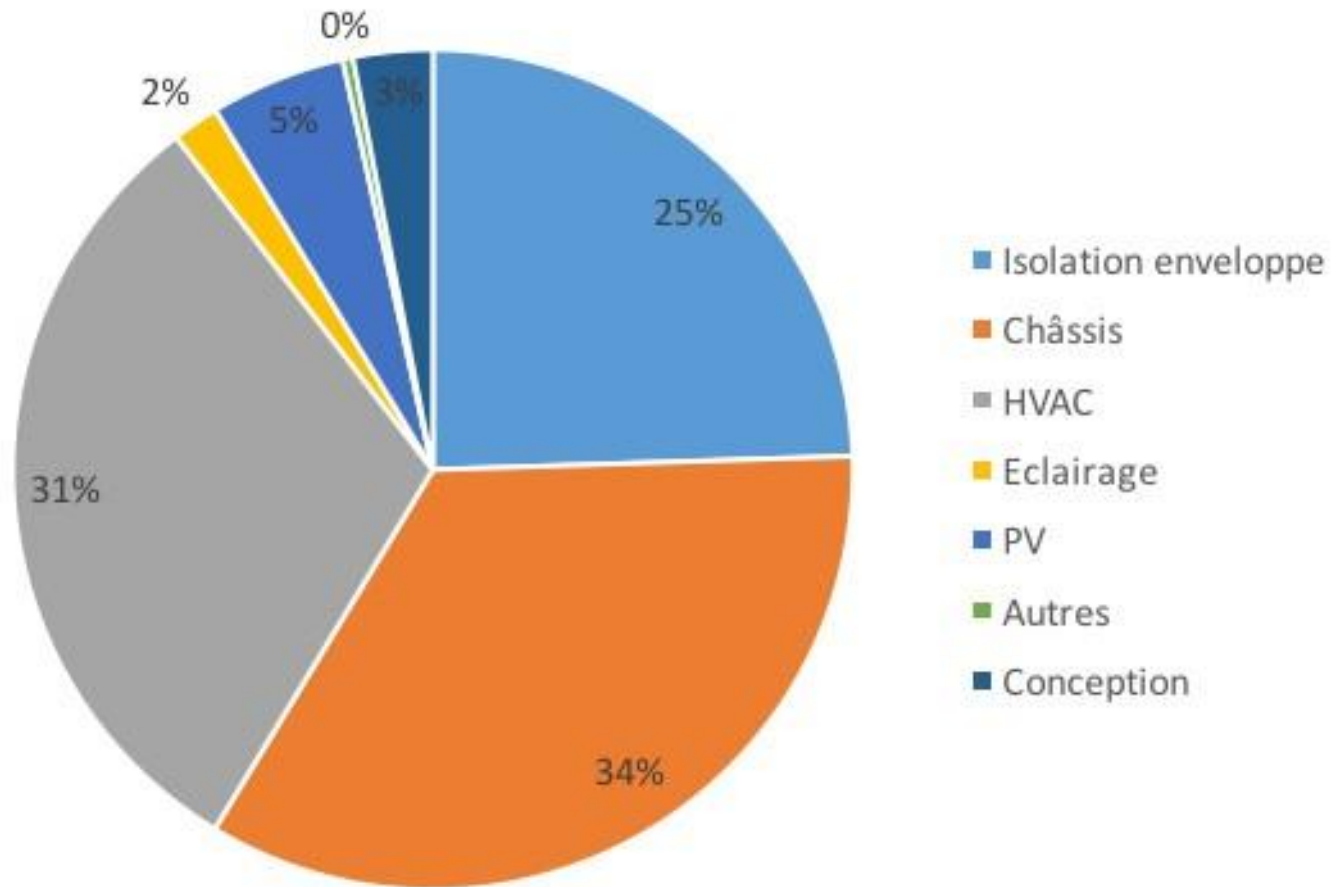
**RenoWatt is financed by
debt or municipality's
capital**



Global overview of the retrofitting works in the 5 tendering procedures

CAPEX split by type of work

100% = € 36,8 million € VAT incl





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Advantage for a public authority to join the tendering central

Subsidies

- Subsidy negotiation on behalf of the municipalities

Out of the budget boundary for municipalities

Tendering procedure

- Set up of all the tendering procedure
- Negotiation with the ESCOs
- Dedicated budget for legal advisors
- Permanent contact with municipalities

Financing reflection

- Accession of financing opportunities that one public authorities could not access
- ROI analysis of the project
- Tendering procedure for the project financing

Technical analysis

- All technical feasibility studies outsourced to RenoWatt

Neutral and public facilitator

- RenoWatt is public, neutral and non for profit, working for the benefit of municipalities and not the private sector
- Knowledge of the way of working and constraints of the municipalities
- No need for municipalities to go through public tendering procedure to work with RenoWatt



Lessons learned by GRE-Liege

- Challenges to convince public authorities to change their way of working and go with EPC
- Public body is needed to gather the different public authorities
- Preparing such type of tender procedures is expensive...technical assistance is a great help - Local authorities (average size) do not have the size to conceive such project and need to be guided by a non-for-profit facilitator (get a subsidy)
- Local authorities need to have time to dedicate to the project
- Key to work with professional who knows the ESCO market to guide in the full process
- Think about the execution – EPC are difficult to manage
- EPC is not the unique solution – check the type of retrofit
- Political commitment
- Prepare the ground for the decision - Take into consideration in your planning the decision process of municipalities
- Technical assistance helps to keep the timing
- Communication, communication and communication, at all level of the municipalities

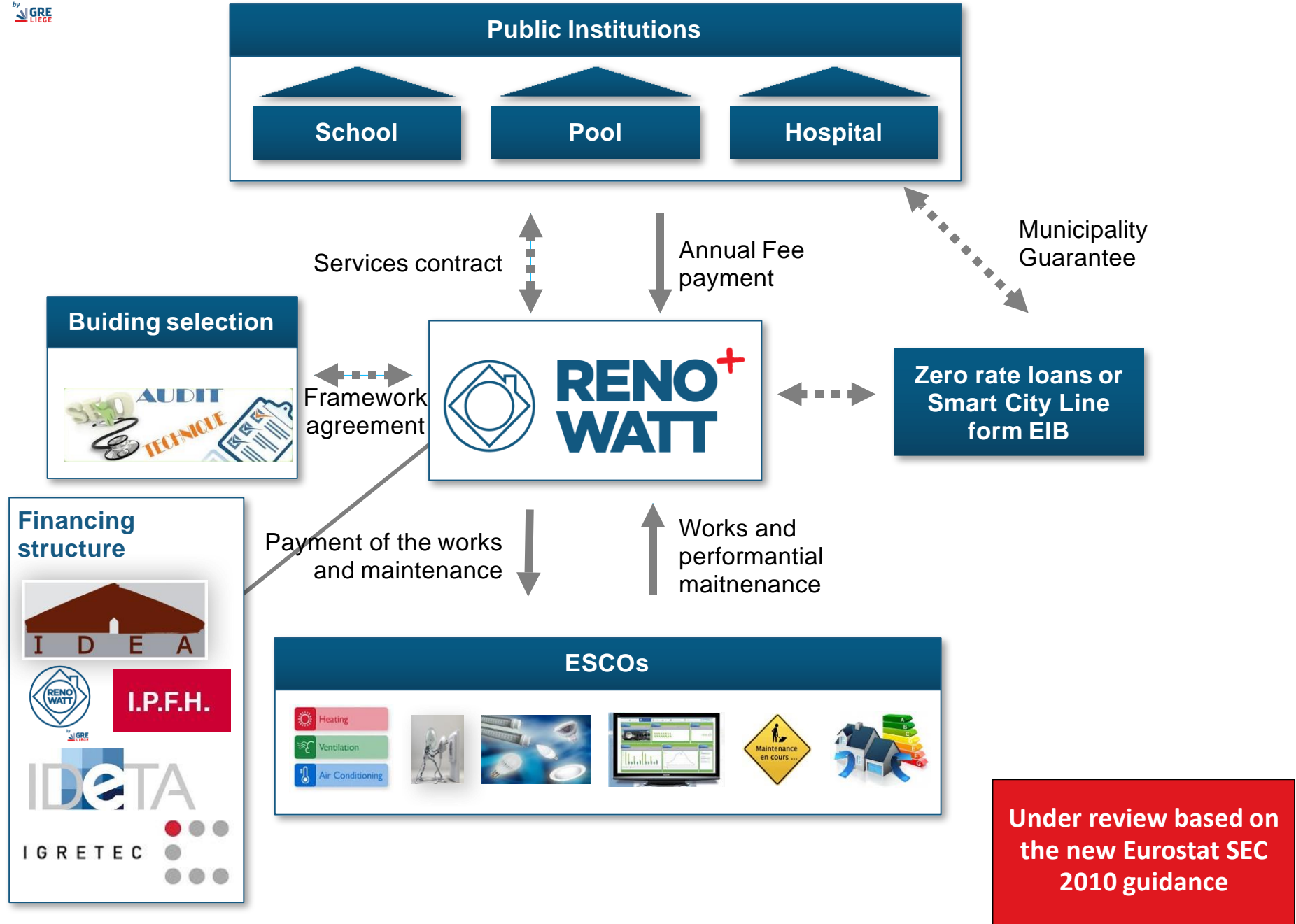


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RenoWatt+, Walloon energy service company (public ESCO)



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