



This project is funded
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Sustainable Financing For Public Lighting

Under EU & EBRD WB-Regional Energy Efficiency Programme



Conference of the project CitiEnGov, 3rd and 4th April in Ferrara, Italy

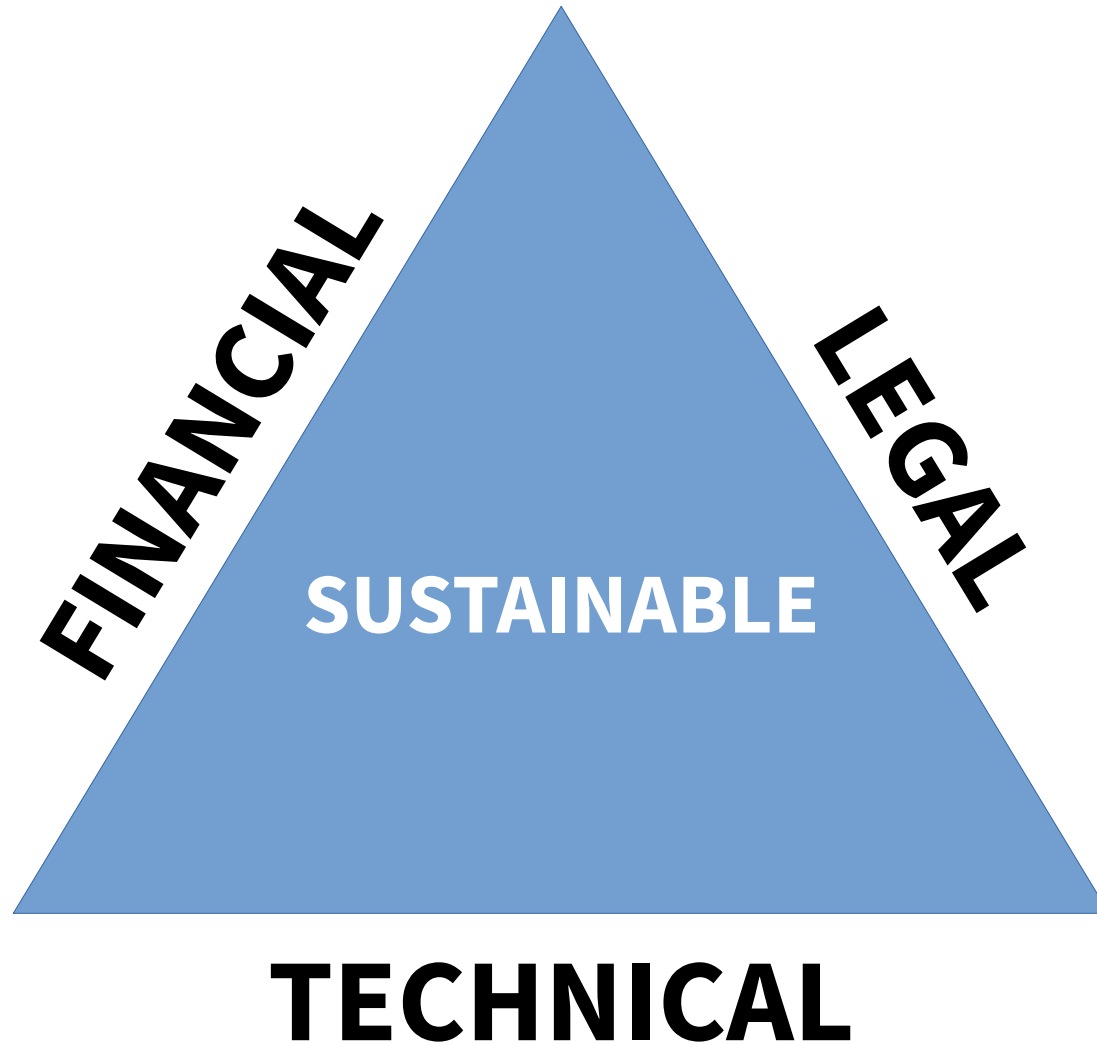
About the EU & EBRD WB-REEP Programme

- (1) FREE technical assistance funded by EU and EBRD
- (2) Providing FREE Technical Assistance for Municipalities
- (3) Technical Assistance limited to reconstruction/modernization of public lighting based on ESCO model



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Sustainable Public Lighting Project



Legal Sustainability Aspects (1)

Standardization of the Energy Service Contract and Tender Docs based on Energy Efficiency Law and Law on Efficient Use of Energy in Direct Consumption, the Regulation on Contracting and Implementing energy services in the public sector, and the Law on public procurement.

Documentation shares characteristics of the old contract form with proposed improvements regarding:

- (1) responsibility of the municipality to ESCO company,**
- (2) guarantees of the municipality to ESCO company**
- (3) simplified measurement verification protocol**

Legal Sustainability Aspects (2)

Structure of the energy performance contract:

- (1) Subject of the contract - energy service
- (2) Offer
- (3) Value of contracted investments
- (4) Duration of contract and contractual phases
- (5) Main Project Design
- (6) Energy Service Fee
- (7) Failure to guarantee savings
- (8) Guarantees and insurance policies
- (9) Contractual penalty
- (10) Cession
- (11) Transfer of ownership rights
- (12) Termination of the contract

Legal Sustainability Aspects (3)

Contractor's Main Obligations:

- (1) Project Design
- (2) Implementation Energy Efficiency Improvement Measures
- (3) Savings Warranty
- (4) Bank Transfer Guarantees And Debts In Favor Of The Client
- (5) Final Report On The Implementation Of Energy Efficiency Measures
- (6) Monitoring And Measurement Of Savings

Municipalities Main Obligations:

- (1) Enable Access To Public Lighting System
- (2) Enable Review Of The System
- (3) (Conditional) Payment Of Energy Service Fees
- (4) Warranty For The Orderly Paying ESCO Fee

Financial Sustainability Aspects

Phases of contract duration

- (1) Structure of ESCO costs
- (2) Financial conditions
- (3) Financing options and VAT issues
- (4) Cession / Factoring / Forfaiting
- (5) Non-refundable
- (6) Compensation and savings
- (7) Guarantees provided by ESCO (bank guarantee and promissory notes) and guarantees given by the client (debentures)
- (8) Key Risks

Technical Sustainability Aspects (1)

Project Structure / Project Implementation Process:

- (1) Introduction
- (2) Additional Design (Possible Process)
- (3) Permissions, Consent ...
- (4) Performance
- (5) Statements, Attachments ...
- (6) Protocol On Performed Measurements And Verification

Technical Sustainability Aspects (2)

- (1) Compatibility with equipment is expected to be in accordance with minimum technical requirements prescribed by tender documentation.**
- (2) In the period of guaranteed savings, selected contractor will maintain the insurance policy of force from fire, property damage and damage equipment, weather and insurance of third party for death and physical injuries.**
- (3) Minimum technical risks will be covered by warranties of equipment manufacturers and insurance of suppliers of electricity.**

Results Of The Project



**Collaboration formalized with
30 municipalities**

**Estimated number of replaced
lamps: approximately 70,000**



About the Author



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