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**Energy performance contracts (EPC): what are they?**



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What is and how  
does EPC works?

Economic model  
of EPC

Responsibilities  
of ESCO

Example from  
case study

Advantages,  
disadvantages  
and Conclusion



# WHAT IS EPC?

## EPC - Energy Performance Contracting

EPC is service, which provides customers with a comprehensive set of energy efficiency measures with guarantees that the savings produced by a project will be sufficient to finance the full cost of the project.

A typical EPC project is delivered by an Energy Service Company (ESCO)

Was defined in Energy Efficiency Directive of EC ([2012/27/EU](#))



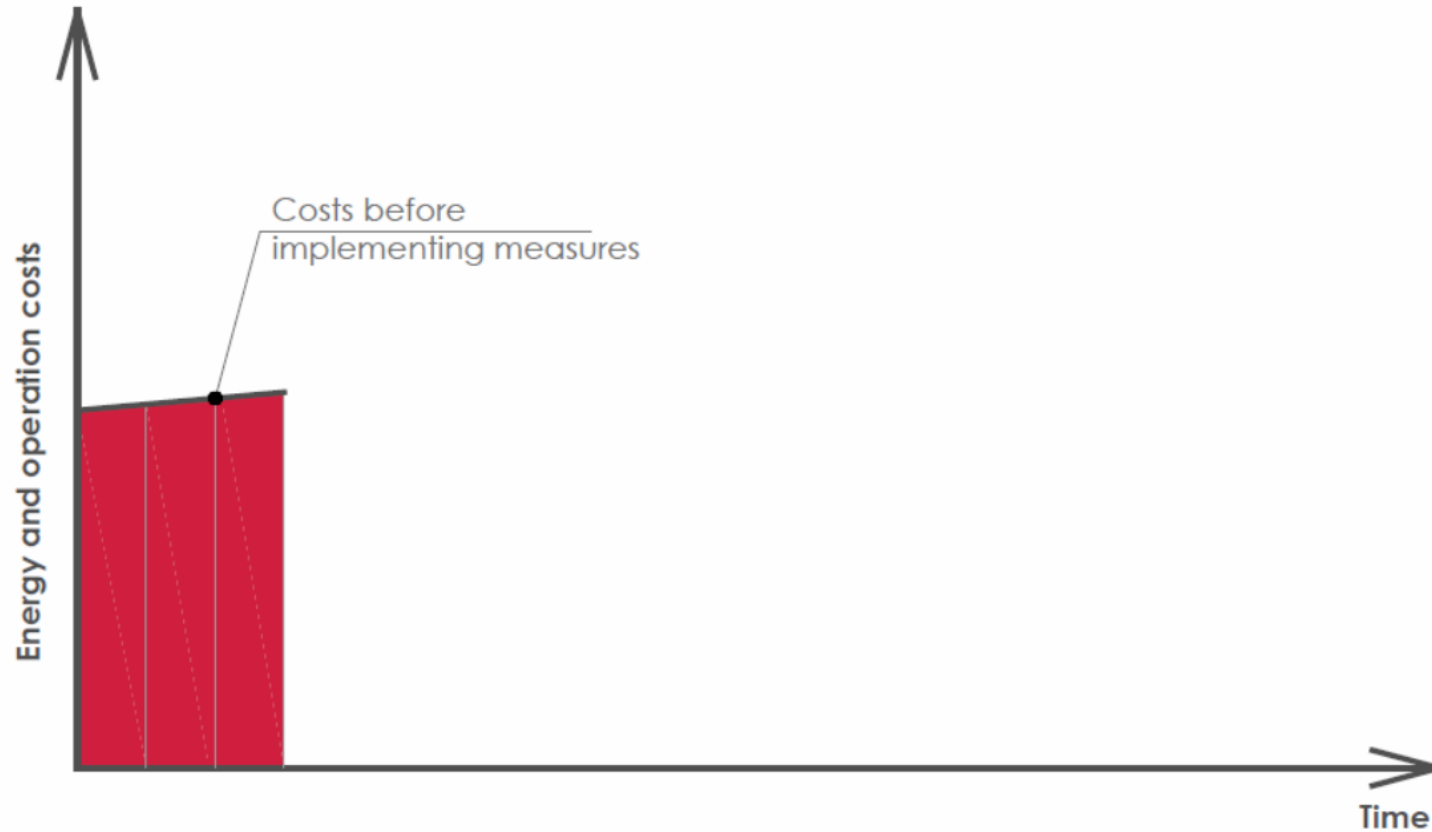
# HOW DOES EPC WORKS?

## ESCO:

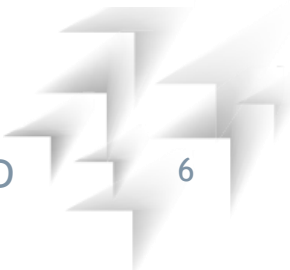
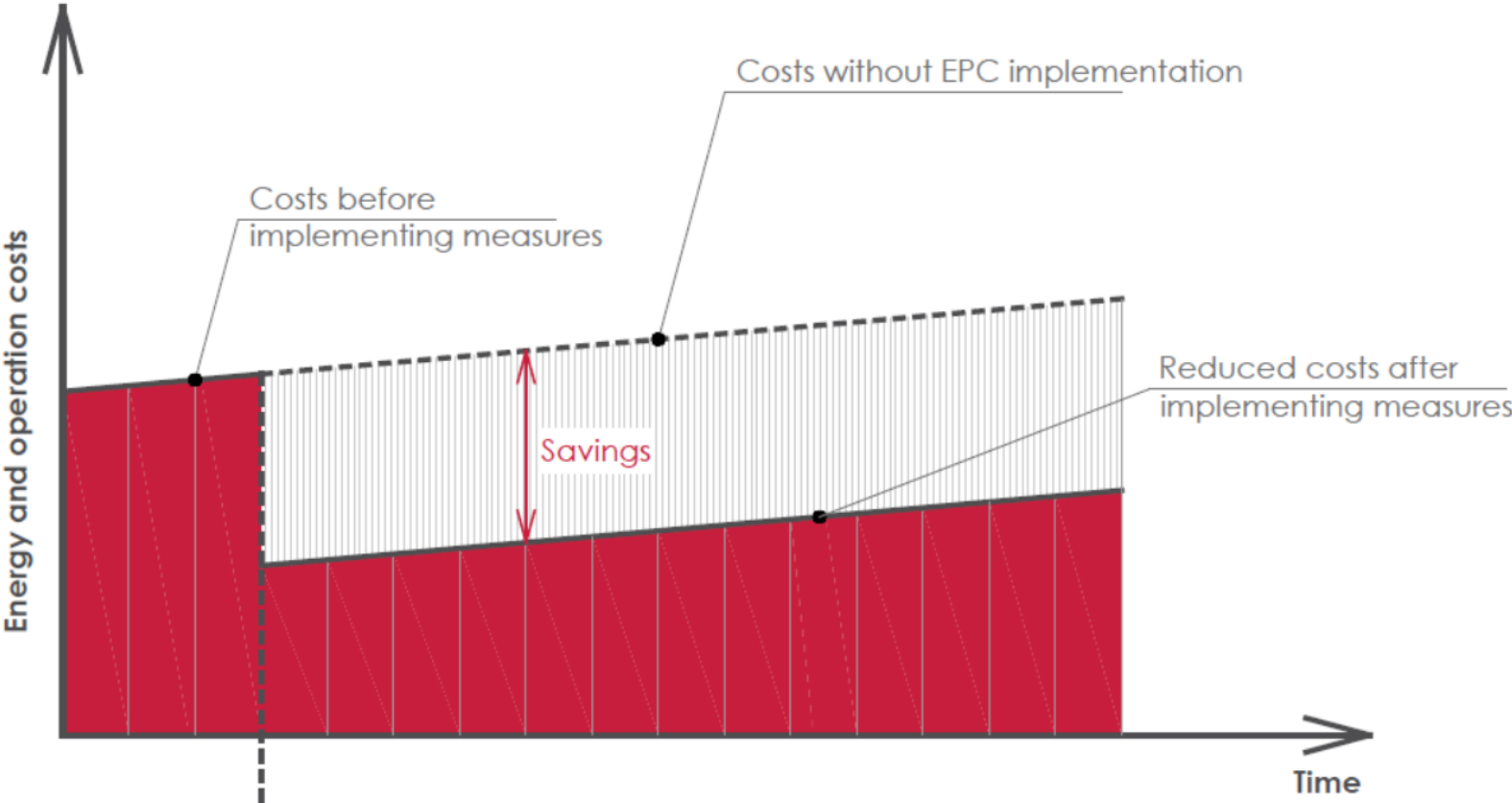
- Guarantees the savings
- Finances the whole project
- Increases the value of the property
- Provides EPC as a turnkey service



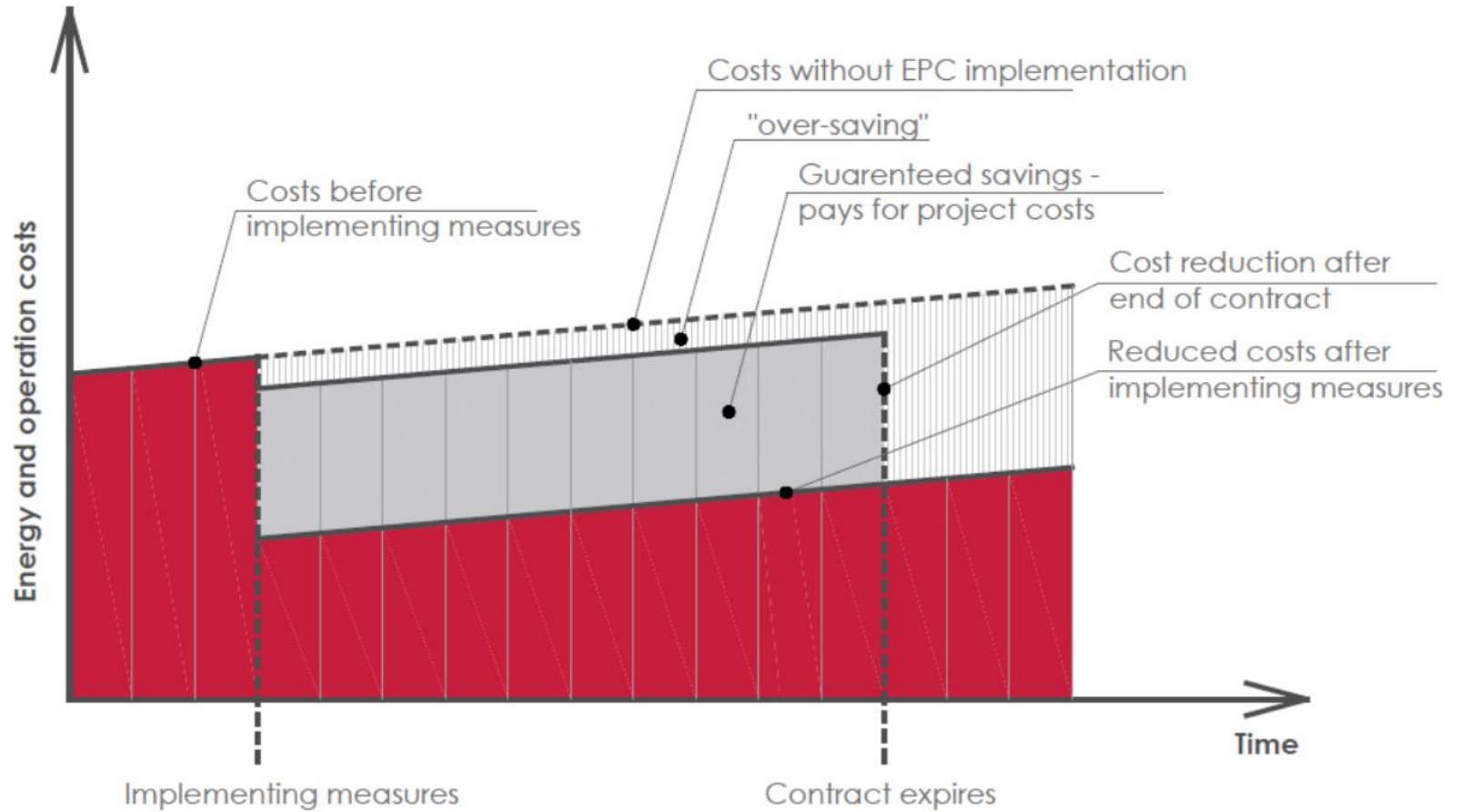
# ECONOMIC MODEL OF EPC



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# RESPONSIBILITIES OF ESCO



Analysis of the existing state

Energy efficiency measures (set of measures - offer)

Signing a contract and verification of existing state

Detailed planning of energy efficiency measures

Implementation of the measures

Finalization of execution, handover of the work

Demonstrate the achievement of guaranteed savings on regular basis

Energy management during the duration of the contractual relationship

End of the contract





# EXAMPLE FROM CASE STUDY

## Guarenteed savings:

- Natural gas: 1 400 000 kWh/year 37 %
- Electricity: 49 000 kWh/year 4 %
- Water: 890 m3/year 2 %
- Operational costs: 17 000 EUR/year - %
- **Total guaranteed savings more than 80 000 EUR/year**

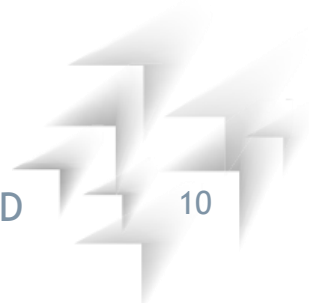


## Advantages:

- Complex reconstruction
- Guarantee of savings
- Minimal risk for client
- Relief from energy management
- Financing of the project
- Increasing the property value

## Disadvantages:

- Long-term relationship
- Risk of energy price change





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