

An integrated approach: retrofitting the building stock of the Flemish Government

Energy Services Stakeholder Day
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The Flemish Government as consumer

- The Flemish Government consumes each year approx. 300 million euro energy
- 3rd largest consumer in Flanders
- Old and inefficient building stock
- Multiplicity of entities and structures
- Little central overview and no central function for power management

NEED to unburdening and investment
SKILLS and RESOURCES at VEB

The 3 cornerstones of VEB

1. Efficiency support center: provide support to achieve lower energy consumption
2. Investment production
 innovation
3. Supply purchasing center: all entities of the Flemish Government

1. Support for energy efficiency projects

Energy savings potential

- Energy cost of Flemish Government
 - ± 300 M€ / year
- Estimation of the energy savings potential
 - Benchmark: GO <> Dutch schools
 - Energy savings potential of 40%
 - Study Mc Kinsey 2008
 - 30 % savings in buildings by 2030 provided an investment of 4 billion euros with a payback period of 6 to 8 years
- Theoretical potential ± 33%: 100 M€ / year

Energy savings potential

➤ Limitations through:

- Ownership
- Measures taken
- Building age
- Payback
- ...

⇒ Economical potential \pm 33%: 100 M€ / year

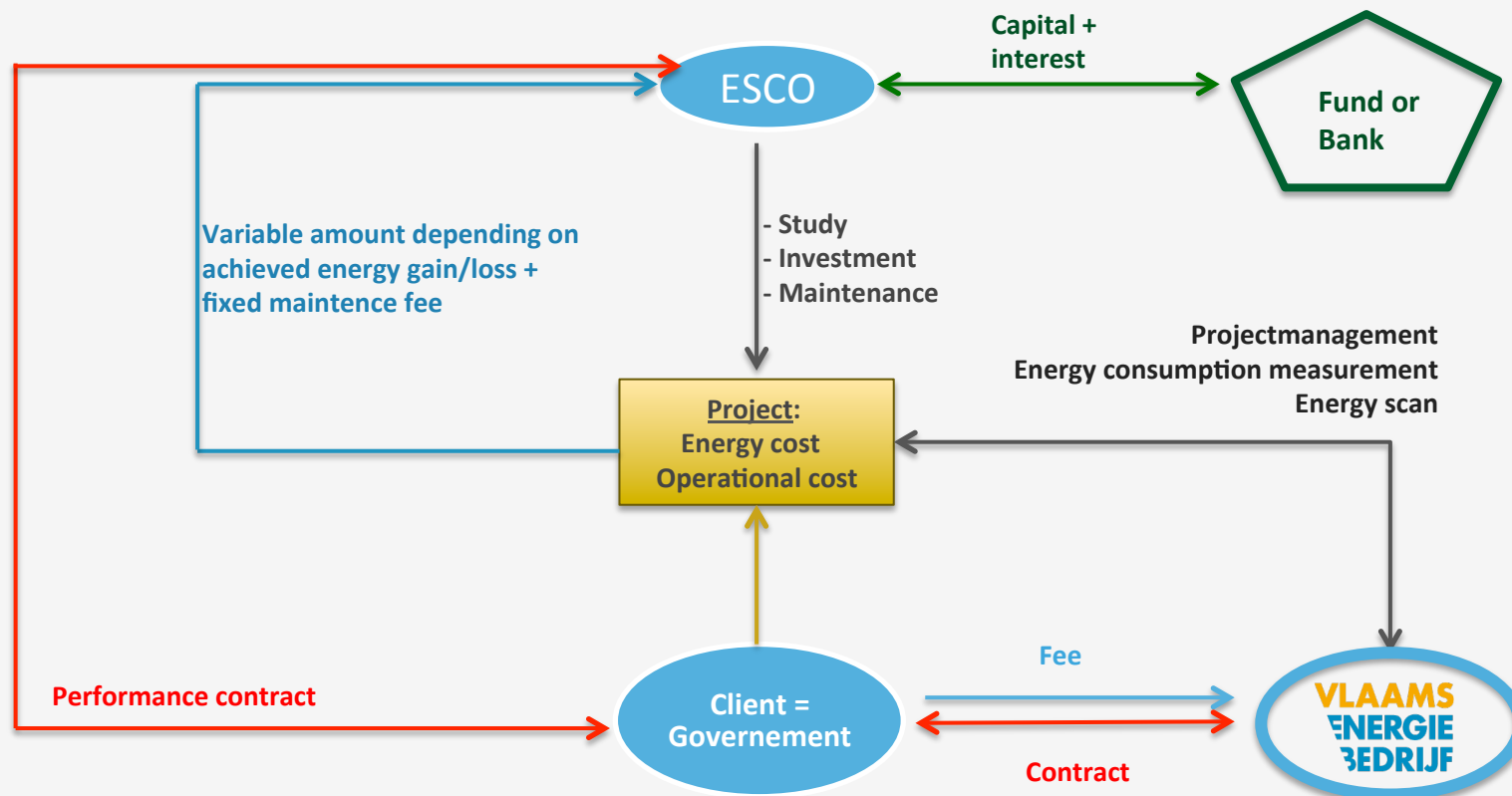
➤ How to reach potential?

- Traditional \leftrightarrow energy performance contracting
- Private funding \leftrightarrow public funding
- Each entity \leftrightarrow centralized

Energy performance contracting

- Performance guarantees
- Model contract prepared by VEB
 - Goal: time efficiency and standardization
 - In consultation with ESCO's and customer/entity
 - Base for most EPC projects
 - Possibly supplemented by project specific conditions
- Public procurement to select ESCO
 - Criteria for assessment: energy savings, investment, quality,...
 - Contract between ESCO and entity

EPC: cooperation between partners



Legend:

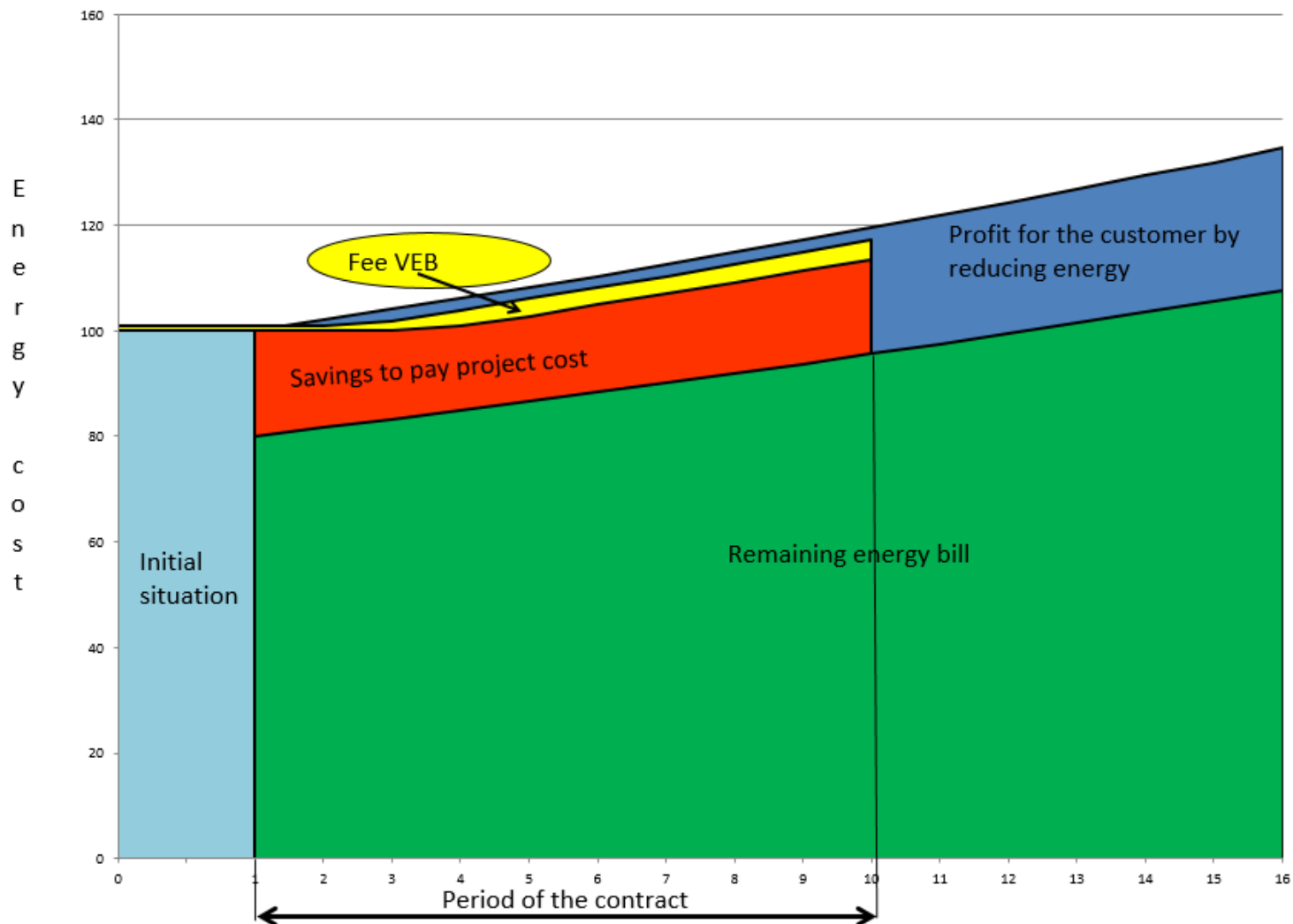
Red = contract

Green = loan/investment

Bleu = payment/profit

Black = service

EPC: Evolution in time



EPC: Limitations

- Renovation of building envelope limited due to long payback
- Difficult with **several stakeholders**: rent, ...
- Only interesting for **larger consumers**: buildings or clusters of buildings
- **Maintenance** through ESCO and not by the own staff or current supplier
- Contracts and procurement are **complex**: standard contract

Support of the Flemish Government

- Our services
 - Energy accounting and measurement
 - Energy scan
 - Command center for 'ESCO EPC'
 - Contract support from start to finish
 - Cost covering reimbursement

- Current state?
 - Projects: OPZ Rekem, Bloso Gent, the Flemish Opera, Botanic Garden Meise, 2 groups of schools
 - Monitoring & submetering: operational
 - ESCO providers: preparation standard contract
 - Awarding of several projects in 2014

Support of the Flemish Government

- Future objectives?
 - Creating an energy efficient building stock
 - Building/site selection through active benchmarking, 2 main criteria:
 1. High energy consumption for building type
 2. Energy bill preferable > 250.000 €
 - Important contribution to the objective of the Energy Efficiency Directive

2. Investments in energy projects

Investments

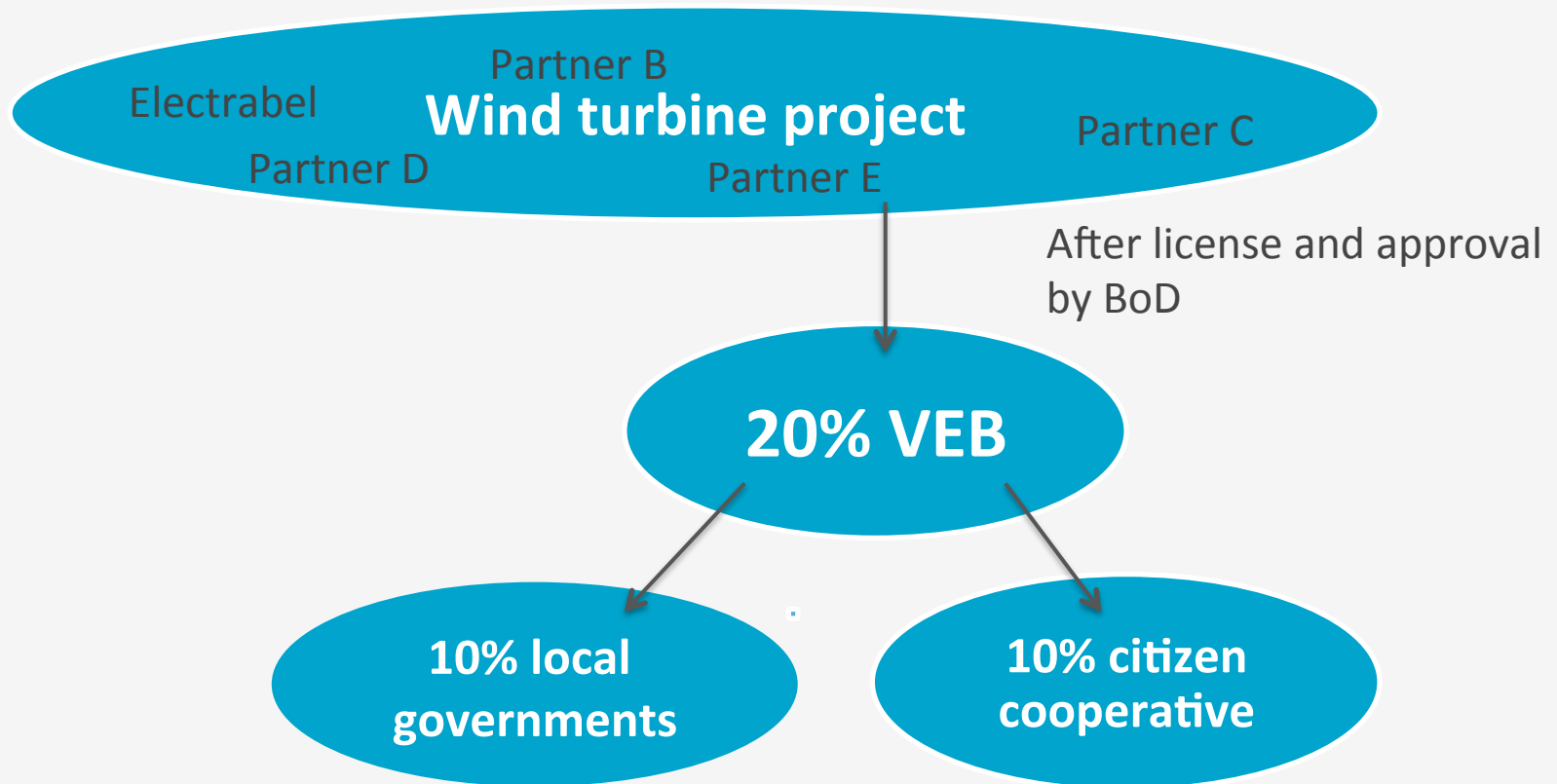
➤ Production of renewable energy

- Such as wind turbines, solar energy, cogeneration, ...
- Industrial shareholder with an option on production of electricity for supply by VEB
- All forms of cooperation with governments
eg. Province East Flanders
- Together with industrial partner in a rolling fund
- First projects for approval by BoD

➤ Innovations in energy projects

- Growth financing
- Target group: entrepreneurs
- Together with industrial partner in a rolling fund

Wind East Flanders



3. Supply of energy for the Flemish Government

Supply of gas and electricity from 1st Jan. 2015

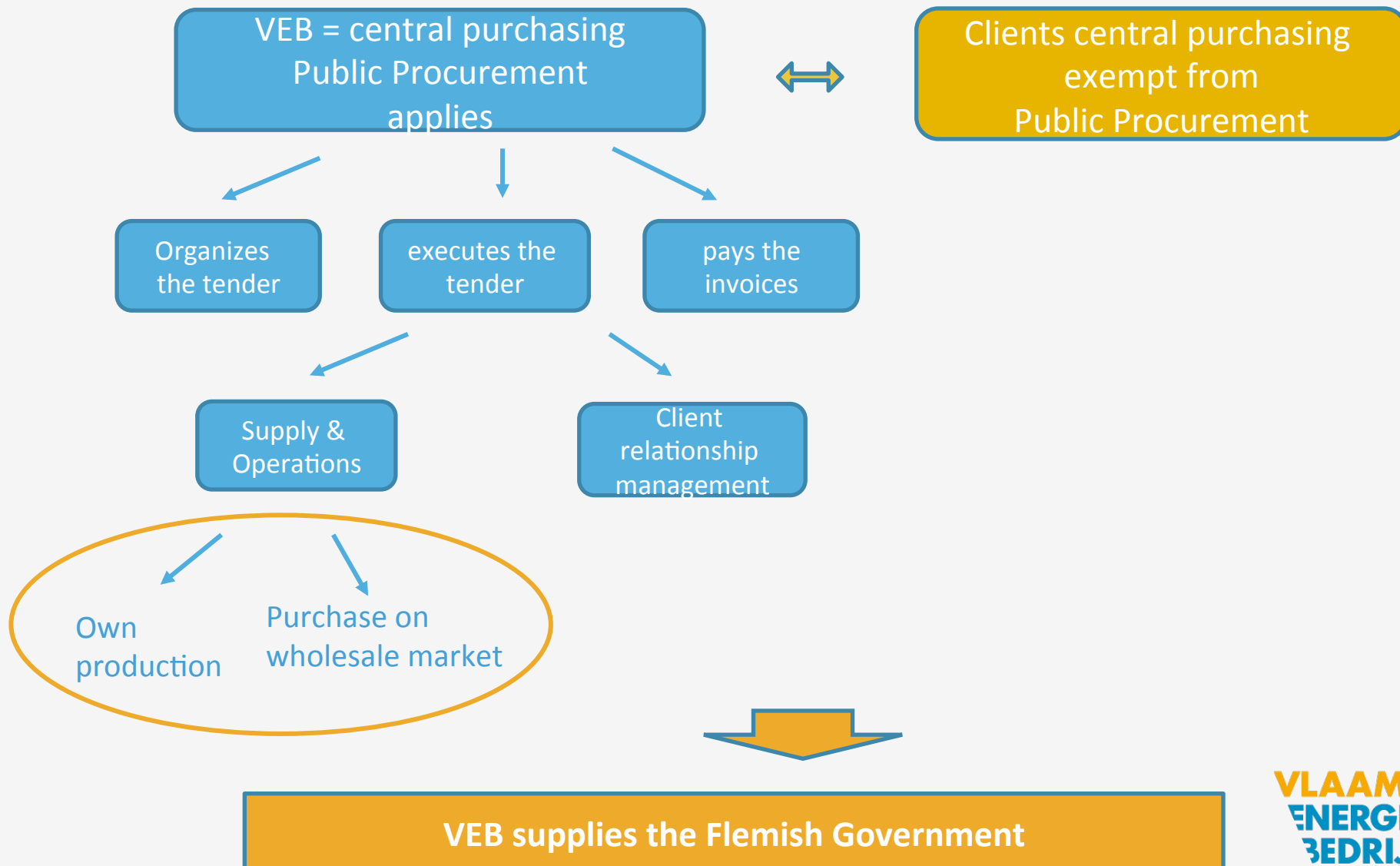
➤ Our **service**

- Central purchasing: no tender by clients, but by VEB
- Advise on energy budget
- Customized invoicing
- Benchmark and advice in energy efficiency

➤ Where are we **today?**

- Supplier licenses requested: permission expected shortly
- Current tenders by VEB: energy purchase, CRM platform,
...
- Frequent consultation steering committee & interested clients

VEB as central purchasing department



Supply model: the advantages

- No **tender** because of central purchasing
 - Less administration
 - No risk of procedural errors
- Focus on **service**
 - Budget estimation and tracking, advice energy benchmark
 - Handling invoicing
 - Portal with tracking possibilities
- Maximal **flexibility** by short-term market
 - Random in- and out
 - No extra risk on volume
- Favorable **price**
 - Cost-effective reimbursement
 - Variable on monthly basis
 - Expected saving FG: +/- 10 M€/year

Conclusion

1. The most green energy is the energy you don't use
2. Investing in green production and innovative products
3. Purchasing as low-cost and green as possible

“Held by knowledge, driven by energy”

**Do you wish to stay
informed?**

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