

A new risk assessment and benchmarking tool to scale up investments in Energy Performance Contracting is now available

A pool of international experts has developed an innovative methodology to support the development of energy efficiency and sustainable energy investments in the tertiary sector.

While there is a significant energy efficiency potential in Southern Europe's tertiary sector, the lack of a standardised approach towards developing and evaluating investment opportunities and the high transaction costs stemming from the use of inconsistent risk assessment and energy savings quantification approaches often hinder access to third party financing which is necessary for the realisation of Energy Performance Contracting (EPC) based investments.

The EPC approach can support commercial real estate and tertiary sector actors in reducing long-term operating costs thereby improving asset value and sustainability, without utilising their own capital or debt structure and relying on the services of highly specialised energy efficiency equipment and services providers. Such an approach is particularly valuable for owner-occupied properties such as hotels, hospitals and restaurants. Though EPC projects also benefit commercial centres and other tertiary sector facilities where the owner is not the occupier.

A new investment assessment and benchmarking tool, based on the existing Green Rating™ methodology developed by Bureau Veritas, is now available to support the development of EPC opportunities. Due to its standardised approach towards building representation and modelisation of over 40 technical energy saving and generation measures, the Green Rating™ investment assessment and benchmarking tool will foster common understanding of EPC project risks and benefits, thus improving transparency and trust in the potential returns among all investment stakeholders.

The tool can be used by real estate and tertiary sector actors to identify and prioritise energy savings as well as building renovation opportunities and therefore more easily access third party financing provided by diverse organisations such as banks, funds and utilities. In fact these organisations can leverage the tool to identify and assess risks, and to evaluate each technical measure and equipment involved in the investment. The tools' value lies in its standardised approach and in the fact that its application is certified by an independent third party such as Bureau Veritas.

The tool and methodology have been developed within the international initiative Trust EPC South, co-funded by the European Commission's Horizon 2020 programme. The initiative, coordinated by the Spanish firm Creara and made possible by the collaboration of nine partner organisations representing Croatia, France, Greece, Italy, Portugal and Spain, not only leverages the aforementioned tool and methodology to unlock the significant potential for EPC investments, but also the creation of a dialogue between the tertiary sector and real estate stakeholders, financing parties and the energy efficiency services sector in each of the participating countries.

The Trust EPC South consortium is currently reaching out to financial institutions interested in investing in the energy efficiency and sustainable energy fields, and seeking investment opportunities in which to test the new tool.

Interested parties should contact info@trustepc.eu for further information.

