



JULY 2019

ENERGY PERFORMANCE CONTRACTS

An energy performance contract concerns the provision of lighting services and not the supply of lighting equipment. It is defined within article 3 of law 4342/2015 (Directive 2012/27/EC) as 'the contractual agreement between the Contracting Authority and the Service Provider for the provision of services via the engagement of energy performance measures, which are verified and monitored during the duration of this agreement, in the context of which payments follow the measures achieved and are related to the agreed level of energy savings'. Upgrading the Street Lighting System is consistent with the reduction of energy consumption and operation cost under the following circumstances:

1. Installing a new lighting system of modern technology in the whole geographical area that the Contracting Authority is responsible for;
2. Operating a Central Management System (CMS) and Energy Control System either at a pillar or at a luminaire level;
3. Operating an effective computer-based maintenance system (defects' reporting, prioritization, maintenance plan, monitoring and reporting);
4. Applying Smart City Solutions.

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Currently, the market in Greece has the following characteristics:

- Number of lighting points: 3,5million (estimate from current baselines);
- Municipalities: 328;
- Regional Authorities: 13;
- Total savings for the Contracting Authorities is estimated at €0.895 billion (€0.069 billion per year for 12 years) and mainly concerns savings in operation cost;
- Total supply and installation cost are estimated at €1.197 billion (including CMS and Smart Cities Solutions); and
- Total Turnover arising out of the Energy Performance Contract's provision of services is estimated at €4,813 billion (for a 12-year contract; €0.401billion average per year).

Preferred procurement methodology of an Energy Performance Contract to date is the one described within the provisions of article 27 of law 4412/2016 (Directives 2014/24/EC, 2014/25/EC, 2014/23/EC).

All projects currently procured in Greece, which are 15, fall within these provisions and a Private Sector Partner has been appointed in all of them successfully.

In short some of the characteristics of the EPC are summarized as follows:

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- The Payment Mechanism throughout the 12 year contractual obligation is dependent solely on the measures that have been agreed according to the Private Sector Partner's technical and financial offer. The Private Sector Partner is only paid per energy savings achieved after the upgrade of the system and while ensuring continuous and sound maintenance of the system per an approved and detailed maintenance plan.
- The contracts are designed accordingly so that citizens do not suffer any increase in their fees while the service they receive is state of the art.
- The Private Sector Partner bears the risk for Detailed Design, for the road categorisation and for satisfying technical specifications (EN 13201/2015) per the legislation.
- Every two years revised design concerning lighting density and luminance is submitted, which is planned to account for any changes that may have incurred and was outside legislation provisions. The lighting result agreed in Detailed Design is monitored on a quarter basis and this is certified by the Independent Certifier appointed to monitor the Energy Performance Contract on a quarter basis as well.
- The Private Sector Partner installs a complete version of CMS, which should have the specifications of managing all asset information including buildings, water infrastructure etc.
- A platform for Smart City Solutions and a 24 hour Help Desk are also created.
- At the end of the 12-year contract the public sector will receive back a fully operational and maintained system.



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