E.V.A.

ENERGIE
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Energy-contracting for efficiency!

Provision of services in business

SAVE

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Businesses need energy services...

Normally a business takes care of the provision of energy services such process heat or the heating and illumination of rooms itself. Electricity and fuel are bought in as are any technological investments required. An in-house team takes care of the smooth running of the plant. For maintenance services an external partner is contracted.

In this way the secure provision of energy services is guaranteed. But are these services supplied at the lowest possible cost? Is there perhaps potential for a reduction in detrimental environmental effects?

In many sectors the energy costs are just 1 to 3 % of total costs. In times of increasing competitive pressure, it can be of considerable interest to closely examine even the small cost components. In addition, average values don't apply to every individual company! In many cases, the energy cost component and its significance to any particular company may also be larger.

Energy costs also reduce operating profits. A survey of 11 joineries found that the energy costs reduced the earnings before tax by 15% on average. A - not unrealistic - reduction in energy costs of a third would increase profitability by about 5%.

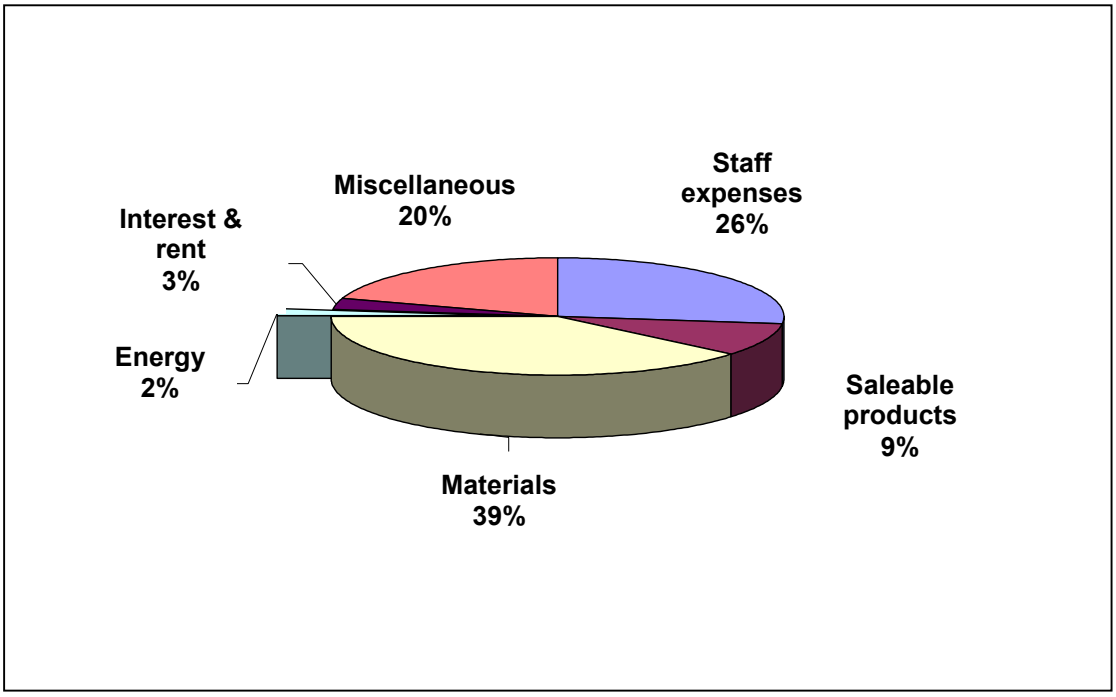

Diagram 1:Operational cost structure in the production area

… and have increased earnings as a result of the efficient use of energy!

Here are some further examples:

- A ***wholesale company*** managed to achieve a reduction in gas consumption of 34 % (34.000 m^3) and a reduction in the consumption of electricity of 18% (147.600 kWh) – and therefore the associated operational costs.
- A one-off investment of 110,000 ATS in a ***dairy factory*** resulted in the realisation of annual energy cost savings of about 190.000 ATS.
- A cogeneration unit was installed in a ***hotel***. The result: a reduction in the annual energy costs by more than 400.000 ATS and a reduction in emissions by about 30%.
- In the process of doing an energy analysis project, a ***manufacturer*** of ***special machinery*** also carried out a material flow analysis. The starting point focused on network problems experienced at the time of doing commissioning tests. Apart from a dramatic reduction in energy costs achieved due to the installation of a loading management system, the company's wastewater and rubbish situation was also significantly improved. And as an aside, requests for operational upgrading have since with met far less opposition from authorities.

Efficient energy use can have positive additional effects in addition to the relatively small costs for the provision of energy services. Further examples include:

- In a ***dairy factory***, modification of the chemical cleaning process reduced the amount of water needed by about 6%, the amount of alkali by about 46%, and the amount of acid by 34%. The starting point was a decision to pursue a process of active energy management.
- A ***grocery supermarket*** achieved a savings of 26% in electricity usage since it changed over to energy-efficient freezers.
- As a result of receiving practical energy and environmental consulting advice, a ***brewery*** decided to also improve its quality management. By referring to its resource protection based production processes, the beer is can now be marketed as a high-end quality product.
- A large ***mail-order business*** was able to reduce its energy costs by 50% through improved lighting in its warehouses. The staff benefited by having more pleasant working conditions. The new lights no longer caused glare problems.
- A municipal ***construction company*** now enjoys the image of being a "clean" company since optimising the energy input into its fleet of cars and material logistics system.

As these practical examples demonstrate, a potential for improvement often exists. In many cases this fact also known within companies but either a lack of time does not permit the capturing of these potential savings or scarce financial resources need to be used for other purposes.

It is in this area that energy contracting offers a solution. For energy contracting, an external partner specialised in the field of efficient energy supplies becomes involved.

Contracting – how does it work?

Energy contracting can be differentiated into two forms. If the main concern is supply we talk about plant or utilised energy contracting. In the case of savings contracting, the main objective is generally to better use the energy inputs.

Plant Contracting

In the case of plant contracting, an energy services enterprise (ESE) invests in an energy conversion plant on behalf of the client. Example: the ESE installs a cogeneration unit in an industrial operation and acts as the supplier of heat and electricity. The ESE takes care of the fuel supply required. The external partner is also responsible for operational management and maintenance. Financial settlement is based upon the amount of heat and electricity delivered.

The outsourcing of tasks is of particular interest to a company if it sees there is an advantage in doing so – such as a reduction in the costs for providing a supply of energy services or relieving the pressures on operational staff.

Savings Contracting

A savings contracting project can include all kinds of efficiency increasing measures. The only and most important basic condition: Those measures must be paid for out of the energy cost savings within a specified time frame. On the other hand a reverse view can be taken: Because the contracting partner's services will be paid out of the energy cost savings, the customer does not face any additional costs.

The implementation of energy savings measures is the prime focus. However, savings contracting goes even further. The contracting company also identifies and does the planning for the appropriate measures as well as taking over advance financing. Furthermore, savings contracting includes maintenance and upkeep services and energy consumption monitoring. Planned maintenance and prompt feedback regarding energy consumption are guarantees of efficient and cost effective energy use.

Diagram 2 illustrates clearly the effect of savings contracting. Without energy saving investments it is most likely that an increase in the energy costs will need to be allowed for long term. Energy saving measures immediately reduce energy consumption and the associated energy costs. In addition it also has a direct effect by reducing adverse impacts on the environment.

During the term of the contract, the energy costs saved go either partly or fully to the contracting partner. This is laid out in an agreement. In this regard it is important to understand that greater participation by the client toward the cost savings either prolongs the term of the contract or reduces the scope of the package of measures that can be implemented.

The payment to the contracting-partner is reimbursement for all his services, not only investment measures but also maintenance services and operational management. As already mentioned, this is at no cost to the client. After the completion of the usual contract term (usually 5-10 years), the client then profits by up to 100% from the ongoing low costs brought about by the low energy consumption.

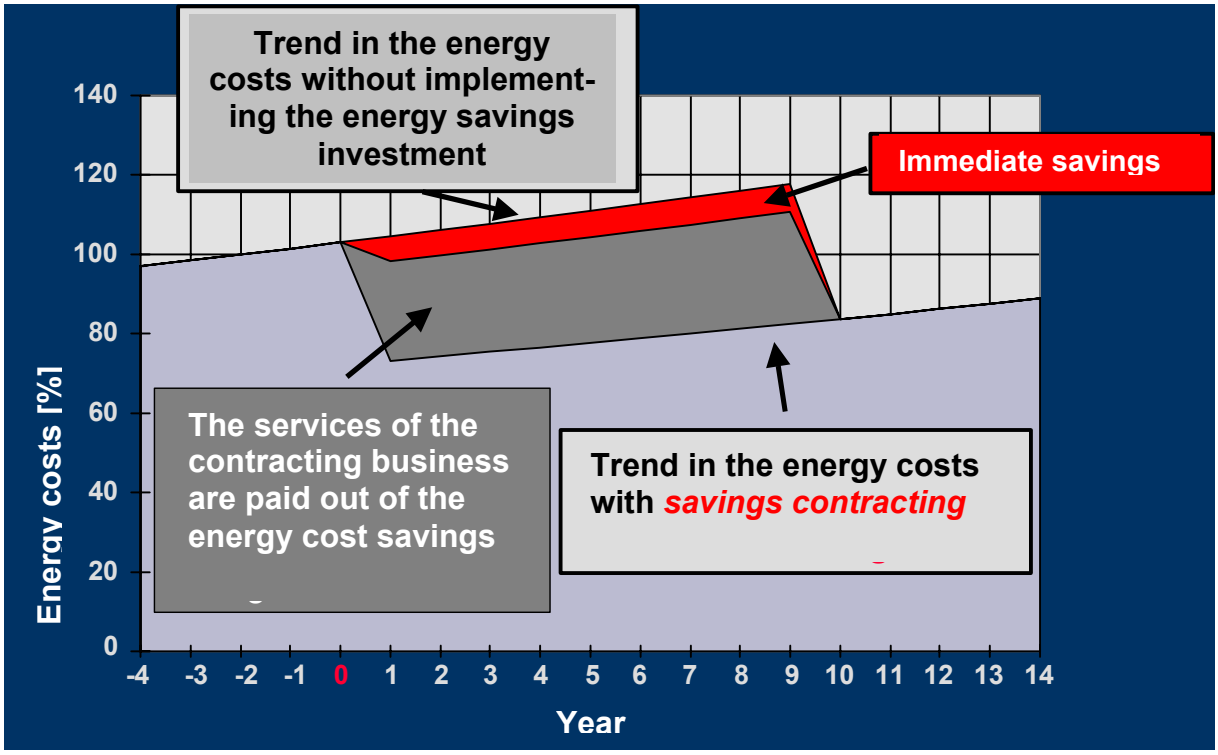

Diagram 2: Effectiveness of savings contracting. If desired, the client may participate in the energy cost savings right from the beginning.

If you like, savings contracting can also be viewed as an insurance against changes in energy prices. Increasing energy prices have a lesser impact on a company if energy is used as efficiently as possible and the energy draw-off is not greater than that needed.

As part of its service the contracting-company also provides a savings guarantee. The customer is given a guarantee that the measures to be implemented will actually lead to the successful achievement of the agreed level of savings. In exchange the contracting partner's payment is dependent upon this success. If the savings do not reach the guaranteed levels, the payment to the contracting-partner will be less.

An interesting option could also be to include savings contracting within an all-encompassing package of improvement measures. The advantage: the company need only make a partial payment instead of paying for all the implementation costs.

Savings contracting can also be customised. The customer should actively contribute his expectations and ideas to the project. In this way a project can be conceived that is best tailored to suit his needs - more about this in the section titled "Tangible steps towards savings contracting within a company"

Incidentally, in practice the reactions can be quite different. In many companies proposals from specialists regarding the implementation of efficiency raising measures through savings contracting are often met with hesitation. However, often the opposite can also be experienced. Many of those in positions of responsibility are pleased that the opportunity for an improvement is on offer (which they have perhaps suggested for quite some time themselves) and can now finally be implemented jointly with an external partner. Often the capital repayment period for an energy savings investment is not of a short enough duration and cannot be justified within the company's internal specifications. For contracting parties, long-term refinancing time frames are not unusual.

Is all of this too good to be true? Naturally there are also challenges associated with a savings contracting project. This brochure also provides information about these and demonstrates how these challenges can be meet.

Savings contracting also poses challenges…

What are the biggest challenges associated with savings contracting? As is often the case, there is no simple answer to this question.

… take for example the conscious decision to go for long-term cooperation with an external partner…

The decision to trust an outside partner with a task previously done yourself is often difficult and, as practical experience shows, is often impossible to overcome.

A partner will also develop new solutions that, until now, were unknown to the company. It is for exactly this reason savings specialists are available. Our society today is highly organised around the division of labour. There are specialists for different areas including energy savings. A lack of information with regard to potential improvements is only one possible reason as to why more energy is used than necessary.

With savings contracting, the possibility to optimise the energy use within the company in conjunction with just one lead party now becomes available. In advance of this, a decision must be made in favour of an "energy efficiency partnership".

… to prepare for that you should take your time.

If a decision in favour of savings contracting is made, the next step is to find a capable project partner. Before setting the seal on an energy efficiency partnership, several contractors should first be examined more closely.

The contracting company also has a great interest in knowing in advance the energy savings potential within the company as accurately as possible. This is understandable as the contractor's performance payments are paid out of the energy cost savings.

In the preparation stages for an energy efficiency partnership, there needs to be a certain amount of input from both sides. This input can be quite extensive if numerous energy consuming units and components are to be included in the project. On the other hand, an all-encompassing project has an advantage because, together with just one lead party, large savings potentials can be attained. Such issues things need to be carefully weighed up.

Independently of the decision regarding the extent of the project, a first rough estimate of the potential value of a savings contracting project is usually carried out by the bidding contractor without charge. If a serious decision is made to proceed with the project, a savings contracting bid needs to be worked out. For this work no costs are incurred so long as the contract is won as a consequence. The energy costs saved can then be converted into revenue for the project services. Naturally, that is only of relevance to the partner who wins the contract. The contractor who misses out will not gain any income from the savings contracting project.

One recommendation (for this see the section "Tangible steps towards an saving contracting project in your company"): The more data and information that is made available for contractors to work out their rough estimates, the easier it becomes for them. It also saves more of your time in answering questions and provides the support the contracting company needs for the necessary estimates and surveys on site. For this reason it is recommended that all available energy relevant reports and information be drawn together and given to the savings specialist for working out a rough estimate. Of particular importance are records relating to energy use, up to date plans for the relevant energy units and, if available, reports relating to previous investigations. The rough estimate will enable initial conclusions to be made regarding the performance capability of a contractor.

As an example, the following can be agreed to with three particularly well qualified contractors. The contractors selected work through a detailed analysis and receive a sum to cover the planning costs that they have incurred - but only in the case where they are not chosen as the energy efficiency partner. Planning for the energy saving measures is included in the offer of services from the savings contracting project partner.

The level of cost reimbursement for the unsuccessful contractor is dependent upon the planning work and the scope of the planned project. Naturally, this is a matter for negotiation.

One important aspect: If several parties are contracted to collaborate in the detailed planning area, the client has a useful advantage by having competition for both price and ideas.

The resulting financial advantages are weighed up having regard to the general cost balance of the contracting project. Cost savings in the area of maintenance can also be achieved. Maintenance services for newly installed or upgraded plants are one of the tasks for the contracting company and will be paid out of the energy cost savings. Old plant that has been replaced as a consequence of the project normally would also have incurred maintenance costs that now become a saving for the operational area.

If one invests in preparation that identifies all the cost savings the project can bring about, the total cost balance for the project will potentially be positive after a short period of time. Public building projects have demonstrated that this can be the case in less than a year. The investment in preparation for an energy partnership can be looked at as an essentially profitable investment. In addition, if energy efficiency measures were to be implemented in a conventional way, planning services for that would also necessary which, as a rule, are integrated into the overall costs.

There are many arguments that can be used *against* a savings contracting project. The ten most popular ones can be found in an advisory booklet about energy contracting in the area of public real estate[1]. Whilst most of the advisory booklet is aimed primarily at public authorities, most of its contents can also be applied to other areas. There is one thing these arguments have in common – for every one of them there is a counter argument.

Savings contracting is certainly not the easiest way for a company to gain energy cost savings and environmental relief. However, it is an alternative worth thinking about because, with a minimal input of personnel and financial resources, measures can be implemented. This guarantees a saving in the costs of operations. In the following sections there is more about how one can develop a precise approach to a savings contracting project.

Incidentally, plant contracting is not a subject covered in this brochure. From the project design view, such large challenges are not associated with plant contracting - in comparison to savings contracting. If the efficiency potential can be largely utilised e.g. in the conversion of natural gas or heating oil to end use energy such as for room heating or the provision of compressed air, a comparatively large part of the savings potential always remains untouched.

By comparison, with savings contracting an important part of the energy cost saving potential can be achieved rapidly. At the same time, savings contracting is the biggest challenge and a comparatively more comprehensive service.

A great deal of information relating plant contracting can be obtained from, for example, the Internet page for the Heat Supply Association (http://www.vfw.de). The contact address of the Heat Supply Association in Austria can be find in the service reference section in this brochure.

[1]Federal environmental agency: Energy-saving-Contracting as a contribution towards climate protection and cost reduction. Guide book for energy saving contracting in public real estate. Berlin 2000

Tangible steps towards savings contracting in your own company

What is the best starting point if, with the help of savings contracting, the energy use within any company is to be optimised and the costs and emissions reduced?

Simply allow several savings contracting companies to put together bids and then choose the most interesting one.

The first rough estimate that assesses the viability of the project is normally done at no cost. The working out of an *exact offer* for a savings contracting project needs to include the appropriate planning services and can be more complex. If a contract is not won, the contractor cannot derive any revenue for his work out of the savings contracting project. He will therefore have a strong interest as to whether he can claim some sort of contribution towards covering these planning costs in the event he does not become the energy efficiency partner.

It must be reiterated that, from the client's perspective, the investment in the preparation of an energy efficiency partnership can be viewed as positive investment - so long as one looks at the overall balance.

Perhaps at this stage you would like to have further background information so that you can ask the contracting company the appropriate questions regarding their proposition. Or the client would like to be actively involved in the design of the savings contracting project. If this is the case, you should carry on reading!

In the following text, a possible approach towards a savings contracting project within your company is demonstrated step by step.

Step 1: Feasibility assessment and selecting the project basis

Before investing unnecessary sums of money and time into the preparation of a savings contracting project, it is naturally of interest to know whether it can be realistically implemented.

It is best to ask a specialist about this and to approach one or perhaps several qualified contractors[2] to have a look at the company and provide a rough estimate as to whether a savings contracting project would be of any positive value.

If a contractor has an interest in the project, he will supply preliminary input without asking for payment. A contractor will be more inclined to give a preliminary input without cost provided that the associated investment is not too great. The client can assist by making all the information relating to the relevant plant units and installations available.

[2] Addresses of contractors – for example you can find these in the index of contractors in Austria:http://www.eva.ac.at/contracting/index.htm

Which plant and installations are important in this regard? Or, in the more general sense, ask what can be optimised by means of savings contracting? The issue can also be clarified through discussions with savings specialists.

As a general rule, all improvements that can be paid for out of energy cost savings within a clear time frame are suitable for a savings contracting project – meaning all economically viable savings measures.

The exact assessment of the cost effectiveness of improvement measures requires information relating to the associated implementation costs and the potential reductions in energy consumption attainable. An economic viability calculation can be comparatively expensive.

However, is it necessary to do a rough estimate as to whether a savings contracting project can be implemented in the client's operations and must the company really be subjected to a detailed examination regarding the economics of savings measures? The answer is short and sharp – no! In this phase it is more important to estimate whether a savings contracting project makes any sense at all and which plant and installations need to be included in the project. An experienced contractor has the knowledge to do that without having to undertake a comprehensive savings analysis.

How can one figure out which energy uses need to be included in the savings contracting project? In that regard four questions can be useful:

1. Which plant and components, *according to experience,* offer a large enough potential for improvement?

   Apart from units that supply energy services such as heating or lighting of rooms, economic savings can be also be expected for installations that are directly associated with production processes.

   A study found that the costs of providing room heating in the industrial sector could be reduced by about 14 % if only economically viable savings measures were to be implemented. In the area of process heat and for electric motors, the savings potentials would have been about 17 % and 15 % respectively.[3]

   By means of optimised process control, energy costs can be reduced by about 5 to 10 %. On the basis of experience, the energy cost savings potential associated with product drying and heat recovery is between 5 and 40 %. Naturally, this depends upon the initial situation.

   Thus: Economically viable cost savings can basically be achieved within all energy using facilities, plants and components. The more comprehensive the savings contracting project is, the sooner the improvements can be implemented that, when looked at in isolation, would not be economic. This means that less economically viable improvements can be cross-subsidised by those with greater economic viability within a package of measures.

[3] E.V.A. (Publisher): LCP in Austria. Final report Vienna 1996 - www.eva.ac.at/projekte/lcp.htm

For this reason, no energy use area within a company should be excluded at the start if a comprehensive savings contracting project is to be defined.

2. Is the plant and are the installations at the latest technological level?

   If all or the greatest part of the plant has recently been installed or raised to the latest technological standards, then it is likely that the replacement of these units could not be fully financed from the energy cost savings - apart from the fact of whether it is logical.

   In this case, experience suggests that the potential for improvements lies more in the area of optimisation and the improved alignment of differing energy uses to each other. The energy savings functions of plant are often not – or at least after a certain period of time no longer – fully utilised.

   Experiences with savings contracting in the building area have shown that in nearly every building a savings potential can be found which can be developed in a more economical way. This is also true for new buildings or for properties that have been recently renovated. Incidentally, if during the course of working out a rough estimate it becomes clear that there is no economically viable potential for improvement, such information can also be of interest to the staff responsible.

   In general it can be said that the modernisation of older plant, and in same cases its replacement, can often be argued for within the magnitude of the energy cost savings made. For new plant, possible optimisation potential might possibly exist which can be mobilised during the course of the savings contracting project.

3. Can the project basis be defined?

   This question is always important when a savings contracting project is not restricted to one object as a whole. It is then necessary to determine the savings for the plant and installations which are to be included in the energy efficiency partnership e.g. ascertained with the assistance of suitable measuring devices. The project purpose must then be able to be defined. In this way, the savings identified by the savings specialist can be precisely calculated. Both contract parties have an interest in doing this because the payments to the contracting company are based upon the energy cost savings.

   This is shown on the following example. An external savings specialist has optimised the complete ventilation system in a private clinic. The energy costs saved and the associated payment to the contracting partner is calculated on the number of operating hours for this plant. Thus the basis for the project has been separated out from the total system and the contracting–partner is paid based upon the cost savings achieved through the measures he implemented.

4. Is the inclusion of certain plant and facilities *not desirable* or *not useful?*

   Perhaps the client wants selected plant and installations to be taken care have by one particular partner and therefore don't want to include them in a project.

   On the other hand, a savings specialist might also recommend that a certain energy application not be included in the project because he doesn't have the required optimisation know-how and can't access it within the time available.

After discussions about these questions, it will perhaps now become somewhat clearer about those items that should realistically be included in the project. If an all-encompassing project is specified, generally no energy application is excluded at the start – even if it is just a matter of increasing optimisation through better coordination. It is more likely that certain plant and installations will be excluded because it is the wish of either the client or contractor.

The relevant energy applications can now be specified - if necessary together with the saving specialist. For the plant and installations selected, all the available papers and data should be put together and handed over to the contractor as the basis for doing a rough estimate. In this regard include data about energy use, and possible up-to-date plans and, if available, certification relating to surveys already carried out in particular.

If the outcome of the rough estimate shows that a savings contracting project is of value, that means there is a green light to proceed with an energy efficiency partnership.

Step 2: Setting up the frameworks

Savings contracting can be customised. The project can be fine tuned to exactly meet the needs of real situations. If one wants to use the latitude available for customisation then one should consider the frameworks within which one wishes to allow the energy specialist to work for an energy efficiency partnership. In this way the client can actively influence the customisation of the project.

A desirable additional consideration: It is easier to compare various contract bids if they are all based on the same specifications from the client.

In particular it is worth considering the following aspects:

Contract term

The longer the time frame available for amortisation of the investment costs, the sooner less economic energy savings investments can be incorporated into the project. It has been observed that companies often hold back when it comes to long-term contracts. The for and against arguments associated with long term contracts need to be weighed up.

Scope of services

As a rule, the contractor's service package for savings contracting includes, other than identification, planning and implementation of the improvement measures, also their financing as well as additional services such as operational control, maintenance and monitoring of energy use. The contracting party will be paid out of the energy cost savings.

For the project calculations, it is important for the energy efficiency partner to know if all the associated tasks in this connection need to be fulfilled. This is especially so for the maintenance area and the sub-components of inspection, upkeep and repairs. It appears sensible to hand over to the contracting partner full responsibility for maintenance of all those assembly units and plants that are subject to improvement measures by that contracting partner. In this ways discussions about who has responsibility won't arise.

There is a possibility that the client is interested in the contracting partner taking over the maintenance tasks for existing plant and to pay for the associated services out of the energy cost savings. The money paid to cover maintenance services out of the energy cost savings envisaged means' however, that it cannot be used for the refinancing of energy savings investments.

Measures that have a lower economic value would then not be included in the package of measures. Independently of that, each case needs to be examined on its own in order to decide whether it makes sense to pay for the maintenance costs associated with older plant assets out of the energy cost savings.

One idea with regard to the issue of maintenance is that the contractor basically takes over inspection and maintenance, but only takes over upgrading for the new plant and components that the contractor has put in.

Product quality

The task of maintenance for the newly introduced plant and components is normally the responsibility of the energy efficiency partner. He will take this into consideration when selecting the products and quality which are to be used. In addition, the contractor also has a strong interest in the reliability of the components used because only faultless functioning ensures the successful achievement of savings.

However, the client might wish to provide the contractor with guidelines that define the quality of products that are to be used.

Change of energy source

It is possible that a company has undertaken to continuously reduce emissions through the introduction of an environmental management system. The energy efficiency partnership contributes its part by mobilising the economic saving potentials. An additional reduction in emissions can be achieved by the introduction of a form of energy that lowers emissions by the contracting party.

On the other hand, the job specifications can be formulated so that they state that a change in the energy source may only occur provided there are no negative effects on the environment. The contractor can prove this with the assistance of an emissions balance. To do this a calculation process and the emission factors for the relevant materials need to be provided.

Comfort of Use

The lowering of excessive comfort levels leads to reduced operational costs. An adequate level of comfort still needs to be assured. It is recommended that the contractor takes into account comfort parameters such as room temperature, rate of air exchange, and illumination strength and their compliance with the corresponding standards and guidelines.

Investment cost grants

With savings contracting, economically viable energy savings measures can be implemented. In addition, a possibility of cross-subsidising measures with lower economic viability within the package of measures also exists.

However, such less economically justifiable measures can certainly be included in the project if the client pays for part of the costs that will be incurred as a result of implementing these measures. The decision to partly pay for the costs of these measure needs to be made known to the contractor as it is an important condition within the project framework for the contractor's bid calculations.

Consistent guidelines relating to the above-mentioned areas make it easier to compare several different contract bids. Naturally an important aspect in this regard is also the content of the energy savings contract that is to be concluded with the bidder. Proper comparison of the contract bids is only possible if they all are based on the same contract text.

Step 3: Obtaining bids and evaluating

The result of a rough estimate indicates that a savings contracting project is basically possible and that thinking about the project form has also led to this conclusion.

It is now necessary to select the best contractors for your company for an energy efficiency partnership.

You can proceed as follows: First put together a request for a quotation with information and data relating to the following areas:

- Project basis

The energy consuming equipment that is to be included in the energy efficiency partnership. These need to be designated and any available information such as energy supply data, up-to-date plans and applicable energy reports need to be added to the request for a quotation.

Extent of services

A description of the services that the savings specialist should take over in the course of the project along with specification of the of desired interfaces in the area of maintenance;

- Basic conditions

  The important basic conditions to be borne in mind at time of compiling bids need to be disclosed. For example, these include the contract term, product quality specifications, and a statement of whether it is possible to include investment cost grants into the project calculations.

- Energy savings contract

  The energy savings contract, or at least the pre-formulated sections that one as the client wants to have included in the contract, can be predetermined.

Selected contractors can then be sent the request for a quotation and asked to develop a response, for example with one or several of the companies with which the company has already worked whilst putting together the rough estimate - if they have proven themselves to be competent partners.

With regard to choosing the bidder, one should also think about businesses that can provide the appropriate references. It is also recommended to get in touch with those who have already had experience as clients with savings contracting projects[4].

One should discuss the conditions for putting together a quotation with the bidders under consideration.

A little background information as a orientation guide: The effort required for putting together a quotation for a savings contracting project can be relatively large. The contractor has the incentive to estimate as accurately as possible the potential savings that can be targeted by a package of measures. On one hand he must guarantee that the specified cost savings can actually be achieved and, on the other hand, he must consider his competitive position relative to other bidders.

The extent of planning services required depends particularly upon what the project encompasses. An example: The energy efficiency partnership is limited to the supply of energy services to optimise the heating and lighting of rooms in the administration building. In this case, the effort required for compiling the contract bid is justifiable. An experienced contractor can draw on his experience and the appropriate hand tools. He then calculates a savings guarantee without having to bring in expensive development planning services. This is conditional upon the relevant information and data being made available.

[4] Examples of projects with contact persons can be found in the index of contractors in Austria: http://www.eva.ac.at/contracting/index.htm

A different situation: A comprehensive energy efficiency partnership is to be defined and, in this regard, optimisation of the operation of production facilities is to be included. In this case, putting together of a bid will require greater investment – for one reason because of the greater scope of the project and, for another, because until today most contracting parties still have limited experience in confidently estimating the savings potentials that are associated with energy technology based optimisation of production facilities. Thus the compilation of a bid can require a corresponding input from development planning service groups and that might include its assignment to a subcontractor.

Depending upon the designated scope of the energy efficiency partnership, it is now appropriate to negotiate a contribution to cover the costs of putting together a quotation with the contracting company - but only in the case where the contractor fails to win the contract. Otherwise, the costs for planning services can be recovered from the energy cost savings. Naturally, the agreement of conditions for compiling the bid is also a matter for negotiation.

A concluding thought in this regard: If optimisation measures are to be implemented, then the costs are associated with the planning. In the case of savings contracting, the client gains the additional guarantee of cost savings.

Finally, the bids on offer need to be checked through and evaluated. An important criteria that needs to be considered is level the of the savings guarantee. Perhaps there is a desire to include additional evaluation parameters or criteria into the bid evaluation process e.g. statements of the internal guidelines for assessing suppliers.

Step 4: The energy efficiency partnership commences

When the decision relating to a project partner has been made, the energy efficiency partnership can commence! If the project is understood to be a partnership by both parties and a basic preparedness for getting results exists then nothing stands in the way of the project’s success.

There have already been numerous examples of positive experiences with energy efficiency partnerships, especially in the area of public buildings.

The first few savings contracting projects in Austria in the market segment, "industrial firms" have had the exploitation of the potential for increased efficiency in the areas of supply of room heating and illumination as their prime aim.

For example, in a wholesale centre using a diverse mix of measures implemented within a savings contracting project, satisfactory results were achieved: electricity savings of 7.5%, heating 18%, peak loading capacities 14%. This led to a reduction of annual operating costs of more than 1 mio. ATS.

Information sources

▸ Reference addresses **for the contractor index - contracting**

as PDF-Download:

http://www.eva.ac.at/contracting/index.htm

In print form

Energy recycling agency – the Austrian Energy Agency (E.V.A.)

🖃 Otto-Bauer-Gasse 6, A-1060 Wien

☎ +43-(0) 1 5861524 / Fax: 5861524-40

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http://www.eva.ac.at

▸ Reference addresses for **diverse publications regarding energy contracting**

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- Contact person for professional and technical q**uestions relating to savings contracting**

Energy Tirol

Adamgasse 4, A-6020 Innsbruck
☎ +43-(0)512 589913 / Fax: 589913-30
✉ energie@tirol.at
http://www.tirol.com/energie-tirol

Energy agency Waldviertel

Aignerstraße 1, 3830 Waidhofen a. d. Thaya
☎ +43-(0)2842 9025 40871 / Fax: 9025 40870
✉ energieagentur@wvnet.at

Energy recycling agency – the Austrian Energy Agency (E.V.A.)

Otto-Bauer-Gasse 6, A-1060 Wien
☎ +43-(0)1 5861524 / Fax: 5861524-40
✉ eva@eva.ac.at
http://www.eva.ac.at

Grazer Energy agency - GEA

Kaiserfeldgasse 13, A-8010 Graz
☎ +43-(0)316 811848-0 / Fax: 811848-9
✉ office@grazer-ea.at

- Contact people for legal questions

Austrian chamber of lawyers

Rotenturmstraße 13, A-1010 Wien
☎ +43-(0)1 5351275 / Fax: 5320473

- Contact person regarding subsidies and grants

Kommunalkredit Austria AG

Türkenstraße 9, A-1092 Wien
☎ +43-(0)1 31631-0 / Fax: 31631-105
✉ kommunal@kommunalkredit.at
http://www.kommunalkredit.at

▸ Contact partner regarding efficient **energy use**

BEA - Burgenländische Energieagentur

🖹 Technologiezentrum Eisenstadt, Marktstraße 3, A-7000 Eisenstadt
☎ +43-(0)2682 704-2220 / Fax: 704-2210
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Energieagentur Obersteiermark West
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Energieberatung Kärnten

🖹 Mießtalerstraße 1, A-9020 Klagenfurt
☎ +43-(0)463 536 30861 / Fax: 536 30800

Energieinstitut Vorarlberg

🖹 Competence Center Dornbirn, Stadtstraße 33, A-6850 Dornbirn
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Klagenfurter Energieagentur

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O.Ö. Energiesparverband

Landstraße 45, A-4020 Linz

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OPET Austria

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Salzburg (Amt der Salzburger Landesregierung)

Abteilung 15, Postfach 527, A-5010 Salzburg

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▸ Literature

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