



The PRIME Approach - Barriers, Problems and Recommendations

General arguments against energy services by local administration

- There is no saving potential
- ESCO is interested in profit, not in sustainable buildings
- Contract will decrease administration staff and we will lose our jobs
- ESCO-project is consuming time and money
- We lose control of the building services
- The billing is difficult
- It's impossible to calculate the baseline
- Additional work and additional tasks should be avoided

National barriers

Slovenia

- No awareness of RUE or RES
- Low living standard
- No trust in public institutions
- No political will inside government
- Subsidized energy prices

Greece

- No idea of Performance Contracting and ESCOs
- Only huge investors in the energy sector
- No intention of citizens to invest in RUE or RES
- The lowest energy prices all over Europe

Bulgaria

- Low comfort standards means low baseline
- No interest in citizen's participation, money is available
- Bulgarian mentality is economically orientated

Ireland

- Just at the beginning of a long term process
- Low importance and power of local politicians
- Energy performance contracting (EPC) is at an early stage

Italy

- Limited contract period of max 9 years (National Law)

Very different approaches in the different countries are leading to different findings.



General problems and barriers

- Preliminary tasks had NOT been involved in the proposal
- Too many steps / too many “ifs”
- Inter-administrative communication needs are enormously

Arguments against PRIME/

Facts and circumstances concerning Energy Performance Contracting

- Long payback rates
- Payback rate is not secure
- No financial incentives for employees
- No incentives for schools
- No incentives for caretakers
- For administration staff there are more risks than chances
- Missing knowledge of energy efficiency measures
- No budget for investments
- Struggles between different departments because of different sights of view
- No public attention on what is happening in school buildings
- Restrictive data communication
- No provision of consumption data
- No submission to the Parliament
- No commission for the Administration
- Administration work is more cost-effective than external work
- No open and correct negotiations within the triangle Parliament – administration – ESCO (contractor)
- Time scale to find an agreement is too short
- Agreement with the city or district is the most difficult task



Recommendations for the PRIME approach

- Create trust for collecting citizens money
- Public pressure via media to find political support
- Press articles / media support
- Well-known institutions backing up money collection, like FHI (Fraunhofer Institut) or Öko-Institut
- School assemblies
- Support from various associations, like for instance teachers associations
- High consumption is recommended (e.g. huge schools)
- High saving potential is needed

Best practices and positive examples have positive effects

- Increasing awareness of administration
- Increasing awareness of citizens for ethic investment

For performance contracting there is maybe a new and better situation than in the nineties

- Climate change nowadays is obvious
- Energy prices have increased, are increasing actually and will do so in the future
- After ten years 5 positive examples of PRIME with good results are to be seen

Success factors

- The bigger the city, the less the identification of the citizens with their schools, the smaller the city, the bigger the opportunities and chances!
- Take care of the difference between public speech and real intentions, mind the steps and watch them step by step
- Find support from “above”, from the public, from the media
- Convince political parties
- Develop good material, well prepared presentations, be convincing
- Co-operate with partners which have influence in the political life
- Communicate best practices
- Communicate that PRIME means investment, not a public task
- Communicate the increased standard you'd reach by PRIME (it gives PRIME an attractive approach)



Suggestions for modifications of the PRIME approach

- Develop a PRIME concept for other sectors than buildings (for instance public lightning, or transport)
- Expand PRIME in private sectors
- Reduce citizens' investment quote
- Increase flexibility of the PRIME approach
- Put RUE and RES into the 1st row, the way of financing into the 2nd
- Communicate the impact of ecological taxes
- Disseminate Best Practices
- Improve the "three step approach and guide"
- Improve the "Quick & easy calculation tool"

Be aware that launching a citizens' fund without a concrete object will be seen as banking business and may increase difficulties!

- Search for local institutional support
- Give high priority to public promotion of the PRIME idea
- Separate RUE and RES because of different time scales

Engage an extraordinary expert, commit a well known and respected institution and cooperate with opinion leaders