IMPLEMENTATION OF THE QUALITEE BUSINESS MODEL IN AUSTRIA

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QualitEE Project

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The QualitEE consortium comprises 12 partner organisations covering 18 European countries, an expert advisory board, including the European standards body CEN/CENELEC, and 59 supporters from major financial institutions, government bodies, trade associations and certification bodies.

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1 EXECUTIVE SUMMARY

A major barrier to the further development of the market for energy efficiency services (EEDL) in Austria is the lack of trust, which is often encountered among many potential customers given the complexity and diversity of EES.

In order to raise awareness of quality among service providers and customers and thus increase confidence in EES, the DECA[1] quality label was launched in Austria in 2017. The Deca platform developed the quality criteria which are the foundation of the DECA quality label within the QualitEE project.

The basis for the use of the quality label is the voluntary "self-declaration with plausibility check". This means that the energy service provider registers at DECA's website and signs the self-commitment, declaring that all the energy services provided with the DECA-quality label meets the label criteria. The labelling is free of charge for members of DECA (membership EUR270 – 2,570 depending on the size of the company) and 125 €/year for non-members.

Under the Austrian business model, it is not the service provider but the service itself that gets the quality label. Once the project is concluded or after certain time (yearly if a longer project is concerned, the client should verify compliance of the criteria and fill-out a verification protocol provided by DECA. If reasonable doubt arises, the client can assign a DECA member to check if the established criteria have been met. If a self-committed company has not met the standards DECA can revoke the company's registration. The energy service provider must sign a commitment to use the DECA quality label which needs to be renewed every year.

Depending on the type of EE service provided, the requirements to receive the DECA quality label are different. Concretely, there are 9 quality criteria for 7 EE services. For each EEDL, only the quality criteria relevant to it are applied. These quality criteria are then concretised by assessment criteria. The assessment criteria are verifiable facts that must be provided for the fulfilment of a quality criterion.

The quality label defines standards concerning service elements and process flow of high-quality EES and provides the framework necessary for compliance and verification.

The main benefit for the clients is higher security and trust. These standards can improve information availability to reduce ESCO's client's diligence costs and ensure quicker decision making, as well as quality check of the service. EES providers benefit from enhancing their services, hence using the seal to demonstrate the fulfilment of high-quality requirements of the services that they offer.

The marketing strategy for the DECA quality label focuses primarily on clients and ESCOs which aligns with the main objective: increasing confidence in EEDL and raise awareness of its quality with the DECA quality label among services providers and customers. ,. In March 2020, there are 14 currently self-registered companies and 25 projects with a quality stamp.

[1] DECA (Dienstleister Energieeffizienz & Contracting Austria) is an independent platform for companies seeking to promote the development of high-quality energy efficiency (EE) services in the Austrian market, by following not only technical aspects, but also economic, environmental and social criteria. It is currently representing 33 Austrian market players who deal with Energy Efficiency and Contracting.

The current main drawbacks are that clients very often do not see the additional value of a quality label and that revenues are not sufficient to cover the costs for marketing and management of the DECA quality label.

2 INTRODUCTION

The objective of this report is to provide information about the national implementation of quality assurance schemes for energy efficiency services (EES). This report has been developed as part of the "QualitEE – Quality Certification Frameworks for Energy Efficiency Services" project supported by the EU's Horizon 2020 programme. The QualitEE project aims to increase investment in EES and improve trust in service providers.

This report aims to cover the practical implementation of the business model selected for Austria. A business model is the core for the growth of business. It can be defined as "the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts. The process of business-model construction forms a part of business strategy"[2].

It will describe the basic idea of quality assurance for energy efficiency services in general, the idea of the national scheme and some facts about the development and implementation process of the national scheme (background).

[2] Osterwalder, Pigneur, Smith, *et al.*: "Business Model Generation" (2010)

3 THE CASE OF AUSTRIA

3.1 Description

A major barrier to the further development of the market for energy efficiency services (EEDL) in Austria is the lack of trust, which is often encountered among many potential customers in view of the complexity and diversity of EES.

In order to raise awareness of quality among service providers and customers and thus increase confidence in EES, the DECA[3] quality label was launched in Austria in 2017. The DECA quality label is one of the first quality labels for energy efficiency services on the market and it is used in the QualitEE project as an example for the development of further labels in Europe.

The development of the quality criteria took place in a working group, which was part of the Horizon 2020 project Transparense - the predecessor of QualitEE. A questionnaire was given to the members of the group with the following questions: :

1. Which Energy Efficiency Services do we know?
2. Of which elements/activities do they consist? (value chain see Figure 1 below)
3. Which appropriate **quality criteria** can be found for the elements of the value chain?
4. With which **assessment criteria** can these quality criteria be verified?
5. Which test criteria do you need to prove that the evaluation criteria are met?

Figure 1 Value Chain of energy efficiency services

Figure 2 provides an overview of the results of this working group. DECA took these criteria assessment as a basis for developing the certification scheme which was launched in November 2017.

[3] DECA (Dienstleister Energieeffizienz & Contracting Austria) is an independent platform for companies seeking to promote the development of high-quality energy efficiency (EE) services in the Austrian market, by following not only technical aspects, but also economic, environmental and social criteria. It is currently representing 33 Austrian market players who deal with Energy Efficiency and Contracting.

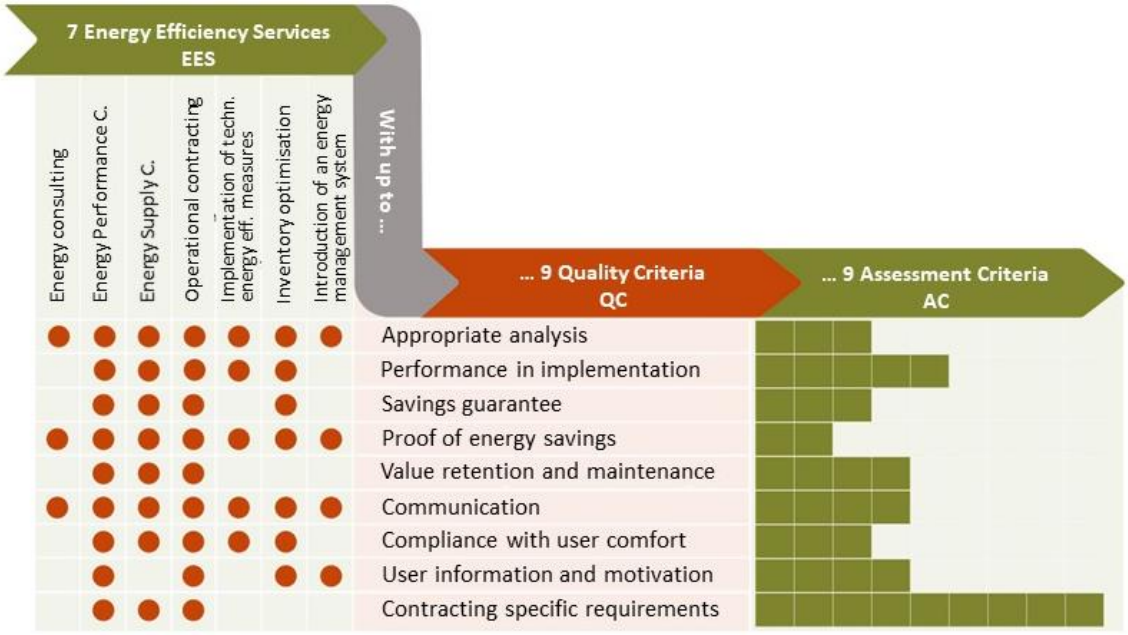

Figure 2 Overview on types of EES and quality criteria (Source: DECA)

The basis for the use of the quality label is the voluntary self-commitment of a service provider, who thereby undertakes to ensure that all energy efficiency services which he provides and which he labels with the DECA quality label at least meet the current published DECA quality criteria for the energy efficiency service concerned.

Depending on the type of EE service provided, the requirements to receive the DECA quality label are different. Concretely, there are 9 quality criteria for 7 EE services. Each criterion covers a distinct aspect of the EE service, which will be explained in the next section..

In the QualitEE project, the DECA quality criteria were tested in concrete projects and thus checked for their practical suitability. Together with customers or suppliers of ESL, the relevance, target orientation and verifiability of the criteria were evaluated and tested in new projects.

3.2 Phases of quality assurance scheme procurement

3.2.1 Quality assessment criteria and compliance

The quality criteria presented below have been developed within the QualitEE project and are based on "preliminary quality criteria for energy efficiency services" developed for the Austrian market within the Transparense project.

This comprehensive set of technical, economic, communicational, and other criteria has been defined to be applied on energy efficiency services, with special focus on "Energy Performance Contracting" (EPC) and "Energy Supply Contracting" (ESC) in order to ensure minimum quality requirements which all services must comply with to be labelled as high-quality services.

The quality criteria selected have been object of discussion among stakeholders at both, national and European levels. Consequently, the feedback has been incorporated allowing us to present an extended and agreed set of criteria. These criteria are:

- **QC1 Adequate analysis:** the analysis of an energy-consuming unit (building, industrial establishment, facility, etc.) with respect to possible energy savings including the identification of possible energy efficiency improvement (EEI) measures is often the first step in an EES. The quality of analysis will thus, also have an enormous impact on the overall quality of EES.
- **QC2 Quality of implementation of technical energy efficiency improvement measures**: In many cases, the rendering of an EES is connected with the implementation of technical measures. A broad spectrum of quality standards can be met in practice while rendering services in this respect. QC2, therefore, stipulates a range of quality standards that must be complied with when implementing technical measures. In the process, compliance with such standards that regulate the implementation of technical measures is of paramount importance. Moreover, it must be ensured that the operator of the facility will be in a position to operate the newly installed facilities after the end of the project.
- **QC3 Savings guarantee:** some EES come with the promise that savings of a specific size will be realized. Such promises – routinely known as savings guarantee – must meet specific requirements for them to truly be beneficial to the client.
- **QC4 Verification of energy savings:** The identification and/or implementation of energy savings is at the center of EES. For this reason, the quality of an EES is also determined by the way that energy savings are verified. Energy savings cannot be measured directly but are always calculated. In simple terms, three approaches are differentiated:
  - Verification based on measured energy consumption: even in places where measurement equipment is available for the purpose of recording energy consumption, energy saving is determined through the comparison of the current value with a reference consumption (frequently called a "baseline"). At the same time, factors impacting energy consumption that are not caused by EES must be "filtered out" (often referred to as an "adjustment process" e.g. for the impact of variations in weather conditions);
  - Engineering calculation of energy-savings: usage of complex methods of calculation and simulation largely based on standards;
  - Expert estimation: derivation from savings realized from similar and comparable cases.
- **QC5 Value retention and maintenance:** some EES also cover services relating to the maintenance and repairs of newly installed or existing facilities. Quality of these services has a direct influence on the availability of the (energy) system and retention of its value. As these factors ensure desired benefits and long-term sustainability of projects beyond the contract duration, they also influence the overall quality of the EES.
- **QC6 Communication between the contractor and the client:** In addition to technical quality, the type and scope of communication between the EES provider and the client contributes to the quality of EES. EES providers assume only partial responsibilities from existing operating personnel. To avoid problems in the implementation of the EES the interfaces between contractual parties must be effectively managed through continuous and well-defined communication.
- **QC7 Maintenance of users' comfort:** The execution of EES shall not lead to any impediment on the comfort of the user. In this context, users' comfort requirements can be assessed either through physical parameters (temperature, air quality, luminous intensity, etc.) or captured by collecting feedback via a comfort survey tool.
- **QC 8 Information and motivation of users:** Since in most cases, users have a considerable impact on the energy consumption of an object and thus, also influence the success of EES, selected EES approaches entail actions for the information and motivation of users.

Taking into account the heterogeneity of user-information activities, QC 8 contains just a "minimum package". In real EES projects, however, it may be advisable to extend user-information activities beyond the minimum requirements as included in QC 8.

- **QC9 Comprehensible contractual stipulations for the contracting of specific regulatory requirements:** several years of experience in contracting projects, have shown that their quality is not just of a technical and communicative nature but that the shaping of the Contract also contributes decisively to the quality of a project. The Contract must contain regulations for individual issues such as ownership transfer, handling of energy price risk, insurance or exit regulations, that will repeatedly lead to problems in practice, if they were not regulated.

3.2.2 Evaluation of compliance

For each EEDL, only the quality criteria relevant to it are applied. These quality criteria are then concretised by assessment criteria. The assessment criteria are verifiable facts that must be provided for the fulfilment of a quality criterion.

For each assessment criterion it is defined how to provide evidence of its compliance. In some cases, a distinction is made between evidence that can be provided "ex-ante" - e.g. already in the bidding phase - and evidence that must be provided "ex-post".

An overview of the assessment criteria (AC) of the respective quality criteria can be found in chapter xxx.:

- QC1 Appropriate analysis
  - AC 1-1 Agreement on the energy analysis process
  - AC 1-2 Appropriate energy data collection and analysis
  - AC 1-3 Adequacy of the derivation of recommended measures
- QC2 Performance of services in the implementation of technical measures
  - AC 2-1 Provision of services in accordance with applicable standards, laws and conditions
  - AC 2-2 Adherence to delivery dates
  - AC 2-3 Determination and documentation of service provision
  - AC 2-4 Training of users or operating personnel
  - AC 2-5 Ensuring the functionality of newly installed systems after the end of the contract
- QC3 Savings guarantee
  - AC 3-1 Appropriate level of the savings guarantee
  - AC 3-2 Dependence of the remuneration on the achievement of the savings guarantee
  - AC 3-3 Appropriate intervals at which the compliance with the promised guarantee is checked
- QC4 Proof of energy savings
  - AC 4-1 Application of a standardized method for calculating energy savings
  - AC 4-2 Selection of the appropriate approach for calculating energy savings
- QC5 Value retention and maintenance
  - AC 5-1 Compliance with the required system availability
  - AC 5-2 Quick troubleshooting
  - AC 5-3 Functionality of the system at the end of the contract
  - AC 5-4 Transparent recording of performance limits

- QC6 Communication between contractor and client
  - AC 6-1 Notification of contact persons
  - AC 6-2 Inspection of data and data exchange (in both directions)
  - AC 6-3 Recording and continuous updating of all measures implemented by the contractor
  - AC 6-4 Organizational measures to involve internal operating personnel
- QC7 Compliance with user comfort
  - AC 7-1 Collection and regular review of current user requirements
  - AC 7-2 Regular monitoring of compliance with quantitative user requirements
  - AC 7-3 Use of qualitative methods to survey user satisfaction
- QC8 User information and motivation
  - AC 8-1 Development of a concept for user motivation
  - AC 8-2 Publication of an annual report on savings achieved and measures implemented
  - AC 8-3 Establishment of a suggestion scheme for efficiency improvements by users
  - AC 8-4 Provision of general information on energy efficiency
- QC9 Comprehensible contractual provisions on contracting specific regulatory requirements
  - AC 9-1 Transfer of ownership
  - AC 9-2 Transfer of risk
  - AC 9-3 Insurance
  - AC 9-4 Exit regulations
  - AC 9-5 Legal succession
  - AC 9-6 Clarification of the VAT issue
  - AC 9-7 Unhindered entry and access right
  - AC 9-8 Permissibility of different types of financing (assignment, leasing, forfaiting, etc.)
  - AC 9-9 Dealing with subsidies or the right to dispose of savings under the energy efficiency act

3.2.3 Accreditation process of the QualitEE label

DECA label follows a "self-declaration with plausibility check" method. This means that the energy service provider registers at DECA's website and signs the self-commitment and by doing so they declare that all the energy services they provide that carry the DECA-quality label meet the label's criteria. Members of DECA association do this for free and non-members must pay a EUR 125 service fee. Each project has a different ID-label and validity, which means that the company must provide specific information about each project in order to get them certified with its unique label.

The entitlement to label a service with the DECA quality label is granted for one year from the signing of the voluntary commitment. From the second year of the commitment, depending on the number of times the label has been used in the past year, between 1 and 5 positive customer feedbacks must be submitted for projects where the DECA label has been used. For these projects, the minutes of the review meeting must also be available (if ex-ante reviews are already possible at that time).Once the project is concluded, or after a certain period, yearly if a longer project is concerned, the client should verify compliance of the criteria and fill-out a verification protocol provided by DECA. If reasonable doubt arises, the client can assign a DECA member to check if the criteria established have been met. If a self-committed company has not met the standards, DECA can revoke the company's registration. The energy service provider must sign a commitment to use the DECA quality label which needs to be renewed every year.

Under this business model, it is not the provider but the service itself that gets the quality label, meaning that every EE service is standardized and comparable to others.

3.2.4 Standard project delivery model

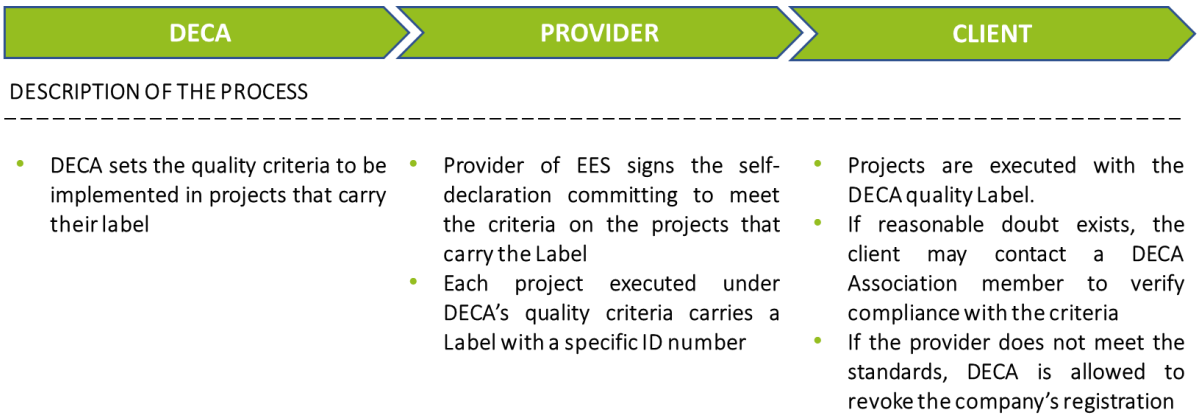

Figure 3- Standard project delivery model in Austria (Source: Creara Analysis)

3.3 Main features

The main features of the QualitEE business model are found in the following table:

Table 1 - Main features for the DECA quality label in Austria

	DECA quality label
Principal action	Labelling
Country	Austria
Type	Voluntary
Target user	All EES provider and clients
Authority	Association
Phases	1. Establishment of quality criteria 2. Self-declaration of ESCOs ascribing to quality criteria 3. Execution of project with DECA label 4. Plausibility check in case of reasonable doubt of compliance with quality criteria by a DECA association member 5. If the criteria are not met, the client may ask for the withdrawal of the company's registration
Stakeholders	1. DECA association 2. EES providers 3. Auditors members of DECA association 4. EES clients
Support measures/ dissemination	Information, events and trainings, market researches
Year of implementation	2017
Costs	Free for members of DECA (membership EUR 270 – 2,570 depending on the size of the company), certification fee for non-members 125 €/year

Source: DECA

3.4 Canvas analysis

3.4.1 Business Model Canvas Analysis

Table 2 – Deca quality seal canvas analysis

<table>
<tr>
<td rowspan="2">KEY PARTNERS
• All other EES providers: EPC providers, consultancy, supply contracting, operational contracting, etc.
• Client: natural or legal entity interested in implementing EE measures
• DECA: association that grants its label to quality services
• Independent commission: third parties that conduct the evaluation to assess if DECA requirements are met, if doubt arises. Usually DECA association members</td>
<td>KEY ACTIVITIES
• DECA is an association that represents Austrian market players dealing with Energy Efficiency and Contracting
• Through its quality assessment it defines if an EES meets the prerequisites to obtain their label, and deem them to be a high-quality efficiency service</td>
<td rowspan="2">VALUE PROPOSITION
• Easy to perform due to pre-determined steps
• Objective criteria established by an external institution
• If the customer is not satisfied, a third party will verify whether the service was provided following the quality criteria
• International recognition</td>
<td>CUSTOMER RELATIONSHIP
• Customer-DECA contact via email or phone
• Continuous long-term relationship through monitoring and control
• Co-creation, consumers provide feedback
• Possibility of self-service
• If the customer is not satisfied, a third party will check the service</td>
<td rowspan="2">CUSTOMER SEGMENT
• ESCOs that are self-committed companies
• Clients of the EE services as prescribers of the label
• DECA Association members</td>
</tr>
<tr>
<td>KEY RESOURCES
• Brand and patent
• Human capital (technicians, sales staff, etc.)
• Association and partners
• Resources to evaluate criteria compliance if reasonable doubt arises</td>
<td>CHANNELS
• Awareness: webpage and partners
• Evaluation: webpage sample cases
• Purchase and delivery: partners
• After sales: online platform and partners</td>
</tr>
<tr>
<td colspan="3">COST STRUCTURE
• Fixed costs: employees' salary (sales staff, and other human resources), servers, marketing.
• Variable costs: sales costs. Costs associated to the label. Costs of quality revision.:</td>
<td colspan="3">REVENUE STREAMS
• Yearly fee of EUR 125 for non-members
• Membership fees (of the DECA association):
- EUR 2,570 for companies with over 50 employees.
- EUR 1,290 for companies with under 50 employees.
EUR 270 for the self-employed</td>
</tr>
</table>

Source: DECA

3.4.2 Value proposition

Table 3 - Value proposition of QualitEE in Austria

PROVIDER OF THE CERTIFIED EE SERVICE		CLIENT OF THE CERTIFIED EE SERVICE	
SERVICES The project is developed following DECA criteria. Initial audit of energy consuming unit and identification of savings. Solution development according to DECA standards and implementation of identified measures. Monthly monitoring and maintenance examination, throughout the renting/ financing period Provision of the label	**GAIN CREATORS** Improve image by offering a quality service with pre-established guidelines by an independent association Help reduce energy costs Reduces impact on environment **PAIN RELIEVERS** Minimize financial and technical risks by following DECA criteria. Most of the financial obligations and timeliness are met by the provider.	**GAINS** Savings are guaranteed Improve energy service quality Reduce energy and CO_2 consumption Minimize financial and technical risks: • The provider oversees the financial aspects of the project. Increase profitability of the business **PAINS** Influence on core business Need for resources for non-core activities Lack of time and resources for business Upfront investment costs	**CUSTOMER JOB(S)** Run profitable business (reducing costs by maintaining operation equal) Have functioning operations: - "Out-source" non-core activities Improve energy efficiency in their business. Improve image by being more environment friendly

Source: DECA

4 IMPLEMENTATION STRATEGY

4.1 Business opportunities

The aim of the DECA Seal of Quality is to raise awareness of the quality of energy efficiency services (EES) among providers and customers and thus to increase confidence in EES.

This is necessary because there are great differences between EES. On the one hand, they are not "off-the-shelf" products, but are individually tailored to the requirements and needs of the customer. The lack of standardisation increases the lack of trust among EES customers. On the other hand, EES often involve different trades, buildings, processes, etc. - this is accompanied by a certain complexity. A clearly and comprehensively defined process flow is a necessary basis for high quality.

The quality seal defines standards with regard to service elements and process flow of high-quality EES and provides the criteria necessary for compliance and verification.

The primary customer benefit is more security. Clients of ESCOs receive support in answering the following questions:

- Exactly what service do I get when I order an EES?
- How can I distinguish good from bad offers?
- How can I check the quality of the service provision check?

EES providers benefit from enhancing their services. They can use the seal to demonstrate in a simply and plausibly way, that the services they offer fulfil high quality requirements.

4.2 Implementation strategy

The DECA quality label was implemented in November 2017.

By March 2020 there are 14 self-registered companies and 25 projects with a quality seal.

5 MARKETING STRATEGY

5.1 Target groups

The target groups of the marketing strategy for the DECA quality label are primarily ESCOs and clients. The label is set to lead ESCOs with strong portfolios of operational projects to differentiate themselves with independently verified proof of performance and to build confidence and trust in EES.

5.2 Price

For non-DECA members the annual self-commitment is charged with of EUR 125.

For DECA members the use is free of charge. (The membership fees of the DECA association depend on the size of the company; EUR 2,570 for companies with over 50 employees, EUR 1,290 for companies with under 50 employees, and EUR 270 for the self-employed.)

The price is a contribution towards expenses and covers marketing, staff (salaries), administrative expenses and overhead.

5.3 Communication Plan

The key message is that the DECA quality label aims to raise awareness of the quality of energy efficiency services (EEDL) among providers and customers and thus to increase confidence in EEDL.

To make the DECA quality assurance scheme known, information about the DECA quality label was on the one hand spread via the DECA online channels and on the other hand via diverse offline channels as indicated below.

5.3.1 Online channel

- Information about the DECA quality label and updates via the bimonthly DECA newsletter
- Presentation of the DECA quality label and the system on the DECA website
- Communication between self-committed companies and the DECA via a login on the DECA website.
- LinkedIn account (planned) and promotion of the label through members and ESCOs on LinkedIn

5.3.2 Offline channel

- Leaflet, handed out at DECA events like trainings, workshops and presentations
- Events organized by DECA (speeches, leaflet, …) or events of partners and DECA members
- Trainings and Webinars
- Market researches

6 ECONOMIC PLAN

6.1 Revenue sources (market demand analysis)

There are about 40 ESCOs in Austria, of which 20 are expected to be interested in self-committing to the DECA quality criteria. These 20 ESCOs are expected to obtain the DECA quality seal for a total of 0,5 project per ESCO per year. In total, 10 DECA quality labels are expected to be granted per year.

The annual registration fee for the DECA quality label in Austria will be EUR 125, therefore in this base scenario the maximum total income per year will be EUR 2.500.

Table 4 – Revenue sources in Austria

	PUBLIC FUNDS	PUBLIC INSTITUTIONS	ESCOs	OWNERS	TOTAL INCOME
OPTIMISTIC SCENARIO	----------	10,000 €	25 ESCOs	----------	3,125 €
BASE SCENARIO	----------	5,000€	20 ESCOs	----------	2,500 €
PESSIMISTIC SCENARIO	----------		15 ESCOs	----------	1,875 €

Since the launch of the DECA label in November 2017, there are 14 self-committed companies, who have issued 25 labels for their projects.

6.2 Sales forecast

The national saving targets will follow the European directive. The first energy efficiency law (EEffG 2014 -2020) was quite ineffective in reference to actual savings – the final energy consumption is still growing and the gap to the pathway as it was determined in the EEffG was widening in the last few years. The Austrian administration is working on a new energy efficiency law, which is expected at the earliest towards the end of 2020. Feedback from market stakeholders and ESCOs at the moment is that clients very often do not see the additional value. An Austrian CO_2-tax/prizing/ecological tax reform is part of the intergovernmental agreement of the Austrian coalition but so far without a clear schedule.

Table 5 - sales forecast

	2021	2022	2023	2024	2025
OPTIMISTIC SCENARIO	40,000,000 €	50,000,000 €	60,000,000 €	70,000,000 €	80,000,000 €
BASE SCENARIO	30,000,000 €	35,000,000 €	40,000,000 €	45,000,000 €	50,000,000 €
PESSIMISTIC SCENARIO	30,000,000 €	30,000,000 €	30,000,000 €	30,000,000 €	30,000,000 €

6.3 Potential expenses

When implementing the business model, certain expenses need to be taken into account to determine whether the quality assurance scheme is economically viable. These expenses are grouped in three different categories:

6.3.1 Marketing expenses

Table 6 - Marketing budget (DECA)

Action	2021	2022	2023	2024	2025
Leaflet	150 €		150 €		150 €
Events	400 €	200 €	400 €	200 €	400 €
Trainings (Webinars)	100 €	100 €	100 €	100 €	100 €
Market researches		1,000 €		1,000 €	
TOTAL	650 €	1,300 €	650 €	1,300	650 €

6.3.2 Manpower structure

The costs for manpower could be kept low because the existing personnel structure of DECA is used.

Table 7 - Personnel budget (DECA)

Action	2021	2022	2023	2024	2025
1 technical staff	800 €	1,000 €	1,200 €	1,400 €	1,600 €
1 administrative staff	4,000 €	5,000 €	6,000 €	7,000 €	8,000 €
TOTAL	4,800 €	6,000 €	7,200 €	8,400 €	9,600 €

6.3.3 Management structure

Table 8 - Management budget (DECA)

Action	2021	2022	2023	2024	2025
Creation of the QualitEE department Label already launched, management carried out by DECA office					
Management software already set up and working, needs perhaps some revision in a few years			2,000 €		
TOTAL			2,000 €		

7 CONTINGENCY PLAN

7.1 Identification of potential risks

An analysis of the potential risks is summarized below.

Table 9 - Potential risks

Type of risk	Risk	Likelihood	Impact
Technical	A no risks recognizable at the moment		
Financial	• B1 Energy prices stay at a low level	Medium	High
	• B2 Revenues are not sufficient to cover the costs for marketing and Management	High	High
	• B3 Clients can´t see added value of the labelling	High	High
	• B4 ESCOs can´t see added value of the labelling	Medium	High
Management	C no risks recognizable at the moment		
Other	D no risks recognizable at the moment		

7.2 Risk management

Potential risks will be monitored regularly 1 – 2 times per year by the DECA, that will apply specific mitigation measures if those risks are materialized.

Table 10 - Risk management

Risk	Mitigation measure
B1 Energy prices stay at a low level	Lobbying for eco tax reform through DECA, network, cooperation partners etc.
B2 Revenues are not sufficient to cover the costs for marketing and Management	Adapting the fees regulation
B3 Client can´t see added value	Low-barrier and target group tailored information (trainings, information materials and events) trying to implement DECA quality label or criteria in eligibility conditions of public fonds / subsidies
B4 ESCOs can´t see added value of the labelling	Target group tailored information (training, information materials and events) by DECA, lobbying by network and cooperation partners etc.

8 CONCLUSIONS

The proposed quality assurance scheme can significantly impact the EES market in Austria. The main positive impacts from its implementation are the following:

- The DECA quality label will certify that the energy service providers registered in it are able to provide energy services of high-quality standards.
- The quality of services offered by the providers registered in the ESCO registry will verify its compliance once the project is concluded or yearly if a longer project is agreed. The DECA quality label will be renewed annually and if reasonable doubt arises, the client can ask a DECA member to check if the quality requirements are met. If a self-committed company has not met the standards, DECA can revoke the company's registration.
- The public will be able to access updated information concerning the energy services with DECA quality seal that the energy service providers registered in the ESCO registry provide.

As a result of the aforementioned, it is expected that trust and confidence in the EES market will increase and this will provide the necessary stimulus for both the private sector and public sector to start implementing more projects with DECA label.