



# What is the current state of the Energy Efficiency Services market across Europe and where are the opportunities to increase uptake?

Results from market surveys in 15 European countries

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# QualitEE project – developing quality assurance to drive investment in energy efficiency services (EES)

- ✔ Extensive research has been conducted across 15 European EES markets
- ✔ Interactive online presentation :  
<https://qualitee.eu/market-research/>
- ✔ Market research reports for 15 countries and
- ✔ Summary European report have been published



# QualitEE online surveys in 15 European countries

2017 2019

109

97

EES providers

79

76

EES facilitators

Austria, Belgium, Bulgaria, the Czech Republic, France, Germany, Greece, Italy, Latvia, the Netherlands, Portugal, Slovakia, Slovenia, Spain, the UK



<https://qualitee.eu/market-research/>



# QualitEE personal interviews in 13 European countries

2017

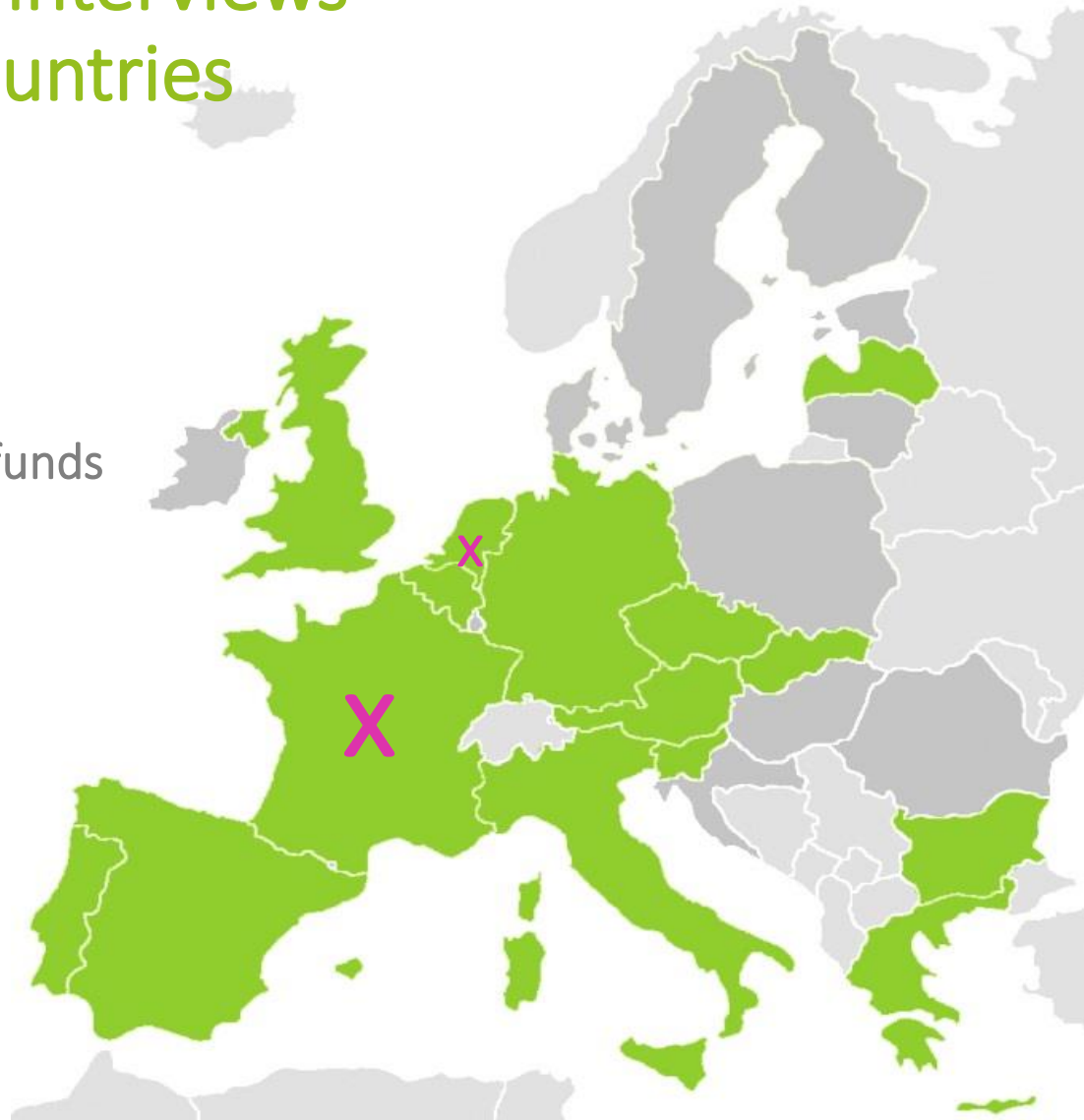
37

finance houses  
& governmental funds

42

EES clients

Austria, Belgium, Bulgaria, the Czech Republic, Germany, Greece, Italy, Latvia, Portugal, Slovakia, Slovenia, Spain and the UK





# Scope of the QualitEE surveys

## Energy Performance Contracting (EPC):

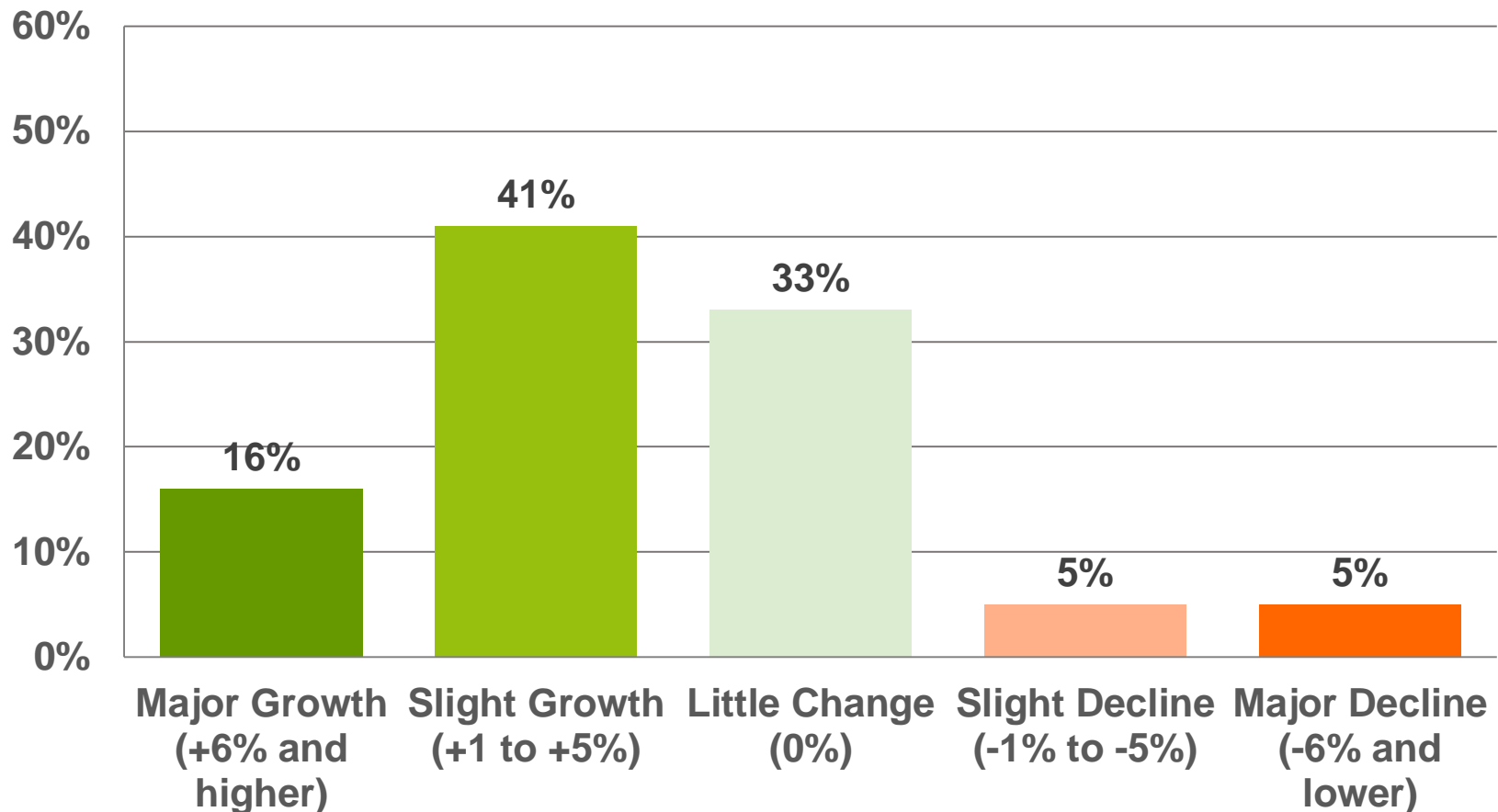
- ✔ "EPC means a **contractual arrangement between the beneficiary and the provider of an energy efficiency improvement measure**, verified and monitored during the whole term of the contract, where investments (work, supply or service) in that measure are paid for in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion, such as financial savings."  
(Energy Efficiency Directive definition)
- ✔ The EPC provider **guarantees the achievement of the contracted level of savings of energy, and/or related costs**, and bears contractually agreed risks of technical implementation and operation.

## Energy Supply Contracting (ESC):

- ✔ "ESC means a **contractual arrangement for the efficient supply of energy**. ESC is contracted and measured in Megawatt hours (MWh) delivered". (simplified IEA DSM Task force 16 definition).

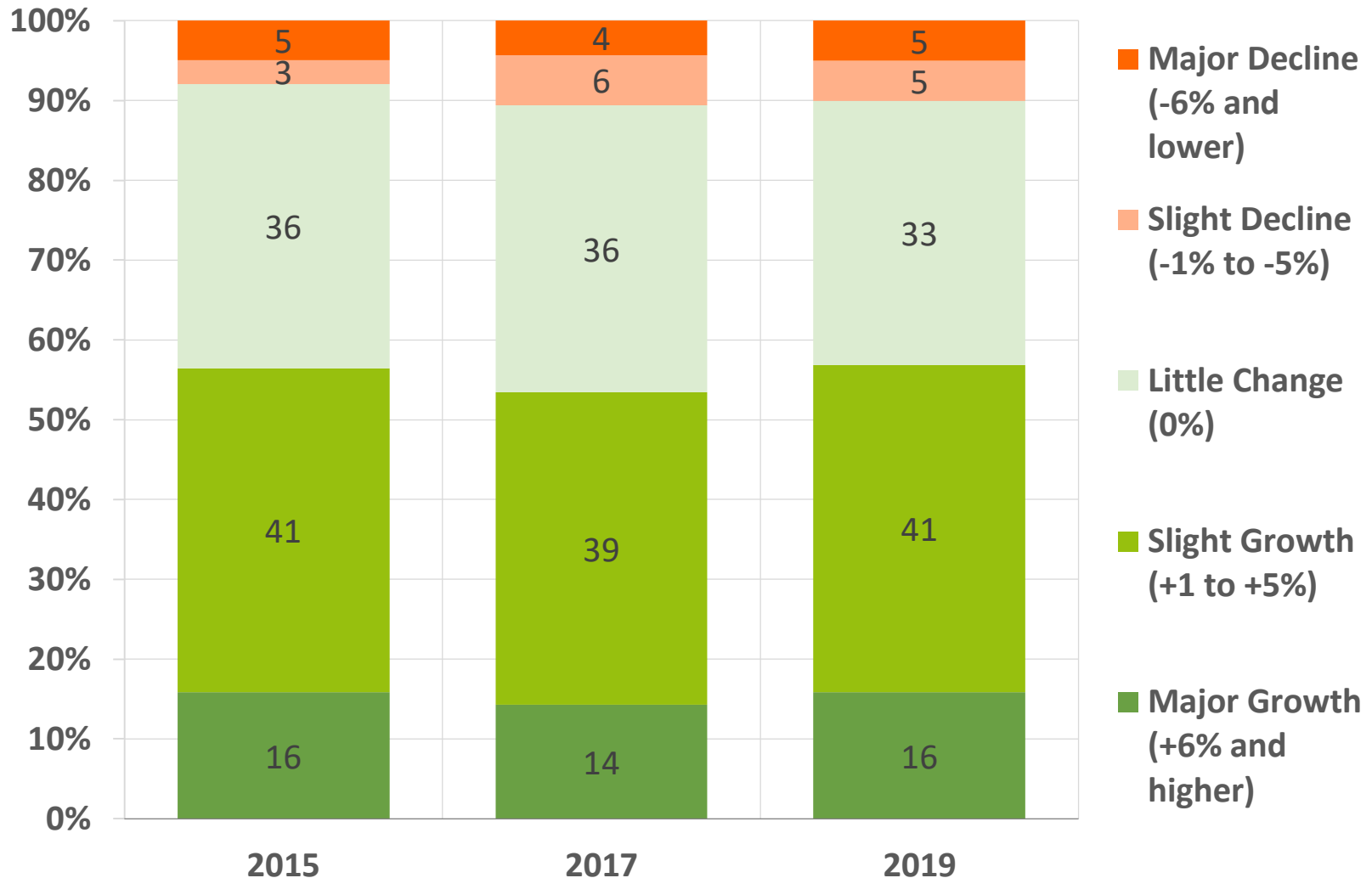


## EPC markets grew slightly in 2019 (aggregated for all 15 countries in the survey)





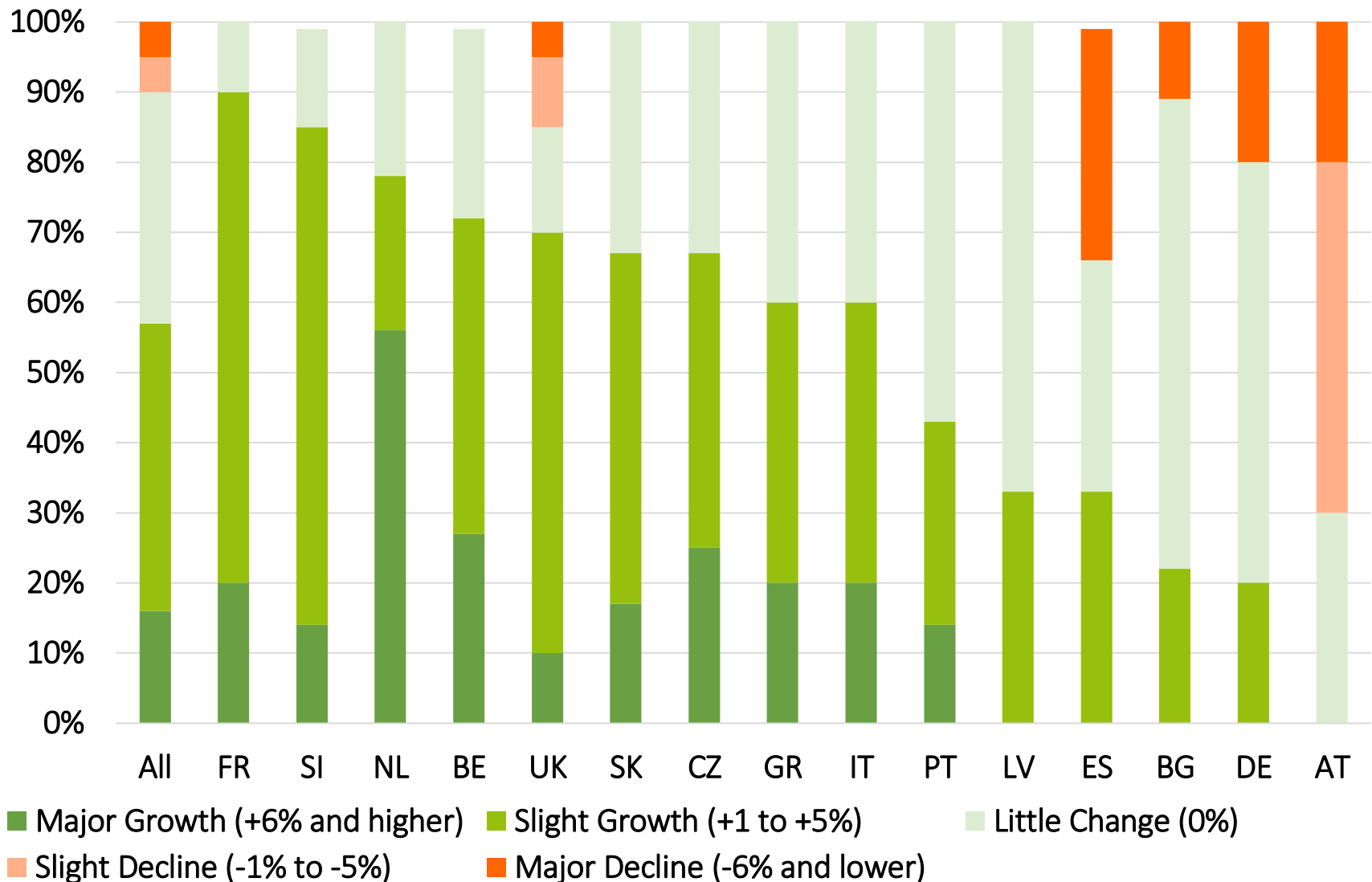
# EPC markets growth in 2019 and 2015 reported by 57% of providers & facilitators



Note: 2015 data from Transparens project



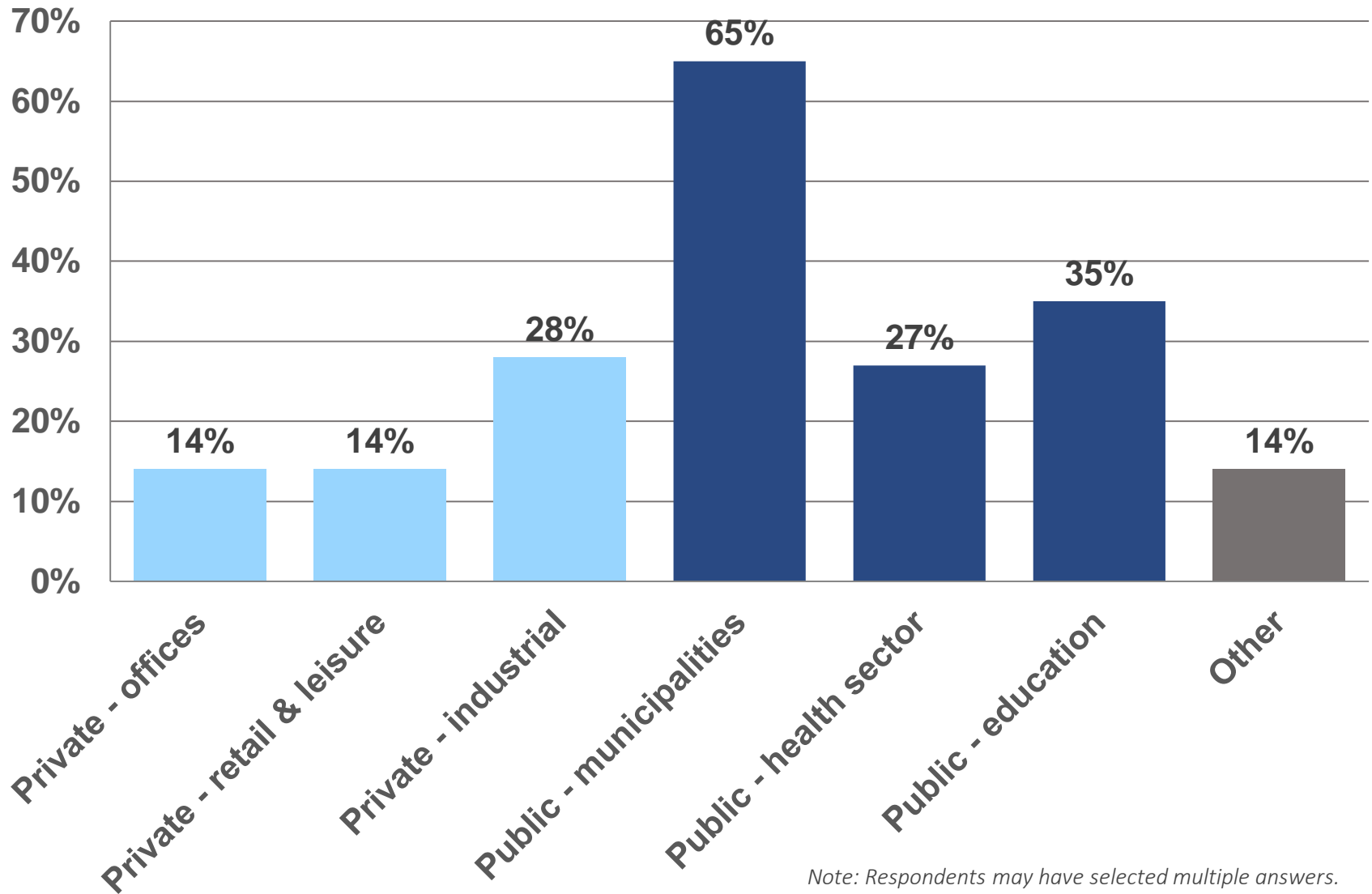
## EPC market growth in 2019 varied across the countries in the survey





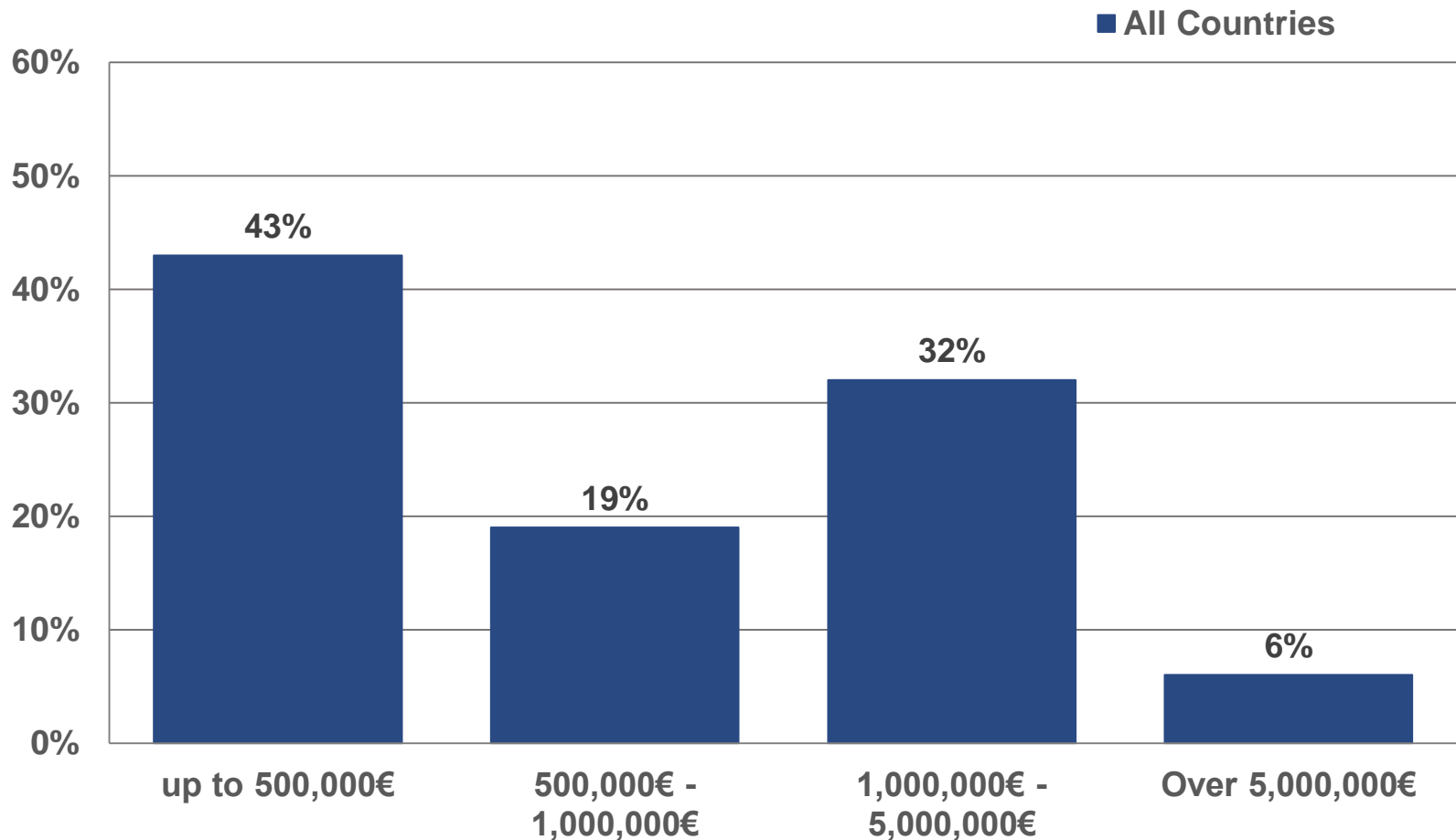


## Typical EPC clients reported by providers & facilitators in 2019



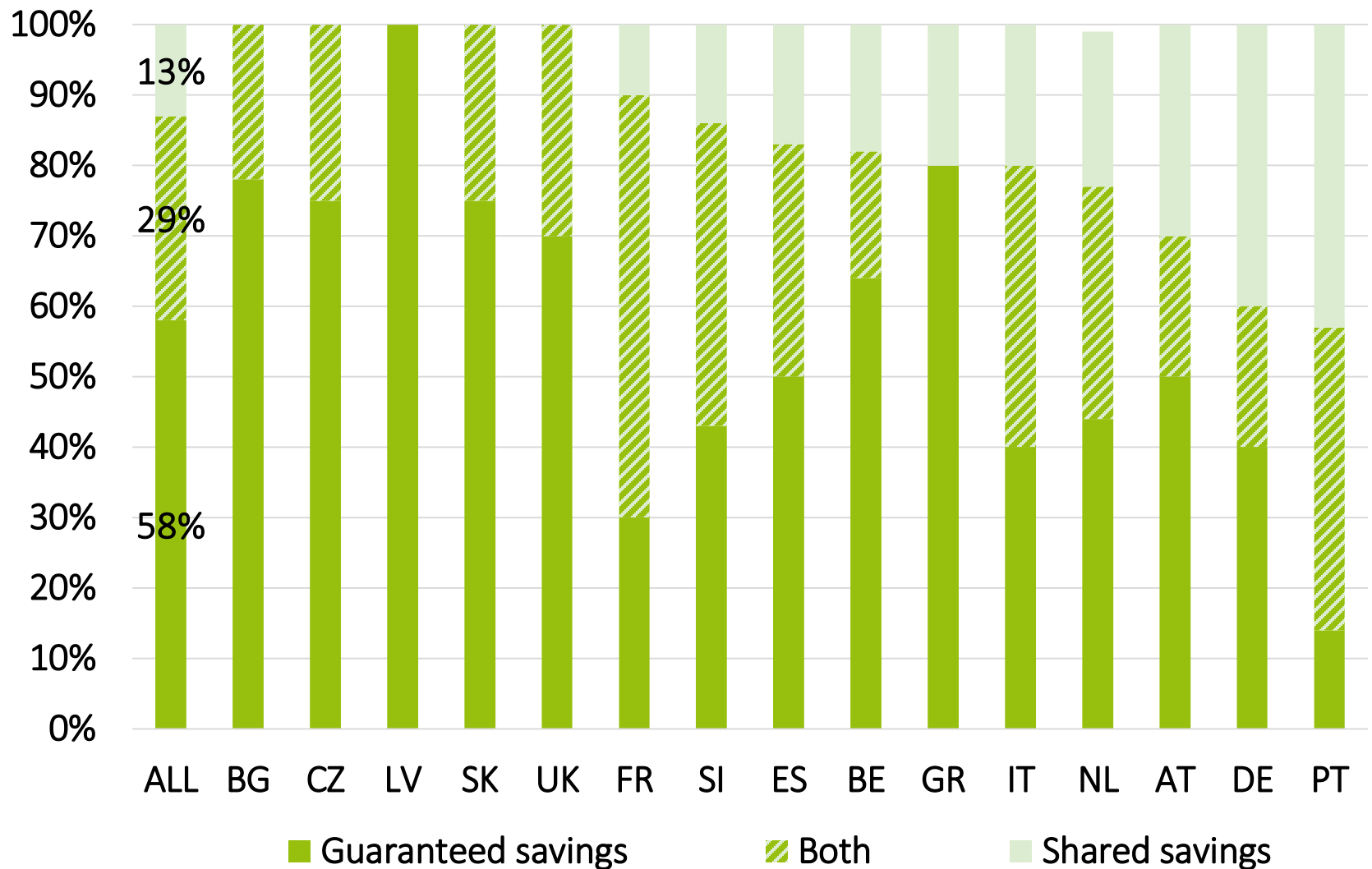


# The most common investment outlay for EPCs reported by providers & facilitators in 2019



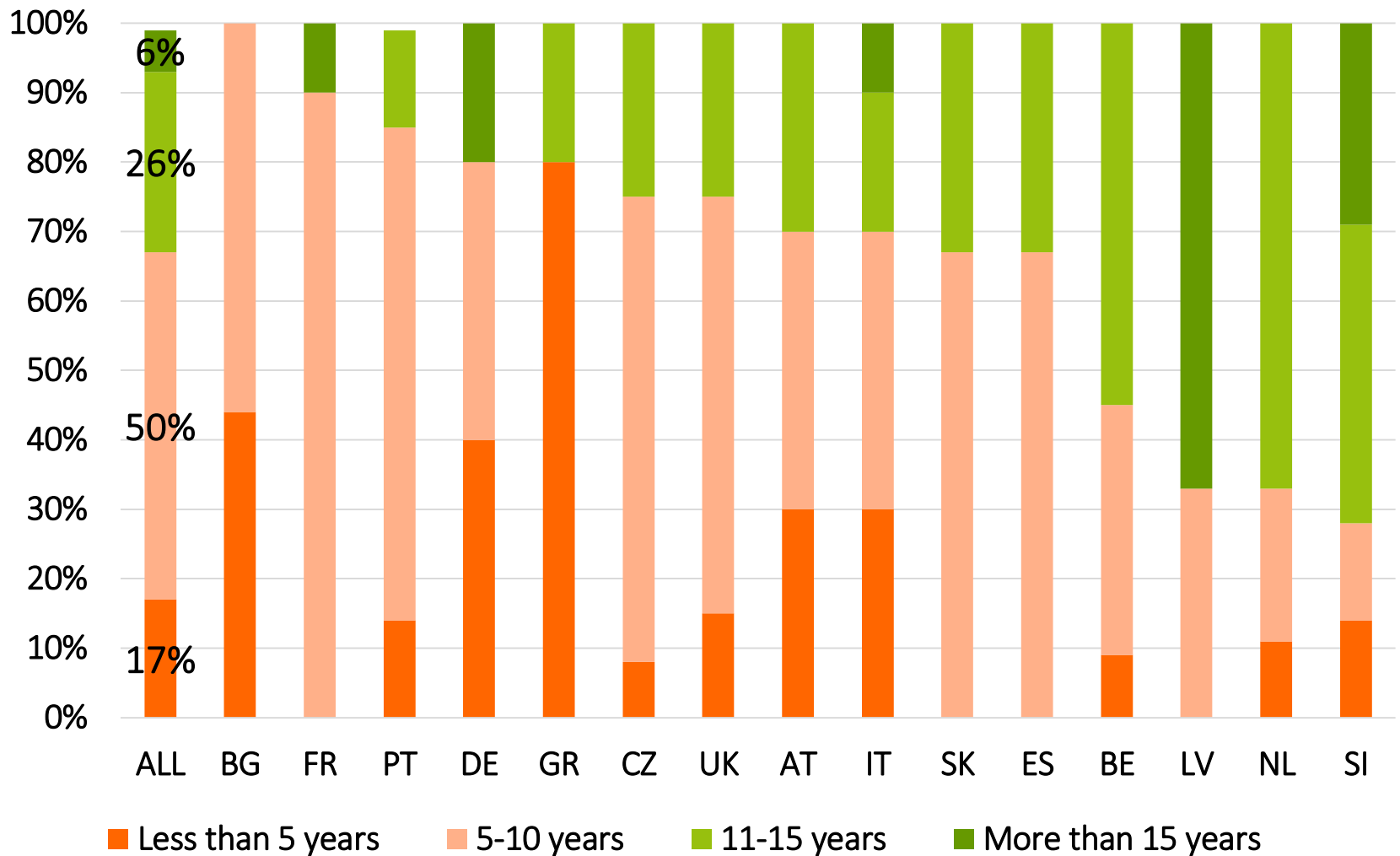


## Guaranteed savings model used by 87% providers & facilitators in 2019





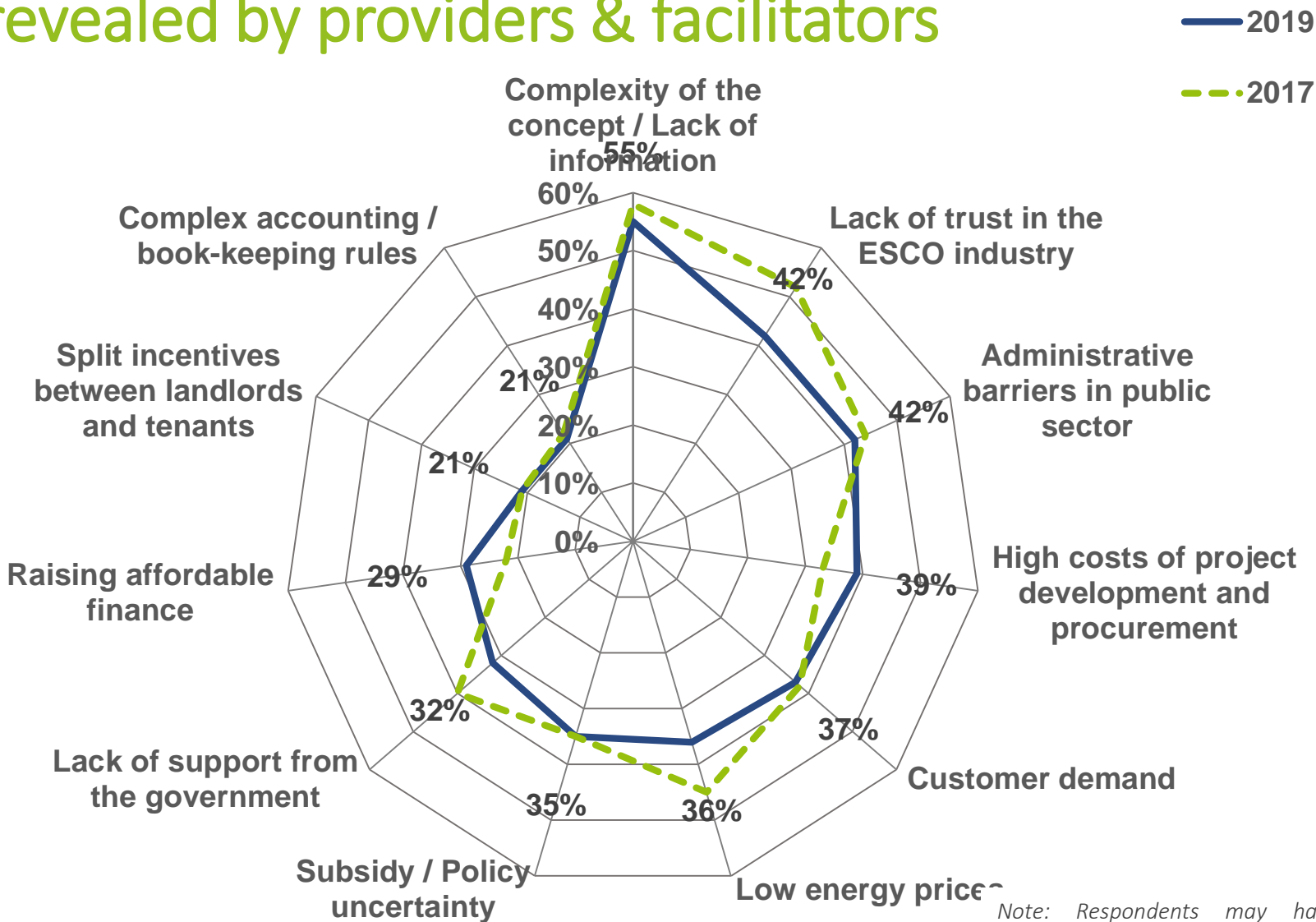
## Typical duration of EPC contract 5-10 years reported by half providers & facilitators in 2019



*selected multiple answers.*

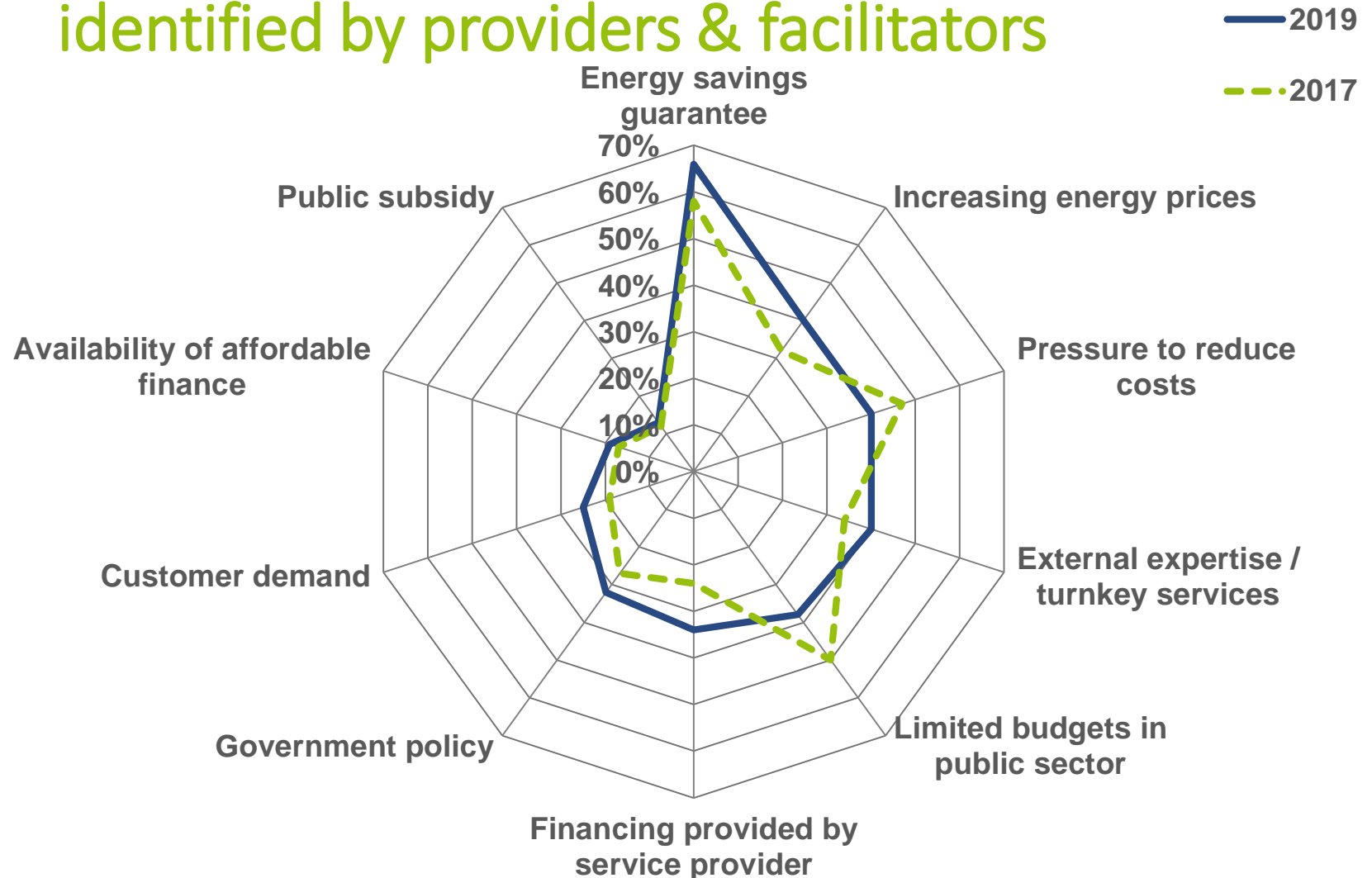


# The most significant barriers to EPC business revealed by providers & facilitators





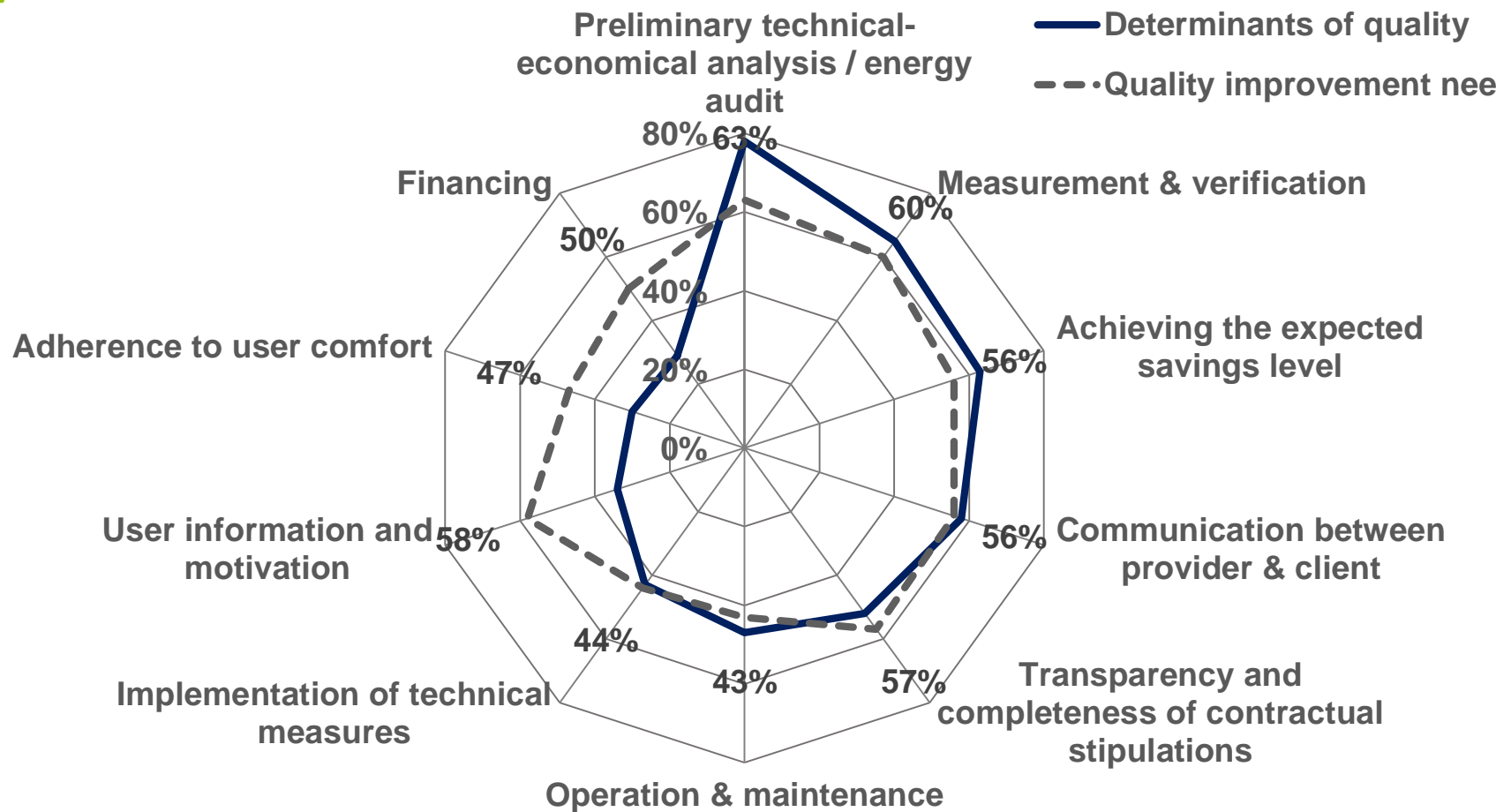
# Key drivers of EPC business identified by providers & facilitators



*Note: Respondents may have selected multiple answers.*

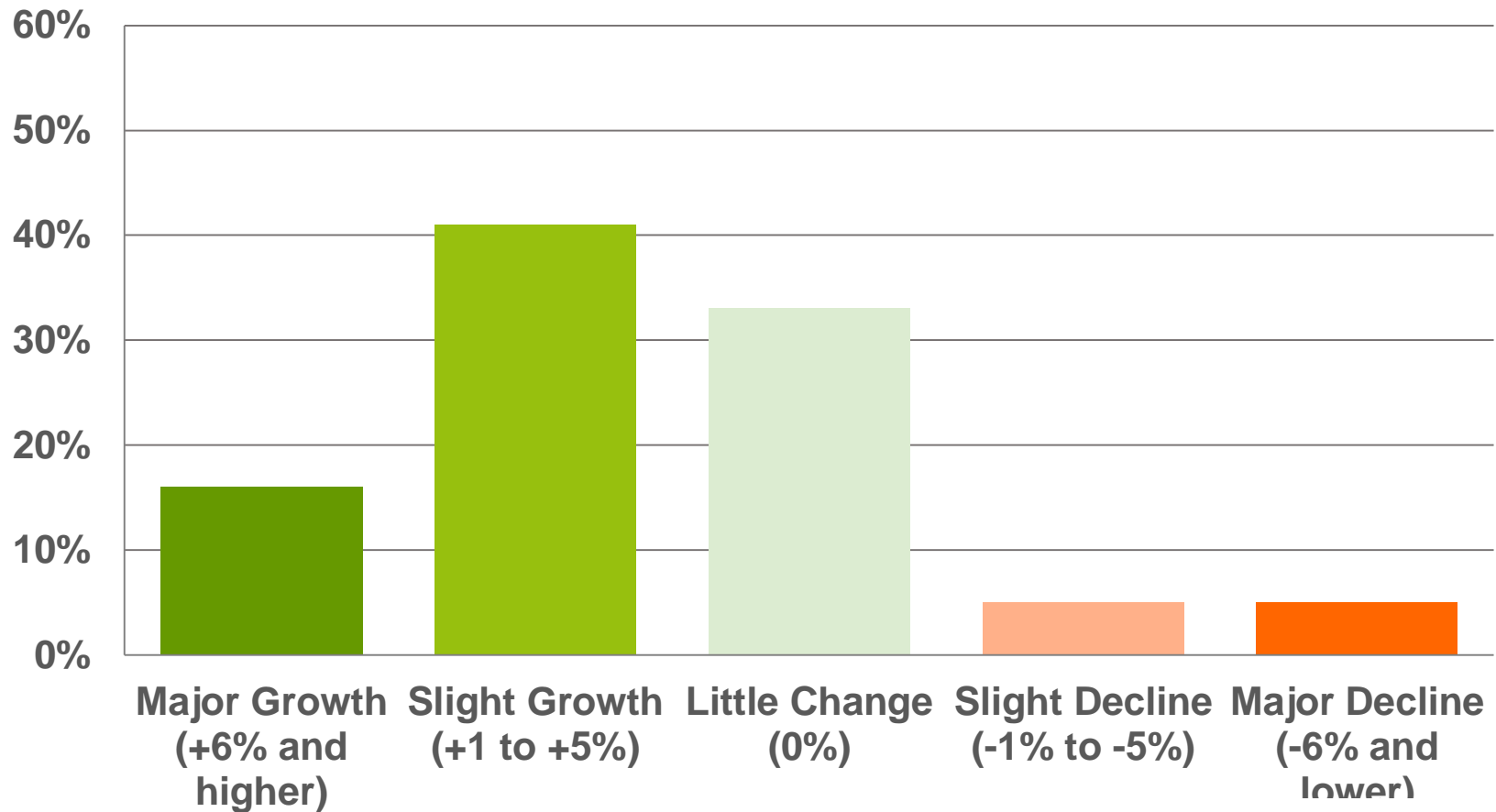


# EPC quality determinants identified by providers & facilitators in 2017





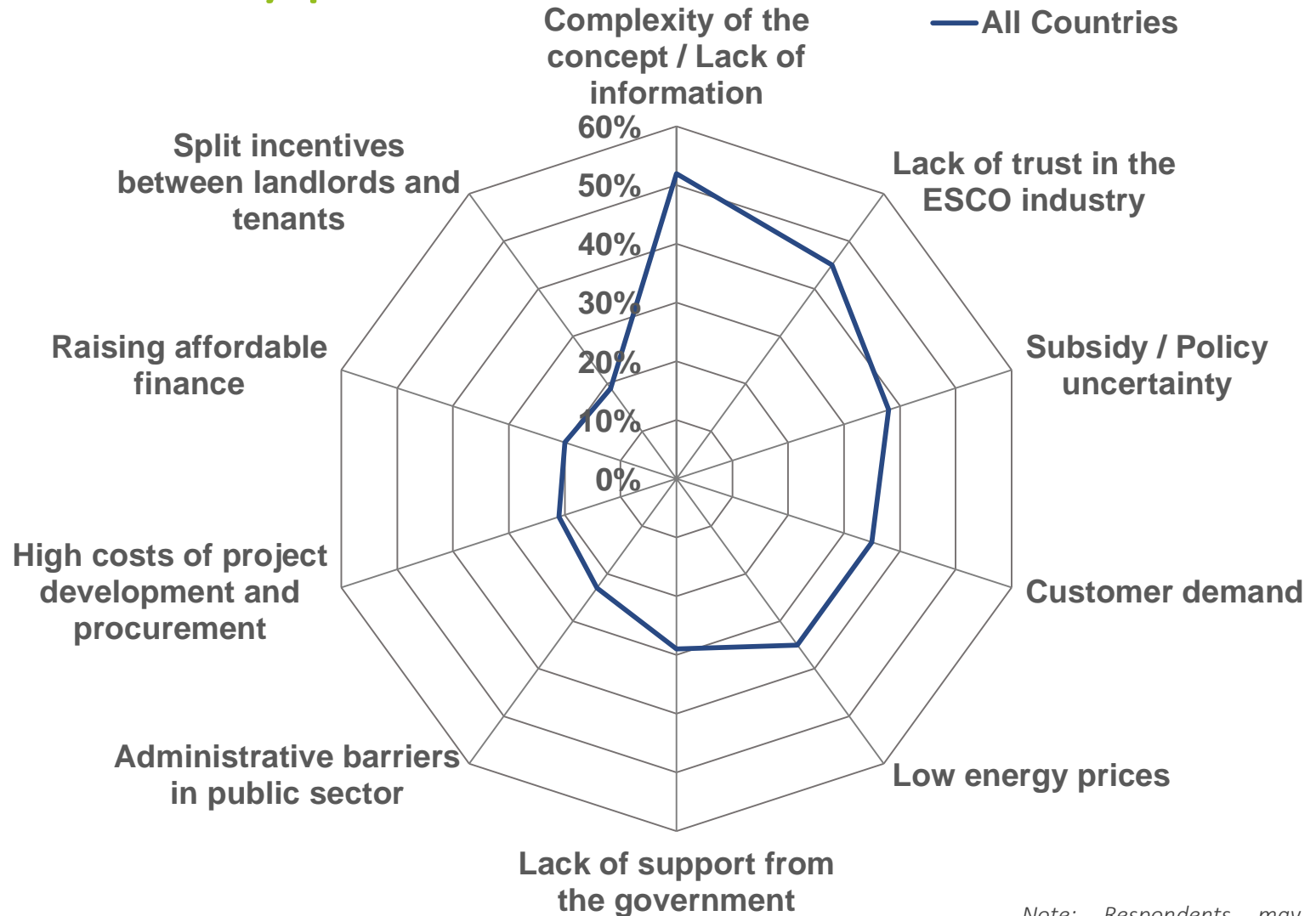
## ESC markets grew slightly in 2019 (aggregated up for all 15 countries)







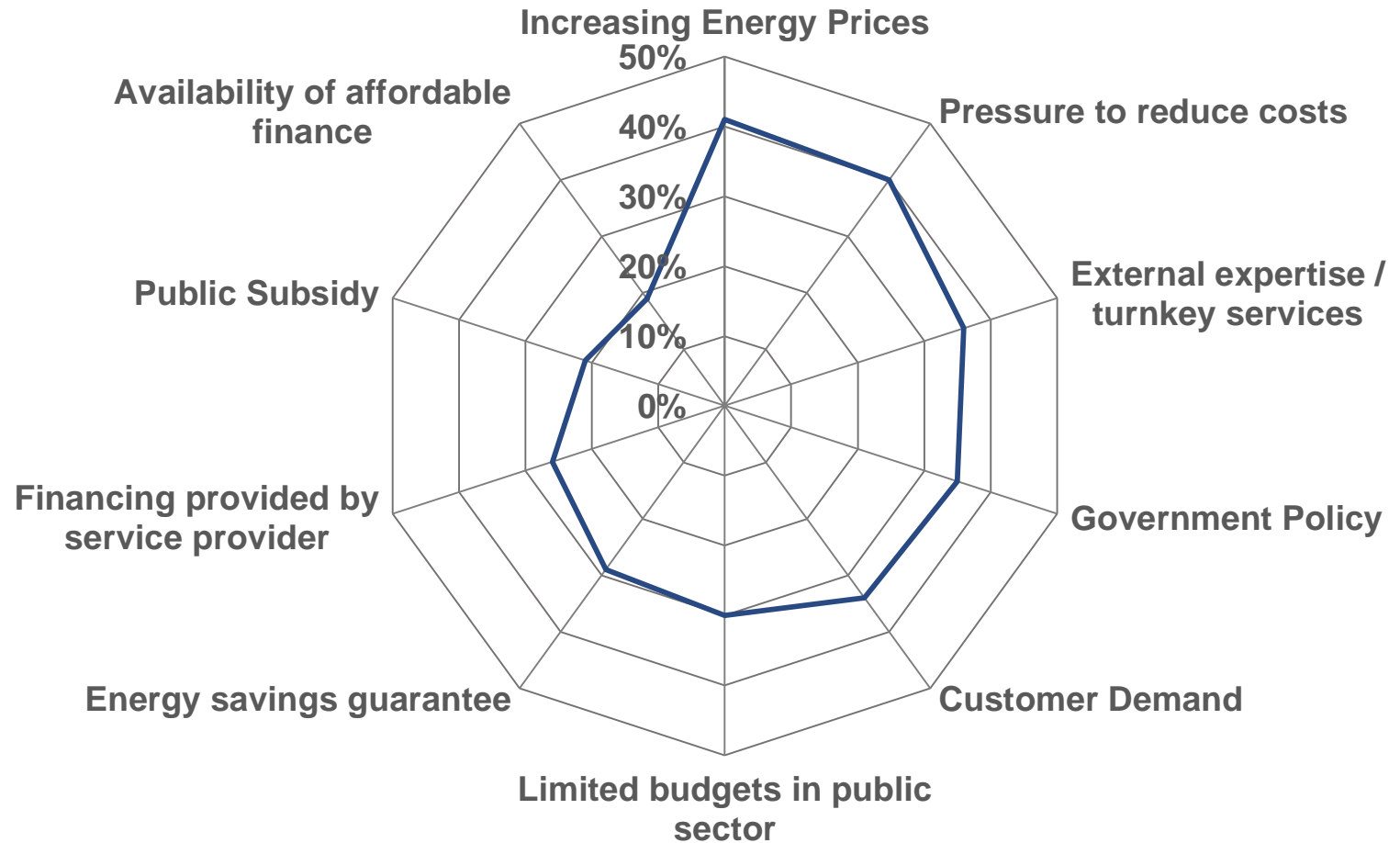
# Most important barriers to ESC business revealed by providers & facilitators in 2019



*Note: Respondents may have selected multiple answers.*

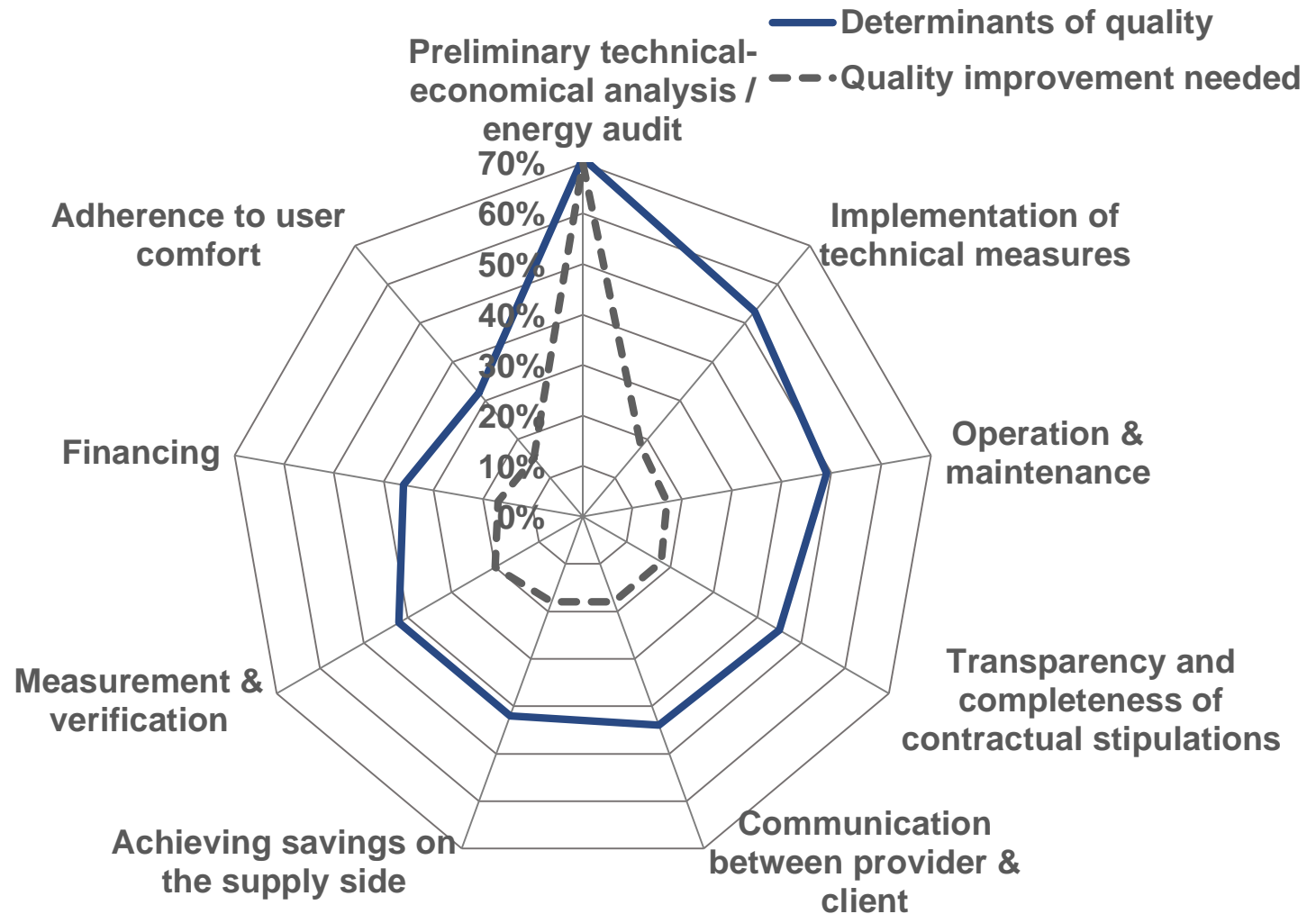


# Key drivers of ESC business reported by providers & facilitators in 2019



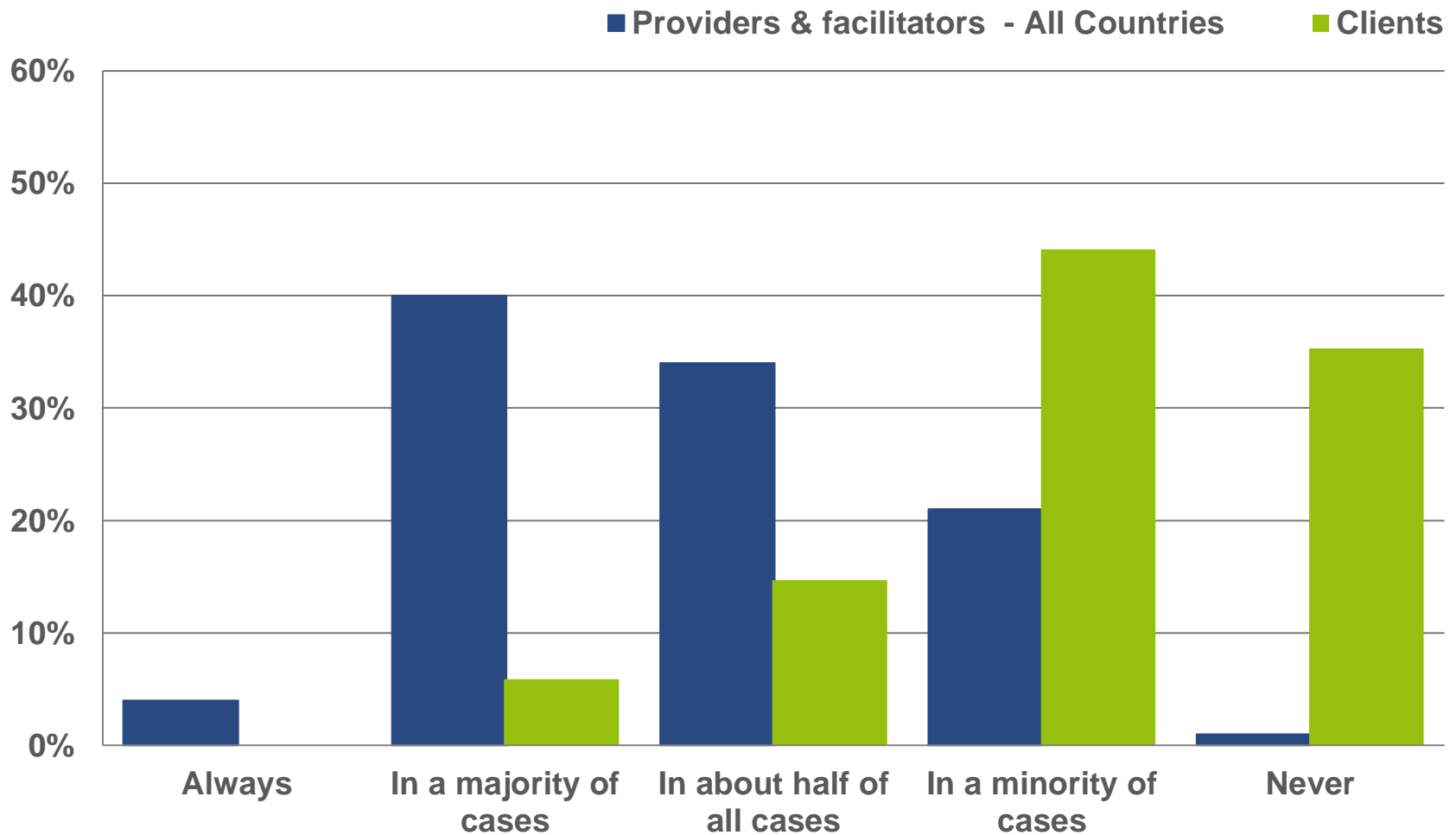


# ESC quality determinants identified by providers & facilitators in 2017



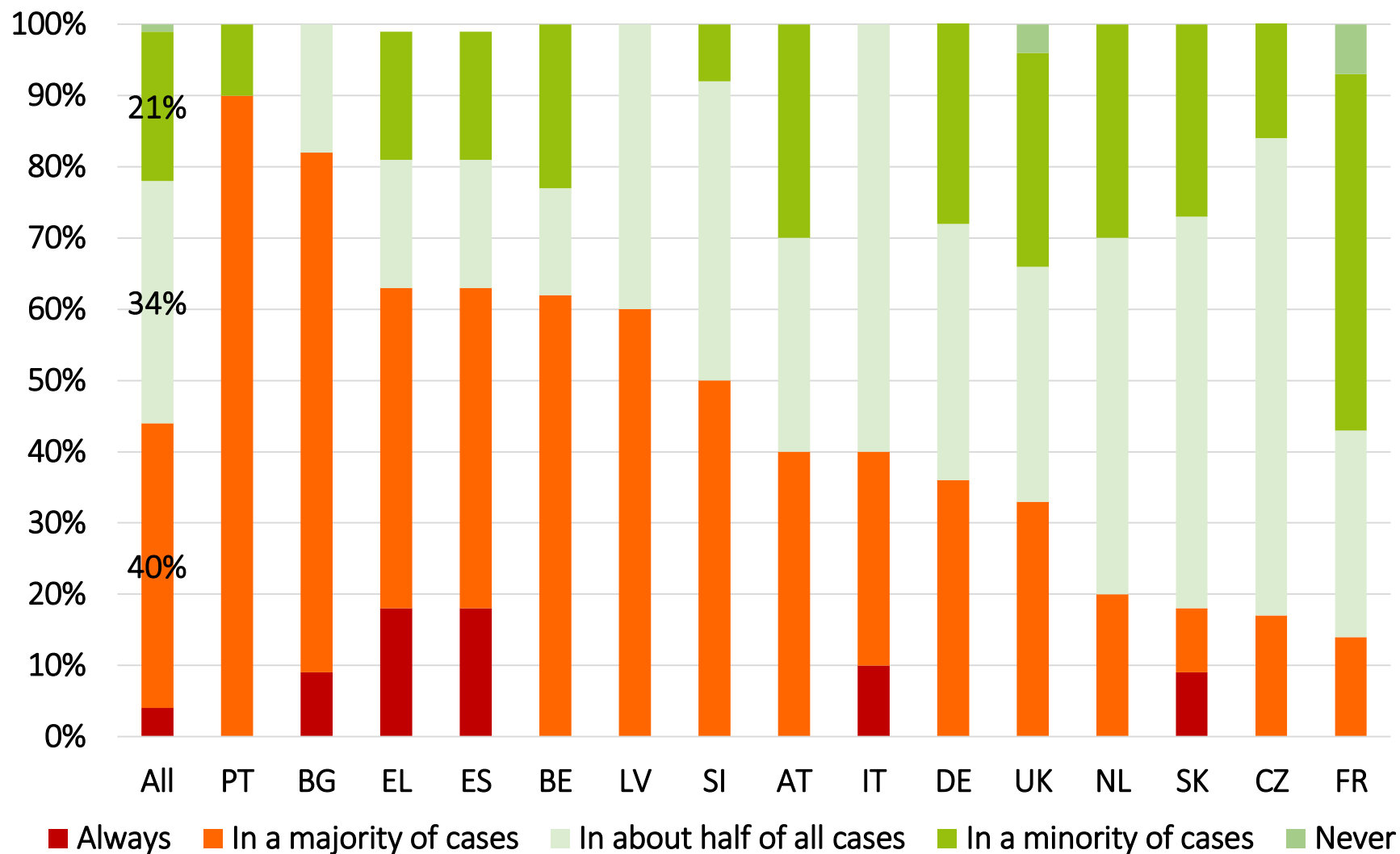


## Lack of trust in EPC/ESC providers reported in 2017





## Lack of trust in EPC/ESC providers reported by providers & facilitators in 2017





# QualitEE project to increase trust and quality

## ✓ Developing quality assurance schemes for EES

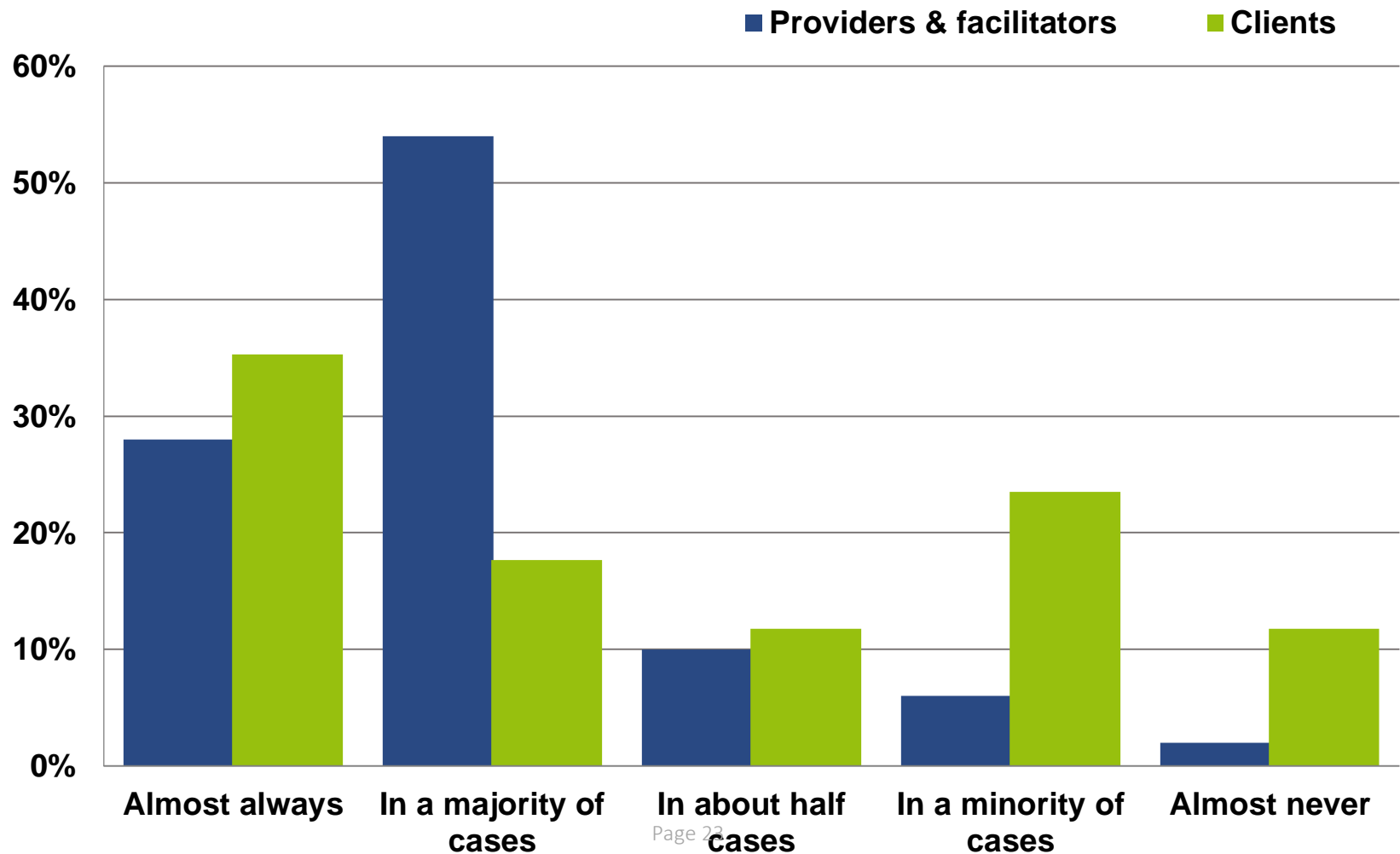
- to overcome some of top market barriers- esp. the lack of trust in service providers
- provide a tool for the clients to distinguish good quality projects
- set quality benchmarks for a good quality project for both existing and new providers

## ✓ Developing a standardised set of “Quality Criteria” for EES

- technical and financial guidelines
- tool to assess different EES offerings
- criteria can be incorporated in service contracts by clients
- each technical quality criterion contains a set of assessment criteria

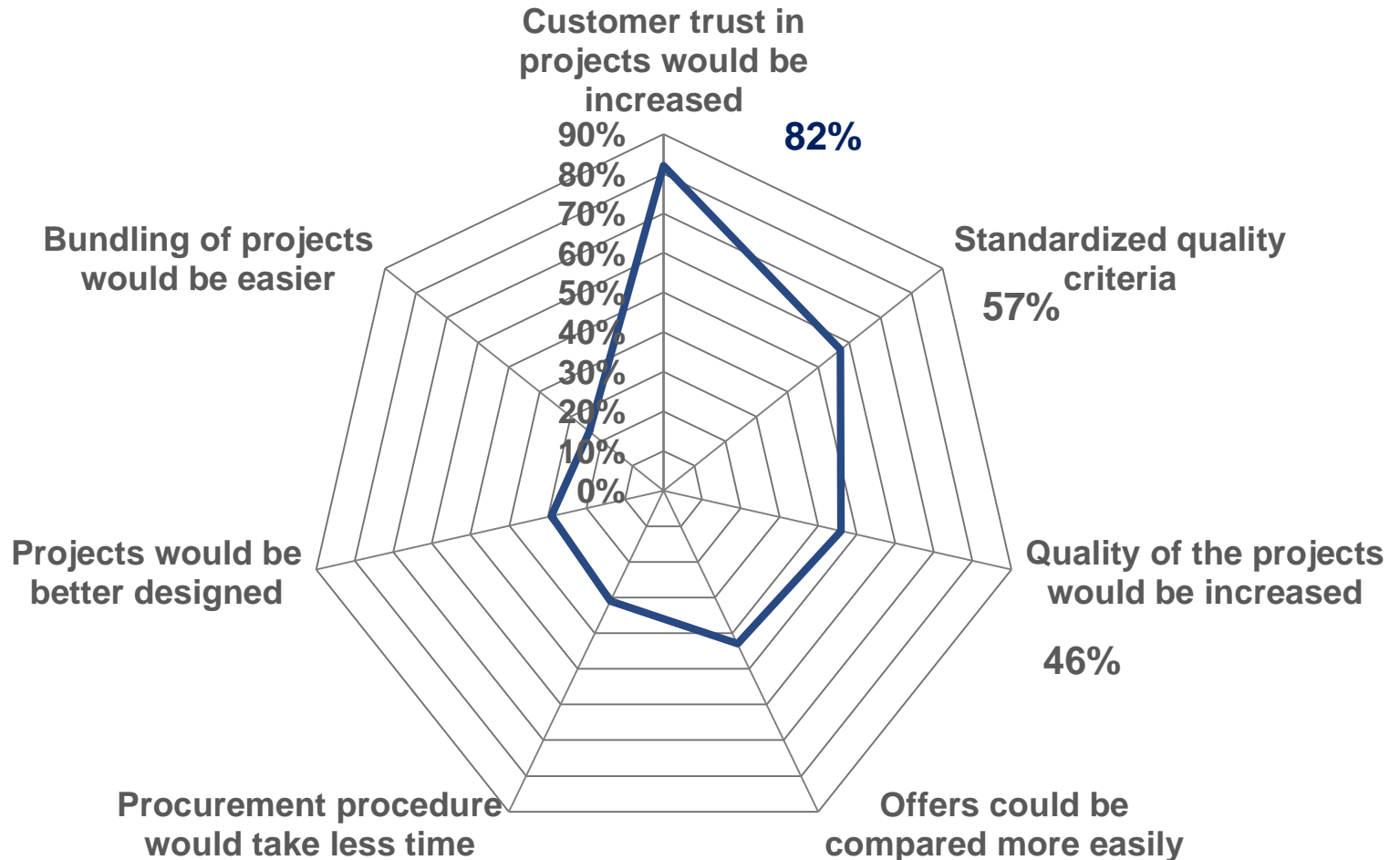


# Procurement specifications influence quality of service received (2017)





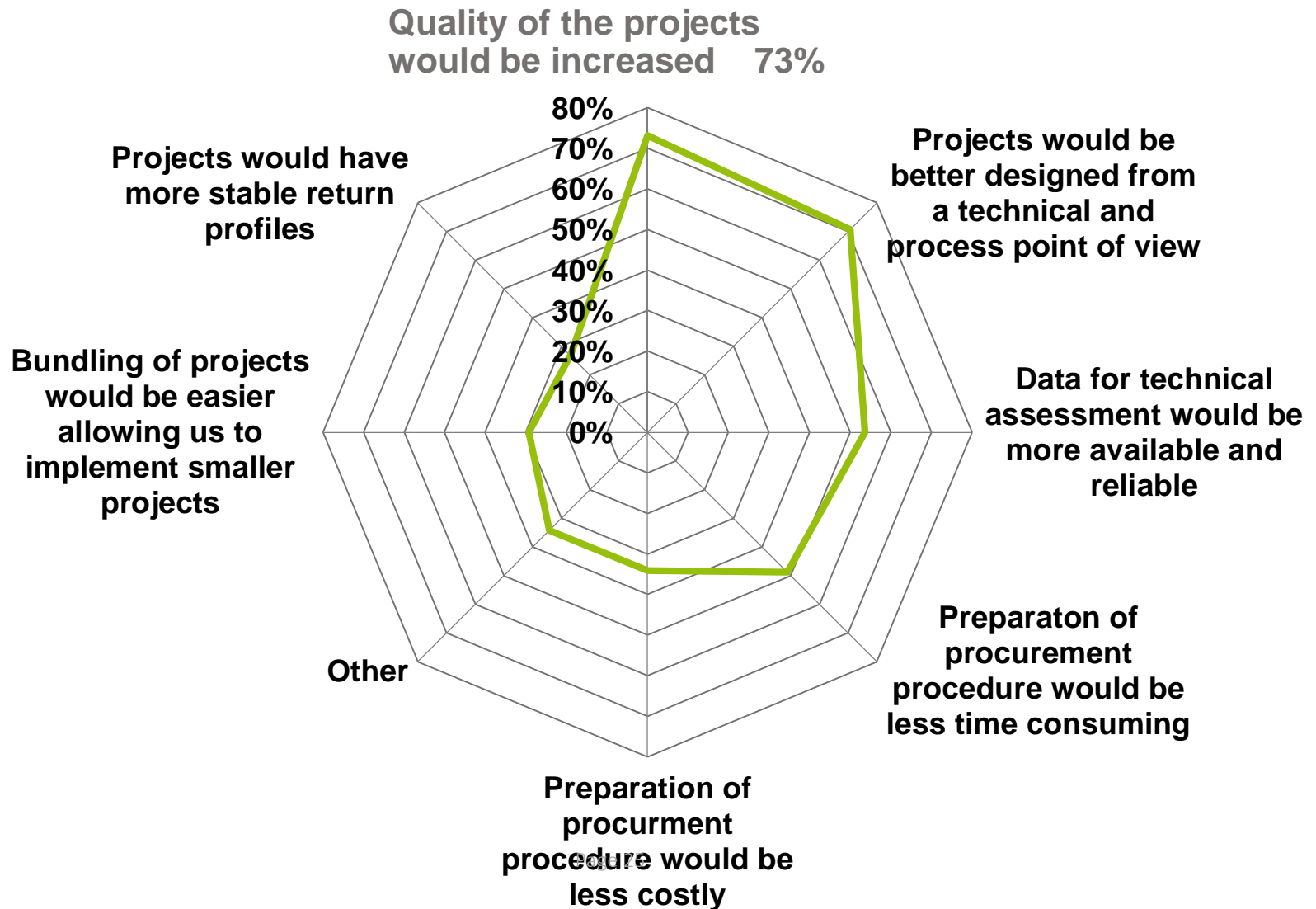
# Added value of quality assurance scheme expected by providers & facilitators (2017)





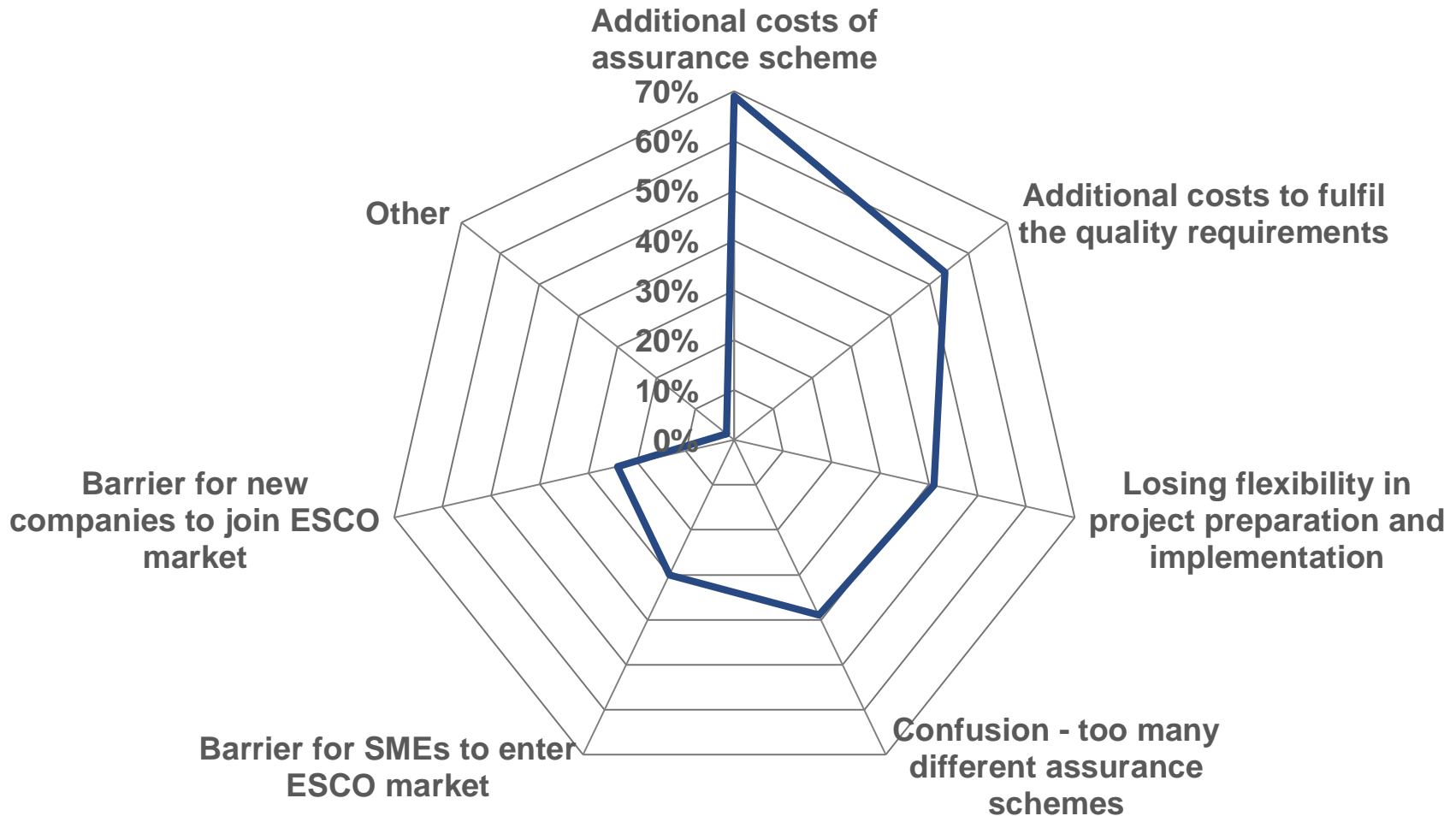


# Added value of quality assurance scheme expected by clients in 2017



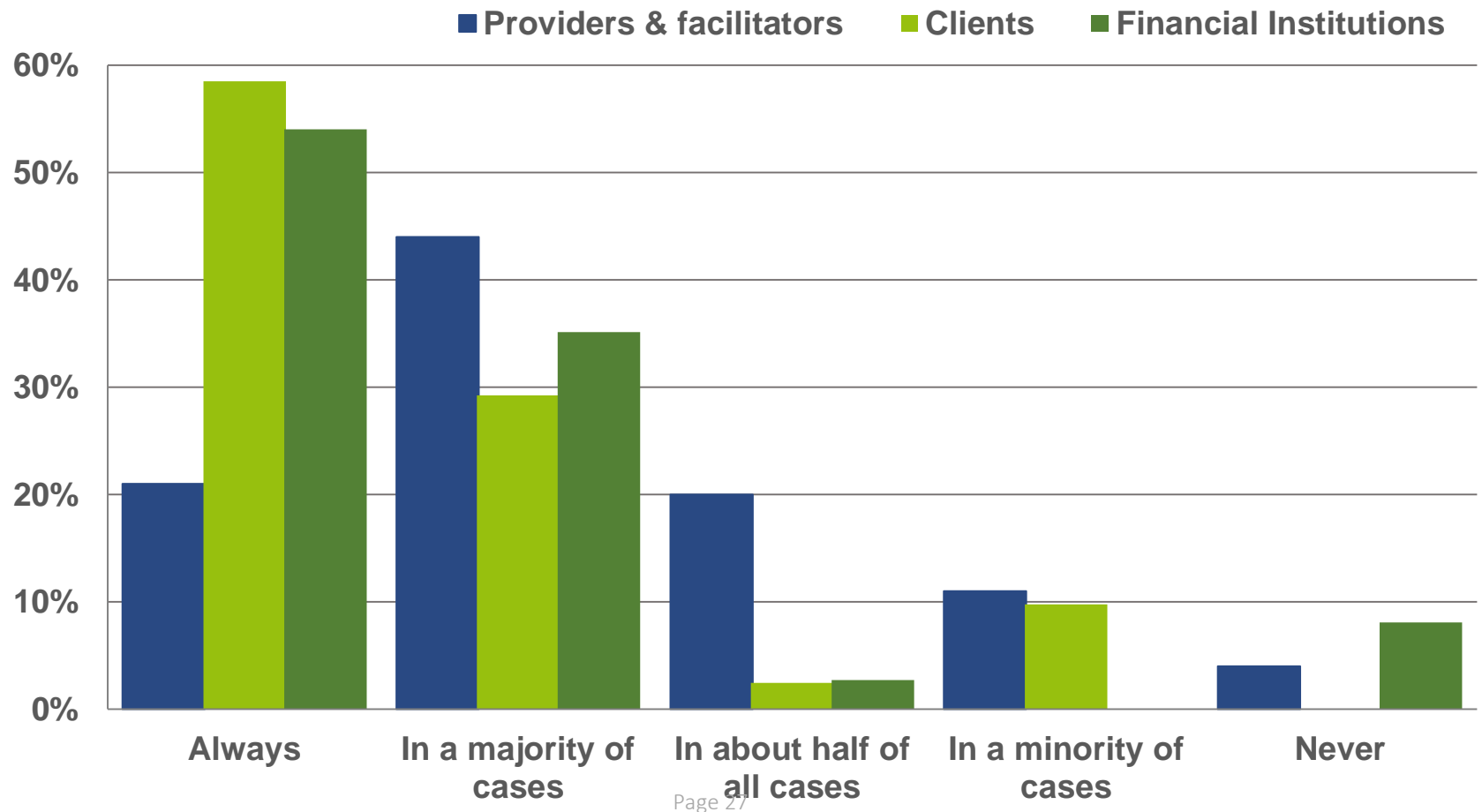


# Drawbacks / barriers of quality assurance scheme identified by providers & facilitators in 2017



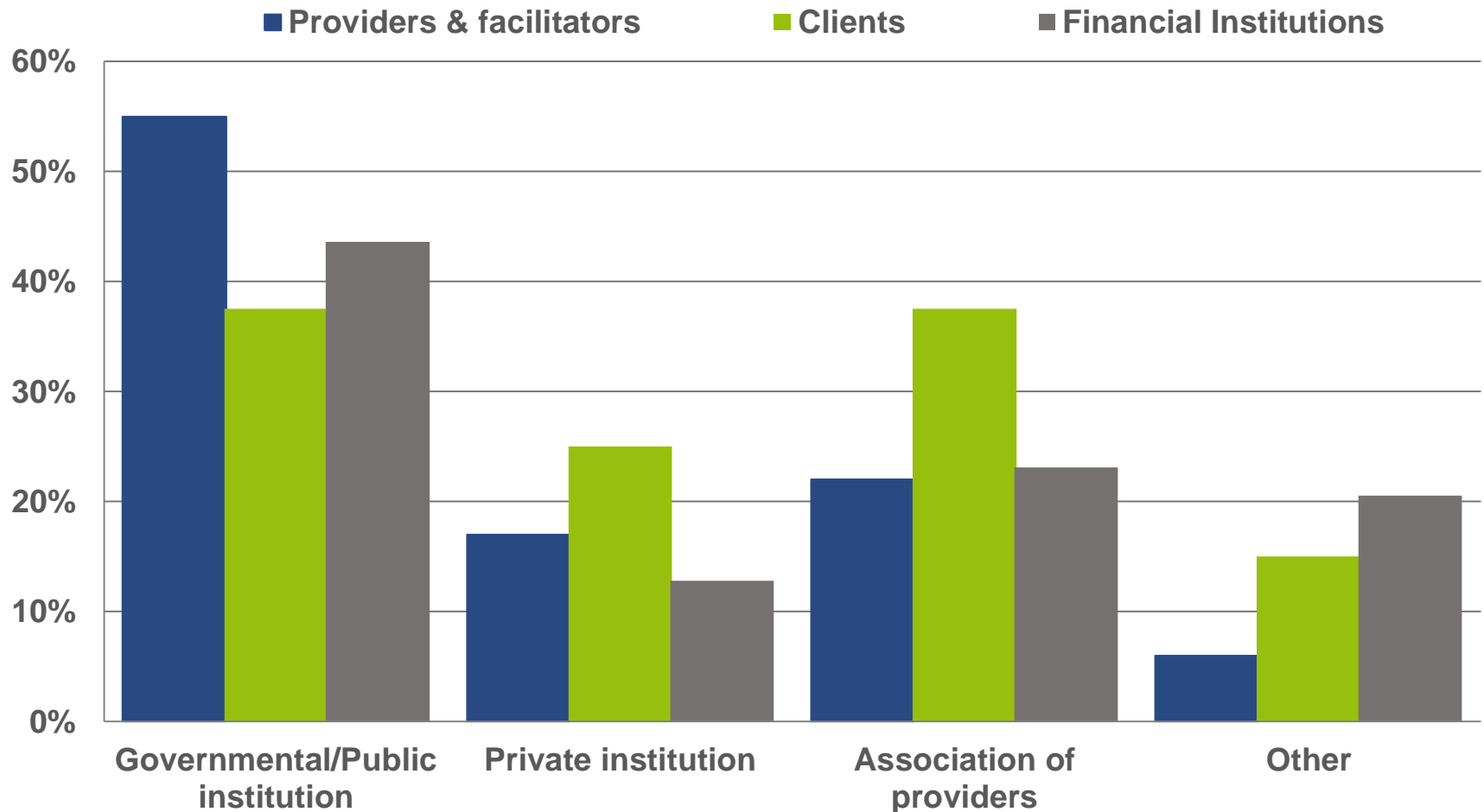


# Respondents prefer implementing a project, which is subject to quality assurance over a project without quality (2017)



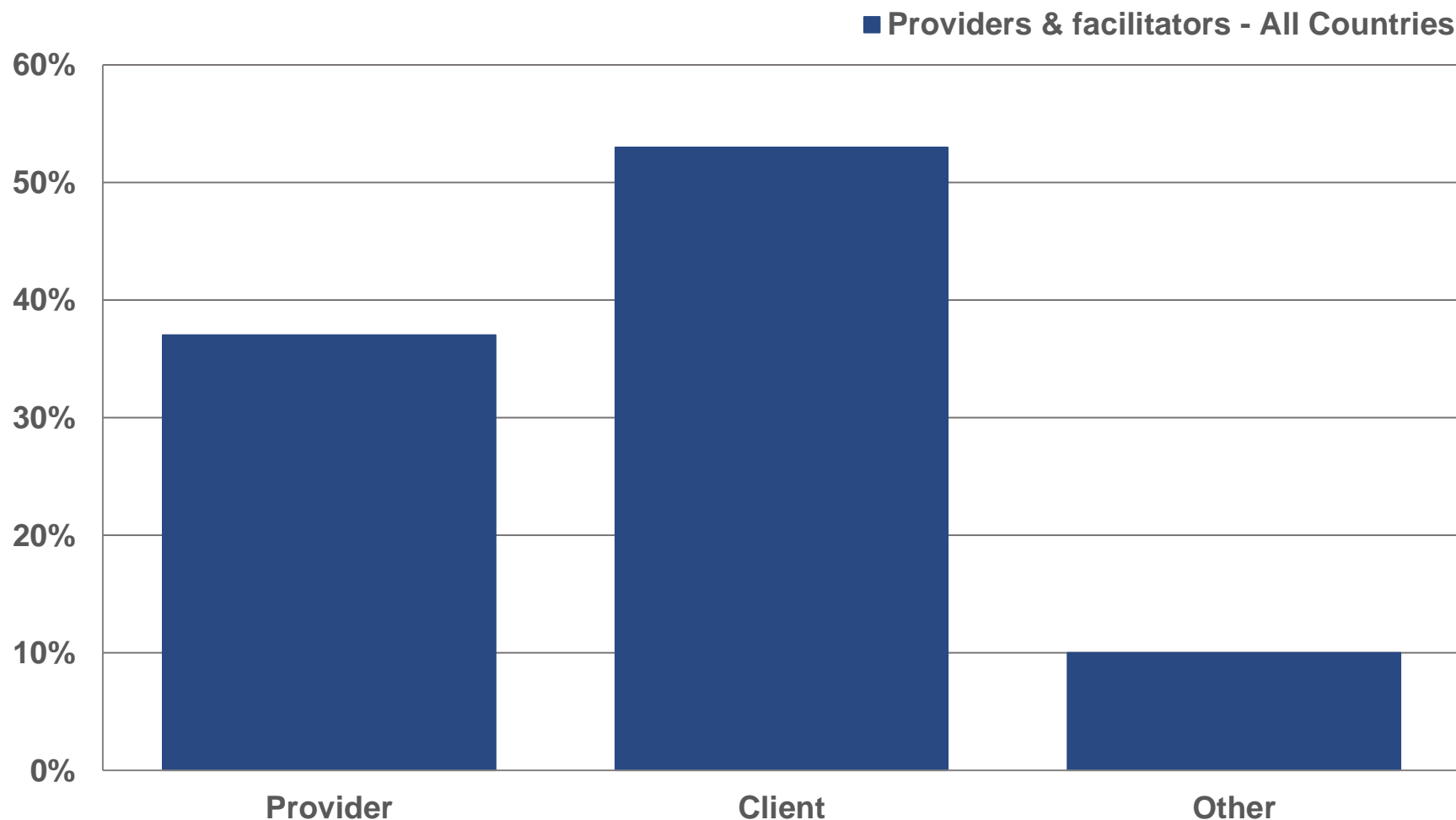


# Governmental/public institutions are most respected body to issue a label/certificate (2017)



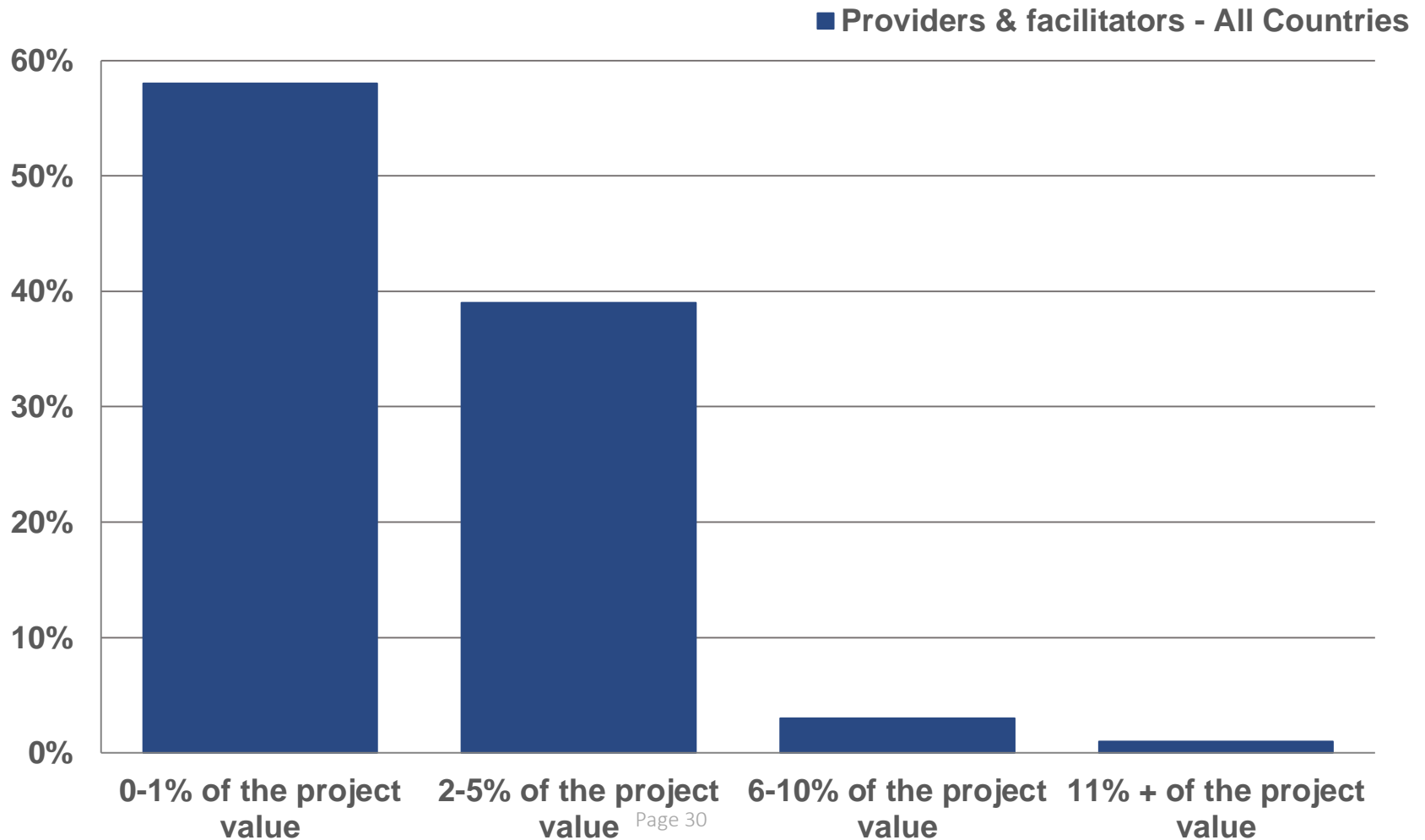


## Providers & facilitators prefer clients to pay for the quality assurance (2017)





# Viable fee for quality assurance should be up to 1% of the project value (2017)





## Results on quality assurance system

- ✓ Most important EES quality determinants to be addressed: preliminary technical-economical analysis / energy audit, followed by achieving savings, M&V, communication
- ✓ need for quality improvements reported in all areas
- ✓ QA system expected to bring increase in trust and quality, while lack of trust highly reported
- ✓ providers who obtain quality assurance gain a competitive advantage on the market
- ✓ Costs of QA system
  - reported as main drawback – should be up to 1% of project value
  - providers & facilitators prefer the clients to pay
- ✓ Governmental / public institutions are most respected bodies to issue the quality label or certificate



## Conclusions

- ✔ Higher quality of EES will lead to higher demand for EES and thus increase in energy efficiency investments
- ✔ Towards the EU goal to be climate-neutral by 2050 – an economy with net-zero greenhouse gas emissions
- ✔ High-quality energy efficiency services meet the requirements of the government's economic recovery packages that are currently being implemented, or at least prepared, across the EU:
  - Economic stimulus
  - Lower unemployment as the service is labour intensive and cannot be relocated to other countries
- ✔ *IEA (2020): Energy efficiency and economic stimulus:* building renovations are a key measure of a strategy that is both sustainable and meaningful, while leading to greater competitiveness





Thank you

**SEVEEn – The Energy Efficiency Center**

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