

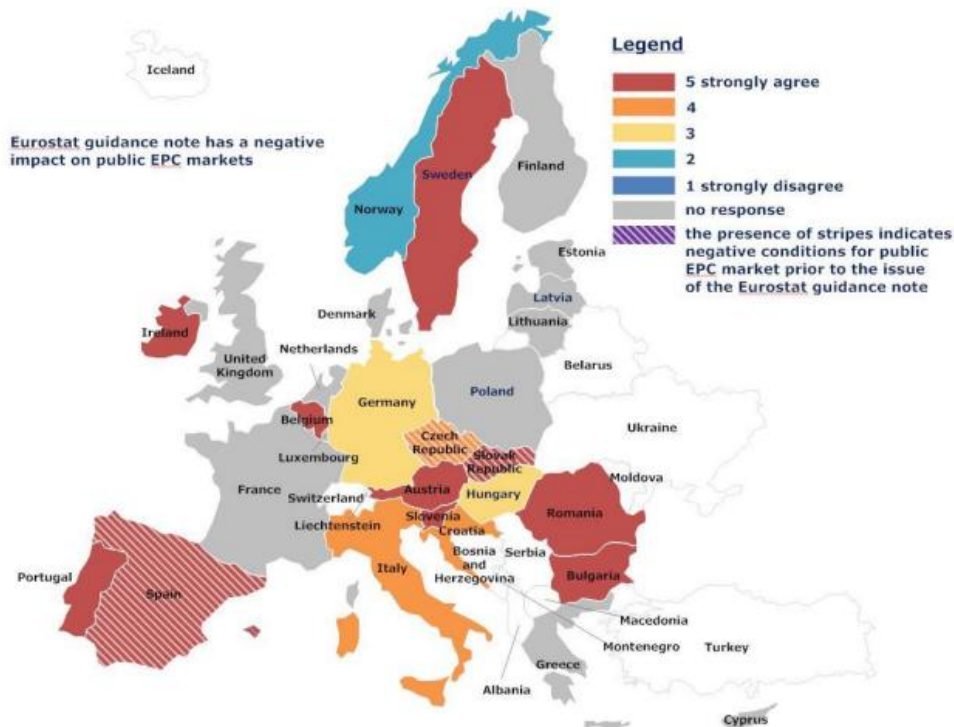


## EFIEES' note on Eurostat accounting rules as a barrier to Energy Performance Contracting in public sector

This note is based on the evidence gathered through an EU survey on Eurostat guidance note "The impact of Energy Performance Contracts (EPCs) on government accounts" and a specific example from Spain.

### Results of an EU survey "The impact of EPCs on government accounts"

EFIEES and EU.ESCO conducted a survey on the consequences of the Eurostat guidance note "The impact of EPC on government accounts" from the 7<sup>th</sup> of August 2015. Respondents<sup>1</sup> were asked to quantify the impact of the Eurostat guidance note on a scale from 1 to 5, from "strongly disagree" to "strongly agree":



The survey's report concluded that respondents from ten Member States: **Austria, Belgium, Bulgaria, Ireland, Portugal, Romania, Slovenia, Slovakia, Spain and Sweden strongly agreed that the Eurostat note had a negative impact on public EPC markets in their respective countries.** This provides a strong evidence that Eurostat accounting rules are a serious obstacle to the development of private investments in public sector made under EPC in several Member States. **An EU-level action is therefore needed to address this issue, in line with Article 19 of the Energy Efficiency Directive (2012/27/EU).**

<sup>1</sup> In total, 33 respondents representing 29 organisations from 15 EU Member States i.e. Austria, Belgium, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Ireland, Italy, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and one non-EU country i.e. Norway answered the questionnaire.

## Example from Spain: suspension of energy efficiency projects for public buildings

The energy efficiency programme covering more than 1000 public buildings of the central administration was approved in December 2009 by the Spanish Council of Ministers. The aim of the plan was to achieve 20% of reduction in energy consumption in 2016 in these buildings. The programme was supposed to be executed in a Public-Private Partnership (PPP) formula using Energy Performance Contracting.

Public tenders were officially launched, energy audits of all the buildings were made, and the first contract was signed in October 2010. Many other public tenders were launched between 2010 and 2011 and some of them went into final steps, but due to the change of the government after the elections the contracts were suspended.

In the beginning of 2012 Spanish Prime Minister's Economic Office stated that all the public tenders for energy efficiency in buildings belonging to the General State Administration were to be desisted due to public debt considerations.

## Expected benefits of energy efficiency improvements in public buildings in Spain - study by AMI

An economic study<sup>2</sup> by [AMI](#) (2014) presents the benefits of two scenarios: 20% and 30% of reductions in energy consumption in central public sector in Spain in terms of energy and monetary savings, reduction in CO<sub>2</sub> emissions and energy imports, GDP growth, job creation and taxes and social benefits return.

The scenario of **20% of reductions in energy consumption** in central government buildings in Spain would annually bring:

- 222,20 GWh energy savings
- 23,5 M € monetary savings
- 82,6 tones of reductions in CO<sub>2</sub> emissions
- 5,09 M € cost reductions for imported energy

The scenario of **30% reduction in energy consumption** would annually bring:

- 333,30 GWh energy savings
- 35,2 M € monetary savings
- 124 tons reductions in CO<sub>2</sub> emissions
- 7,63 M € cost reductions for imported energy

The investment required for central government public buildings' energy efficiency programme delivering 20% or 30% energy savings would amount to 26,98 € /m<sup>2</sup> (302,2 M € in total).

Such investment would lead to:

- **GDP growth: 707,4 M €<sup>3</sup>**
- **5 436 new jobs** (energy efficiency services sector combined with building's envelope-related sectors)
- **187,36 M €** coming from tax return, social charges and decreased unemployment benefits.

In case of an energy efficiency programme covering **all public buildings** (not only central government buildings), the numbers would look even more interesting, such as: 62 000 new jobs, 86,8 M € cost reductions for imported energy, 2.130 M € of fiscal and social security gains and 400 M € monetary savings.

<sup>2</sup> The study is available in Spanish at <http://www.amiasociacion.es/>

<sup>3</sup> Increased production in energy efficiency services industry: 302,1 M €, increased production of sector's suppliers: 243,4 M €, increased production in induced sectors: 161,8 M €