

# Project FinEERGo-Dom

Guaranteed financing mechanism to renovate public and private buildings in Slovakia



**FinEERGo-Dom**  
GREY PAST 2 GREEN FUTURE



This project is funded by the European Union's Horizon 2020 research and innovation programme under grant agreement No 847059.

# EnPC in Slovakia / Legal Framework

Provision of energy services with guaranteed energy savings is mainly regulated in Slovakia by the following legislation:

- Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency
- Act No. 321/2014 Coll. on energy efficiency
- Decree of the Ministry of the Economy of the Slovak Republic No. 99/2015 Coll., for the provision of energy support services and guaranteed energy services

# EnPC in Slovakia / Legal Framework (2)

Amendment to the regulatory framework on 1.2.2019:

- In line with 2018 Eurostat Guide to the Statistical Treatment of Energy Performance Contracts for public sector stakeholders, an amendment of the Energy efficiency law was approved, whereby all public sector project owners were obliged to implement only EnPC projects without impact on the public debt in terms of the unified EU methodology.
- The EPC contract template for public sector came into force.

# Private sector

- Majority of the multi-family housing stock has already been renovated using grants and various support funds, mainly European Structural and Investment Funds.
- The remaining building stock, due to various reasons, primarily complexity of projects, ownership issues or technical parameters, is more challenging and difficult to deal with under a standardised approach for introducing energy efficiency measures.
- Potential for EnPC in the niche residential buildings (for example social housing), non-residential properties as well as commercial facilities.

# Public sector

- Many public buildings require refurbishment. There have been both grants and subsidy programmes for public buildings on a centralized or regional level, through European or state/regional funding, as well as through EnPC type of contracts, but the scale has not been sizeable enough to meet the demand.
- Significant amount of investment is required for such refurbishments, including both necessity to perform deep renovation measures such as structural repair of buildings, as well as introducing energy efficiency measures, such as thermal insulation of building envelope, window changes, heating systems modernization, etc.
- Limiting factors to do such overhaul include the major investment upfront costs, state budget restrictive fiscal policy, tight municipal budgets, lack of grants and subsidies and long payback periods for this type of investments.

# Need for EnPC and certain barriers to implementation (1)

- Need to ensure both refurbishment and energy efficient measures for majority of public buildings
- Certain limitations in the regulative framework that make the combination of these two types of measures very difficult
- Restrictive requirements to cover all costs through the energy savings alone (without including the operational and maintenance savings), which leads to longer payback periods and more expensive financing
- High risk burden for the EnPC providers, particularly in ensuring achieving the guaranteed savings

# Need for EnPC and certain barriers to implementation (2)

- Hesitation on the side of financial institutions given challenges to design viable bankable projects (longer payback periods, increased risks to achieve guaranteed savings, necessity to do major refurbishment works of sizeable investment amount)
- Procurement complexities in the event the energy efficiency measures are financed through guaranteed energy savings and the non-energy efficiency measures (buildings refurbishments and upgrades) are financed through certain project owner's funding or potentially grant scheme.

# FinEERgo-Dom / Stakeholder Engagement

Stakeholder engagement with key groups of stakeholders:

- Policy makers
- Municipalities and governmental institutions
- Building owners / Housing associations / Heat suppliers
- ESCOs
- Financial institutions



# FinEErgoDom / Pilot projects

- Various types of buildings identified, assessed, evaluated
- Energy audits reviewed
- Potential energy efficiency measures with project owners discussed
- Numerous challenges observed along the way: capital intensity of required refurbishments in order to make the energy efficiency measures reasonably viable, lack of grants/subsidies to cover such overhaul/deep renovation works, increased material and construction costs leading to EnPC providers re-evaluation business plans and adjusting calculations, high level of uncertainty for banks and thus lack of serious interest to fully engage

# FinEErgoDom / Selected Outcomes

- Sunshine platform introduction on the Slovak market, EnPC project documentation adjusted to Slovak legislation (energy saving contracts, forfeiting contracts and guidelines)
- High level of stakeholder engagement, positive response and interest from the stakeholders:
  - Raised awareness through various meetings and discussions in different formats
  - Agreement on the need and benefits of EnPC contracting
  - Willingness to find workable solutions for EnPC implementation
  - Readiness to further work to adjust current shortcomings in the regulatory environment
- A pipeline of identified potential projects

# Partners



**STAGE**



AUSTRIAN ENERGY AGENCY

**Mattig Management Partners**



**FinEERGo-Dom**  
GREY PAST 2 GREEN FUTURE



# Thank you

for helping the environment with us



**FinEERGo-Dom**

GREY PAST 2 GREEN FUTURE

[www.fineergodom.eu](http://www.fineergodom.eu)



**FinEERGo-Dom**

GREY PAST 2 GREEN FUTURE

