



D4.8 Country Report on Uptake of the European Code of Conduct for the Energy Performance Contracting

United Kingdom



Co-funded by the Intelligent Energy Europe
Programme of the European Union



Transparensense project

This document has been conducted within the framework of the project “Transparensense – Increasing Transparency of Energy Service Markets” supported by the EU program “Intelligent Energy Europe”.

www.transparensense.eu

Date

June 2015

Place of publication

London, UK

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Contents

LIST OF TABLES.....	2
1 CODE NATIONAL UPTAKE STRATEGY AND PROCESS [2-3 PAGES]	3
1.1 Uptake strategy.....	3
1.2 Uptake barriers.....	4
1.3 Implementation process reflecting the uptake barriers	5
1.4 Uptake strategy sustainability	5
2 UPTAKE STATUS QUO AT THE END OF THE PROJECT [1 PAGE].....	7
2.1 National administrator	7
2.2 Procedures established	7
2.3 Code implementation in practice	7
2.4 List of Code signatories.....	7
3 UPTAKE STRATEGY RECOMMENDATIONS	8
REFERENCES	9
DEFINITIONS AND GLOSSARY	10

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



List of Tables

Table 1. Summary of uptake barriers

Table 2. Overview of actions to overcome the barriers

1 Code National Uptake Strategy and Process [2-3 pages]

1.1 Uptake strategy

In the United Kingdom four main strategies are being employed to generate awareness and new signatories for the Code of Conduct:

1. Direct contact with EPC providers

As an initial strategy EEVS have contacted the major EPC providers in the UK directly, highlighting the benefits of the Code of Conduct and encouraging them to become signatories.

2. ESCO Associations

The main associations for energy service providers, the Energy Managers Association (EMA) and the Energy Services & Technology Association (ESTA) were targeted to become signatories, with the aim that the members would follow their lead.

3. EPC Procurement Frameworks

The UK has three major Energy Performance Contracting procurement Frameworks; The Carbon & Energy Fund (CEF), Essentia and RE:FIT. Each of these have a panel of pre – tendered EPC providers. Organisations using the Framework use provided procurement and contractual templates, selecting an EPC provider from the panel through a mini competition process. By engaging the Framework providers to sign the Code of Conduct, they are in a strong position to invite their Panel of EPC providers to sign the Code.

4. Dissemination

Press Releases - Joint press releases are completed with new signatories of the Code of Conduct, which has the dual benefits of raising awareness and providing a positive marketing opportunity. As of the writing of this report there have been two such press releases for British Gas (1) and ESTA (2).

Presentations – Signatories of the Code of Conduct are encouraged to include a slide on Transparensense / Code of Conduct in public and customer presentations.

Workshops – for EPC providers and their clients. These explain the principles of the Code and how they can be implemented in a best practice project.

National Steering Committees – for signatories of the Code of Conduct. These allow an opportunity to provide feedback on the uptake of the Code, to share best practice strategies and collect recommendations for improvements to the Code.

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



1.2 Uptake barriers

Table 1. Summary of uptake barriers

Barrier	Description
1. Firstmover reluctance	Two EPC providers declined signing the Code of Conduct until others had signed
2. Not legally binding	A number of consumer-based organisations questioned the effectiveness of the Code of Conduct as it was not legally binding, and therefore provided no recourse if an EPC provider was found not to be honouring the principles and values.
3. Sustainability queries	Before EEVS had been able to secure a National Administrator for the Code of Conduct one EPC provider queried the sustainability strategy after the end of the Transparensense project.
4. Not enough detail	A number of organisations queried whether the Code of Conduct had enough detail for an advanced market such as the UK.

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



1.3 Implementation process reflecting the uptake barriers

Table 2. Overview of actions to overcome the barriers

Action	Action associated with barrier no (see Table 1. above)	What should be done and how	Who should act	When should actions be taken	Comments
1 Generate more signatories	1	Use the uptake strategy to generate more signatories.	EEVS and the EMA	In progress	
2	2	Encourage EPC providers and clients to incorporate Code into procurement and contracts.	EEVS and the EMA	In progress	To be discussed at National Steering Committees
3	3	Secure National Administrator and report back to EPC Providers	EEVS	Completed	
4	4	Develop specific UK Code of Conduct	EMA	In progress	

1.4 Uptake strategy sustainability

The Energy Managers Association will become the National Administrators of the Code of Conduct at the end of the Transparense project. In order to sustain uptake they have agreed to host a dedicated page on their website for the Code. They will maintain a list of Signatories, will manage the application process and will liaise with EU Administrators eu.ESCO. Discussions on the Code of Conduct will form part of their regular Energy

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



Performance Contracting Board meetings, which have many of the major EPC providers in attendance.

By the end of the project EEVS aims to have engaged the three major Framework providers with the Code of Conduct, with a view to include the code in procurement and contractual templates. As the majority of EPCs in the UK use one of the Frameworks this would ensure regular uptake of the Code of Conduct in contracts.

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



2 Uptake status quo at the end of the project

2.1 National administrator

The National Administrator for the European Code of Conduct for Energy Performance Contracting in the United Kingdom is the Energy Managers Association (EMA). This will come into force at the end of the Transparense project in September 2015.

2.2 Procedures established

The major procedure established is the continuing National Steering Committee meetings that will occur as part of the EMA's Energy Performance Contracting Board meetings.

To date, one Framework provider, Essentia, has agreed to recommend inclusion of the Code of Conduct in future procurement procedures and contracts.

2.3 Code implementation in practice

It is ideal for procuring authorities to include the Code of Conduct as an appendix in Tender dossiers and agreed Energy Performance Contracts.

2.4 List of Code signatories

EPC Providers

- BAM FM
- British Gas Business
- Skanska
- Breathe Energy
- Cofely GDF Suez
- Ener-G

ESCO Associations

- Energy Managers Association (EMA)
- Energy Services and Technology Association (ESTA)

EPC Facilitators

- Carbon Management Consultants
- EEVS Insight Limited
- Essentia Trading Limited

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



3 Uptake strategy recommendations

From experience in the UK the following strategies are recommended to the EU-28

- Engage ESCO associations and procurement Frameworks in the first instance. These umbrella institutions can require EPC providers to adopt the Code of Conduct most effectively
- Similarly, focus early efforts on the market's biggest EPC providers. Other mid-sized or small providers tend to follow standards set by the main providers.
- Use Press Releases to disseminate best practice examples focussing on the benefits to generating a solid EPC partnership
- Educate EPC clients, and potential clients on the Code of Conduct. Customer demand drives adoption

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



References

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- (2) http://issuu.com/energymagazines/docs/wer_e_feb-mar_digital_smaller_issue/28?e=6762315/11773468

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



Definitions and Glossary

Term	Definition
Association of EPC Providers	associates EPC providers in European or national organisations
Client	means any natural or legal person to whom an EPC provider delivers energy service in the form of EPC
Energy Efficiency Directive (EED)	means Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency
energy efficiency improvement*	means increase in energy efficiency as a result of technological, behavioural and/or economic changes
energy efficiency*	means the ratio of output of performance, service, goods or energy, to input of energy
energy management system*	means a set of interrelated or interacting elements of a plan which sets an energy efficiency objective and a strategy to achieve that objective
EPC market facilitator (EPC Facilitator)	means a natural or legal person who acts as independent EPC market intermediary playing a role in stimulating market development on the demand and supply sides
energy performance contracting* (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
EPC project facilitator (EPC Facilitator)	means a natural or legal person who acts as independent intermediary between EPC Provider and Client, mostly consulting on behalf of the Client throughout EPC project development, procurement, service delivery and operation phase, enabling Client to outsource energy efficiency improvement service

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



energy savings*	means an amount of saved energy determined by measuring and/or estimating consumption before and after implementation of an energy efficiency improvement measure, whilst ensuring normalisation for external conditions that affect energy consumption
energy service*	the physical benefit, utility or good derived from a combination of energy with energy-efficient technology or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to result in verifiable and measurable or estimable energy efficiency improvement or primary energy savings
energy service provider*	means a natural or legal person who delivers energy services or other energy efficiency improvement measures in a final customer's facility or premises
energy*	means all forms of energy products, combustible fuels, heat, renewable energy, electricity, or any other form of energy, as defined in Article 2(d) of Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics
EPC provider	means an energy service provider who delivers energy services in the form of Energy Performance Contracting
European Code of Conduct for Energy Performance Contracting (EPC Code)	defines the basic values and principles that are considered fundamental for the successful preparation and implementation of EPC projects in European countries
European EPC Code Administrator	manages the European List of EPC Code Signatories and appoints the National EPC Code Administrators
European List of EPC Code Signatories	lists Associations of EPC Providers operating in more than one country that have successfully submitted the signing form to the European EPC Code Administrator
List of National EPC Code Administrators	lists National EPC Code Administrators

D4.8 Country Report on Documentation of the Uptake of the EU Code of Conduct for the EPC



National EPC Code Administrator	manages the process of becoming the signatory of the EPC Code and the National Lists of EPC Code Signatories
National List of the EPC Code Signatories	lists EPC Providers, Associations of EPC Providers or EPC Facilitators and other signatories who successfully submitted the signing form to the National EPC Code Administrator relevant to the country where the EPC Code signatories operate
Other Signatory	means a natural or legal person who implements EPC project (Client) or supports EPC projects or market development
savings	means energy savings and/or related financial savings; the financial savings include the costs of energy provision and can also include other operational costs, such as the costs of maintenance and workforce
signing form	serves as an application for becoming a signatory of the EPC Code
The International Performance Measurement and Verification Protocol (IPMVP)	is the widely referenced framework for "measuring" energy or water savings and is available at www.evo-world.org

Notes:

*Definitions according to the Energy Efficiency Directive