



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

Portugal



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Transparensense project

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1 Code National Uptake Strategy and Process

1.1 Uptake strategy

In Portugal, the government's action in supporting the diffusion of EPCs in the country has been very ineffective, although there has been significant progress over the last four years regarding the legal framework and regulatory factors to promote and foster the diffusion of energy services, in particular EPCs. The energy policies established by the government, especially targeting the public sector, were an important incentive for ESCO development. In particular, the target established for public buildings (30% energy efficiency improvement by 2020) and the launch of the ECO.AP framework¹, an Energy Efficiency Programme aiming the promotion of EPC implementation in the Public Sector Buildings, in 2011.

Moreover, to foster market confidence, an ESCO accreditation and certification system has filtered the companies to guarantee that only ESCOs with a stable financial situation and good technical capacity would be eligible to apply for the public tender of the ECO.AP Programme. Nonetheless this effort, one should keep in mind that the ESCO market in Portugal, by July 2015, is still in an early stage of development. It is practically non-existent in the public-sector and there are few, successful examples in the private sector. There is hope that the efforts based in the public sector will also benefit the private sector and therefore, some demonstration projects are being carried out to test the robustness and feasibility of the ECO.AP framework.

The legal framework conditions, the minimum requirements for operation, inspection and accreditation of the ESCO business and the establishment of EPCs are in place and the potential for improvements is high, but lack of funding, affordable financing, as well as lack of expertise in the public sector to launch the contracts and to supervise them and the lack of knowledge about EPC models by the bank sector to facilitate EPC financing, are among the main obstacles identified. In addition, the potential clients are reluctant to understand the announced savings and mistrust the long term contracts with EES providers. In this context and after realising there is still **lack of information among customers in Portugal**, we

¹ <http://ecoap.adene.pt/>

The main objectives of the programme are: Promote the efficient use of energy in Central Government; Promote the development of the ESCO market in Portugal, both on the public and private sector; Contribute to achieve the goals established in NEEAP to reduce energy consumption in Public Administration Sector in 30% until 2020.

Main measures:

- Existence of an Energy Manager in all Central Government Bodies;
- Development of the Barometer ECO.AP in order to evaluate the energy efficiency Central Government Sector
- Development of Energy Performance Contracts in the buildings/equipments with an higher energy consumption (or inefficiency);
- Development of energy efficiency action plans for the remaining buildings or equipment.

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have been promoting the Code of Conduct not only as a marketing tool of good practices for ESCOs (supply side), but also among the demand side, as an important tool to give confidence to the customers.

In this context, the first step for promoting the Code of Conduct in Portugal was to invite Directorate General of Energy (DGEG) and National Energy Agency and (ADENE), two governmental institutions in the area of energy, with power to influence energy legislation and regulation, to be part of the National Steering Committee and participate in the discussions around the Code of Conduct. This way, they were involved with the project since the very beginning and cooperated with ISR-UC organizing the SC meetings, workshops, trainings and also the business seminar. ISR-UC also involved the existing ESCO Association (APESEnergia) as well as the main ESCOs operating in the market, and with experience establishing EPCs, to take part of the National SC. Moreover, ISR-UC also involved banks which are keen on energy efficiency project financing, with presentations in SC meetings, in the CoC dissemination workshops and also, in the business seminar. In addition, ISR-UC tried to attract a wide range of stakeholders to attend the organized events: i.e: ESCOs, regional energy agencies, consultancy/engineering companies, utilities, banks, potential clients including municipalities, energy managers of hospitals, schools and public buildings, and also lawyer companies dealing with energy performance contracts. For strategic reasons, to encourage SC members to attend the meetings, all SC meetings took place in Lisbon, two at the DGEG headquarters and another one at the “Museu da Electricidade” (Electricity Museum), after the first CoC workshop, which was co-organised with the Second National ESCO Conference. The second CoC workshop was co-organised with the Engineers Association, in Coimbra. Therefore, by September 2014, when the final Code was launched, we identified five possible strategies for including the CoC in Portugal:

1. The CoC is the first step for the definition of a more complex and official standard at EU level for the establishment of EPCs;
2. To include the CoC in the tender specifications as an additional requirement;
3. **On voluntary basis, the ESCO adheres to the Code by signing a voluntary agreement of compromise (Voluntary Commitment);**
4. Quality Label for those companies that associate to the ESCO Association: in order to become member of the Association, this Code should be subscribed;
5. **The customers can also require the Code by introducing it as a clause in their tenders.**

Based on previous experiences and contacts, ISR-UC was convinced that the most promising strategy for Portugal was nº4, but this strategy was unsuccessful. APESE, Portuguese ESCOs

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Association, is willing to collaborate with ISR-UC in the promotion of Transparensense project but is not willing to sign the Code, because its associates had not voted in favour of the Code. They also are not willing to be the National Code Administrator. As alternative, ISR-UC decided to strongly promote the Code among potential customers and other ESCOs that are not associates of APESE. Regarding option 1 and 2, according to Governmental Institutions, it is out of question for now, unless it was an official requirement from the Commission. The CoC is being disseminated alone, as a pure translation of the English version. The only thing that was slightly changed was the name, because *Code of Conduct* has a derogatory sense when translated into Portuguese. The name in Portuguese stands as: “*Código Europeu de Boas Práticas*”. It is being disseminated as separate document additionally to the existing documents of the process of establishing EPCs.

The main key drivers for the success of CoC signatories already collected in Portugal can be listed as follows:

1. Large dissemination effort involving all **major key players** in Portugal, from ESCOS, potential clients (public and private), governmental institutions, consultants, banks, specialized press, utilities and ESCO Association, among others.

In the scope of the **dissemination of the CoC in Portugal**, the two dissemination workshops were co-organised with relevant stakeholders in order to increase the impact in terms of target audience and subjects. Besides Transparensense, other Energy Services related topics have been presented and discussed. The first CoC workshop was co-organised with the Portuguese ESCO Association and with “Edifícios e Energia” national magazine, in parallel with the second national ESCO Conference in Portugal, which was held in Lisbon, on 28 April 2014. The conference was quite successful; there were 170 participants mainly from the supply side, in particular ESCOS; energy companies, energy agencies, policy makers, utilities, energy consultants, banks, manufacturers, etc. The demand side was also present, but with few participants, mainly energy managers from municipal buildings. The second CoC workshop was organised in collaboration with the National Engineering Association, in Coimbra, on June 18, 2014. A varied audience attended the workshop. There were 55 participants including municipalities, local energy managers, municipal energy agencies, national energy agency, ESCOs, energy consultants, energy experts, lawyer office, installers and planners, among others. Besides the ESCOs, ISR-UC successfully attracted EPC customers to this event.

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1st workshop: Co-organisation of the Second Portuguese ESCO Conference with ESCO Association and Edifícios e Energia:

The establishment of EPCs have been the main focus of this conference. The conference could gather very relevant and useful information for the ESCO business in Portugal. It was also possible to help disseminate the ESCO business model, which is still unknown for many organisations. It was also possible to disseminate the Code of Conduct developed in the Transparensense project and it was possible to share experiences, change information, debate concerns and discuss about potential drivers for improving the promising ESCO business in Portugal.

2nd workshop conclusions: Co-organisation of the second CoC workshop with the Engineering Association

-EPCs are an attractive and interesting business model under certain conditions, not for all situations. In case the technology is a proved and mature technology, and since EPCs will cost more, the client usually prefers to install the technology himself. In the case the improvement/measure is a new, unknown technology, the customer is more reluctant to buy it, and an EPC may be a good solution if the savings are significant or the process will improve in such a way that the customer increases its production and can recover the investments easily, or within the payback they want.

-In the case an EPC is to be established, it is crucial that the client clearly understand what the EPC is, what are the costs involved and the costs associated to the risks involved. Because of the high transactions costs EPCs make sense for large investments (above 150k€) and for a certain limit of savings.

- The CoC was appreciated by the bank and the utility (in the sense it can give confidence to the customer, being a separate independent document additional to the contract.

- The idea of using the CoC as a marketing tool, a quality label and as an entrance ticket to the EU EPC market, was much appreciated by the audience.

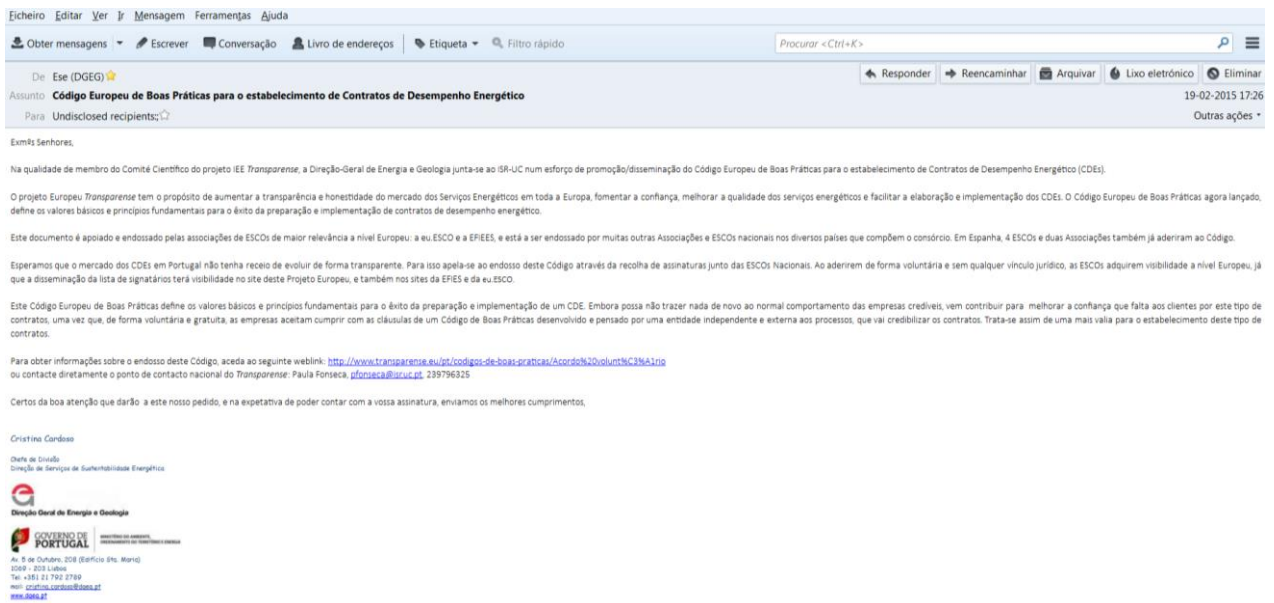
2. Direct involvement of Directorate General of Energy and Geology (DGEG) and National Energy Agency (ADENE) in the dissemination and promotion of the CoC

The collaboration of Governmental Institutions in the dissemination of the CoC was a key strategy to the successful subscription of the Code in Portugal. Following the trilateral meeting, carried out in Nov 2014, with ADENE and DGEG, it was possible to engage the ministry responsible for Energy Issues and ESCO Business in the Public Sector, in the dissemination and promotion of the CoC. The Head of Division, Directorate of Sustainable Energy Services, in her role of member of the National Steering Committee of Transparensense project, and recognizing the importance of the CoC for establishing EPC projects, sent a raising awareness letter to the ESCOs which are registered in the National Registry Database for ESCOs qualification, to inform about the “*Código Europeu de Boas Práticas*” and the procedure to sign it, and stating they support the Code. This email was sent by DGEG to the emailing list of registered ESCOs, and the impact was quite positive, regarding the number of ESCOs that signed the CoC, afterwards.

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The message in the dissemination email copied below, which was sent by DGEG to the national Certified ESCO registry database, says something like: “In its role of member of the national Steering Committee of the IEE Transparensense project, the DGEG joins ISR-UC in this effort of promoting and disseminating the CoC”.



1.2 Uptake barriers

Table 1 summarises the main barriers identified for the adoption of the Code of Conduct. Indeed, after some reluctance, the Code was well accepted by the ESCOs. ISR-UC did not succeed with National ESCO Association (APES Energia), that was initially very receptive about the CoC, but the current Board has refused to sign and also to be the Code Administrator once the project finishes. They are open to collaborate with Transparensense in the dissemination of ESCO business, but will not subscribe the CoC, while an ESCO Association. The main reason pointed out is that “at the time and maturity of the Portuguese EPC market, there is no need to insert another more entropy to the market by inserting a Code of Conduct that nothing has to add” to the practices of their associates.

Table 1. Summary of uptake barriers

Barrier	Description
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1. Reluctance to sign another document	Since the market in Portugal is evolving too slow, or is in a stagnation phase, the CoC was seen as entropy to the system that is already very complex (either in public and private sector).
2. Already existing Corporate/Ethics Code in larger companies	The CoC does not represent an added value to the process and it is too specific for a Code of Conduct. Moreover, most APESE Associates are subsidiaries of large companies that already have their own Ethics Code.
3. Responsibilities between EPC Providers and Clients	The CoC is very strict for EPC providers while very permissive for clients and this can create some conflicts between the two parties. This needs to be modified and the principles have to be more balanced regarding the sharing of responsibilities within an EPC contract
4. Language used to write the Code	The language used is too specific for a Code of Conduct. The principles have to be more general and addressing ethics perspective only. In addition, care should be taken with the wording used in the document to avoid future legal problems.
5. The element that is missing is access to financing, not lack of ethics or conduct	ESCO Association opinion's is that the CoC is not the element that is missing in the Portuguese market, being the lack of financing the main problem.
6. ESCOs fear to assume risks that are not of his responsibility	The CoC mainly addresses the obligations for EPC providers, keeping the customer's obligations aside. Clause nº2 is the one that raised more concerns among Portuguese ESCOs. ISR added the following words in the end of the principle: "...which fall within its exclusive responsibility".
7. Title of the document: Code of Conduct	There was the need to change the title in Portuguese, because the wording Code of Conduct in Portuguese has a negative connotation. Therefore, the title was changed to: " <i>Código Europeu de Boas Práticas para Contratos de Desempenho Energético</i> "; "European Code for good practice for establishing EPCS"
8. EU market is heterogeneous	They fear that the existence of a Code of Conduct, at EU level, will not enable any flexibility in the contracts to be established.

Moreover, for the Public sector, there is already a detailed well defined framework for establishing EPCs, the ECO.AP programme. This can somehow explain why APESE was not that keen on the CoC in this second SC meeting! The framework was well developed, but

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working with the Public Sector is so complex that they fear another bureaucratic requirement like the CoC, even if it is a Voluntary Commitment. Although the ECO.AP is published for 3 years now and the potential in Public Buildings is high, there isn't any contract signed yet! What is failing is financing, according to the ESCOs, but not the need for CoC. What could be more interesting for the ESCOs, they mentioned, is the development of an energy efficiency performance measurement and verification protocol. This suggestion gave us a clue on the subject for the next training.

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1.3 Implementation process reflecting the uptake barriers

Although the Portuguese ESCO Association did not sign the Code, and although the ESCO business in Portugal is still in the process of development and establishment, Portugal is already a success story in the dissemination of the EPC Code of Conduct. So far, 12 providers and 3 facilitators signed the code.

The collaboration of Governmental Institutions, such as the Directorate General of Energy and the National Energy Agency, in the dissemination and promotion of the CoC was a key strategy to the successful subscription of the Code in Portugal. However, the Code has been disseminated through several means and different approaches have been used to target a wide range of stakeholders.

Presentations in conferences and workshops, preparation of articles or even press releases², surveys and the strong marketing tool “Word of mouth” were the means of dissemination of excellence, that were used to overcome the initial reluctance among the ESCOs. Our main goal was to promote this area of business and its benefits among all stakeholders and key players, from supply to demand side (industry, large companies, banks, local authorities and managers/responsible for buildings, municipalities, energy managers, consultancy and engineering companies). Moreover, the events have addressed diverse related subjects other than Transparensense topics, in particular, financing issues, best practice examples and Monitoring and Verification.

These outreach initiatives, have been effective in such a way that, on September 2014, a national magazine dedicated to Energy Efficiency announced, online, the final version of the Transparensense Code as a good mechanism to increase transparency in this market; "Code of Conduct reinforces transparency in energy performance contracts" was the title chosen for this notice (<http://edificioseenergia.pt/pt/noticia/codigo-de-conduta-reforca-transparencia-nos-contratos-de-desempenho-energetico5889>).

Later, on April 2015, the same magazine published an interview to Luís Hagatong, the first CoC subscription in Portugal, which content is the application of the CoC by this well known company and important ESCO in Portugal. Hagatong gives his perspective about the CoC, which he, representing his company, thinks is of major importance for the establishing of EPCs, is an added value to establish confidence and trust among the different parts of an EPC.

² More information at the Press Book:

http://www.transparensense.eu/tmce/Portugal/D6-07_Press_book_Portugal_ISR-UC_24_07_2014_v0.pdf

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By making statements of support in the national conferences, in national magazines and quotes in Transparensense newsletters, Schneider **Portugal has been an excellent collaborator, an CoC “ambassador” in Portugal!** Schneider is also part of the NSC and tried to implement the first demonstration pilot for the ECO.Ap, through an EPC, in a large office building.

One Quotation from the Second Press release launched in Jan 2014: *"The European Code of Conduct for Energy Performance Contracting, reflects the commitment of the signatories to develop a professional and credible work in a collaborative, transparent and clear perspective with all parties involved, in order to develop a sustainable energy service market with high quality standards."*; by Luís Hagatong, Energy Efficiency Manager Schneider Electric Portugal.

The establishment of partnerships with the major national organisms in the area of energy, like the Directorate General of Energy (DGEG) and ADENE (National Energy Agency), was the most important driver for getting signatories. The email sent to all ESCOs registered in the National Registry Database for ESCOs qualification, by the Head of Division of Directorate of Sustainable Energy Services, DGEG, in her role of member of the National Steering Committee of Transparensense project, informing about the Code, the procedure to sign it and recognizing the importance of the CoC for establishing EPC projects, was at most importance. Moreover, the fact that the Code will be administered by Eu.Esco after the project ends, at EU level, was an important driver for having more ESCOs on board!

In this context, those responsible for the Project Transparensense in Portugal assume that a **large dissemination effort of EPC Code of Conduct** is of utmost importance as “the exchange of information, consultancy and training based on good practices can serve as balm to these (and other) obstacles”.

Table 2. Overview of actions to overcome the barriers

Action	Action associated with barrier no (see Table above)	What should be done and how	Who should act	When should actions be taken	Comments
1 Outreach activities	all	Conferences, workshops, road shows, articles, direct emails, ...,	Stakeholders, particularly those with experience establishing EPCs	All year round	Presentation of Best Practices, Case Studies and Pilots. Information gap; Trust and confidence
2 Strong partnerships	1, 2	Contact the important			Policy Makers, or at least those with influence in

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with market actors		market actors, in particular gov institutions that may have influence in policy making			the energy policy design (institutions following European legislation and transposition of Directives) should be involved as much as possible.
Involvement of DGEG (Gov Institution) in the dissemination of the CoC.	1	Dissemination of the Code among those ESCOs qualified to participate in the ECO.AP.	Gov Institutions and Associations, with large influence in society	Since the very beginning of the project	This is an important measure as some big ESCOs are reluctant to sign it because they fear further bureaucracies; having a trustful institution promoting the Code is an added value to increase confidence and trust.
Large dissemination effort	all	Increase trust by raising awareness	Wide range of players	Whenever possible; try to be at all events related to energy efficiency	Collaboration of well-known Institutions/organizations in the meetings, workshops and seminars, with presentations, dissemination, etc.

Our strategy on how the hurdles have been (tried to) overcome:

Try to raise the discussions about financing/economic problems and about financing mechanisms among stakeholders, by involving (inviting) banks to our Transparensense events, workshops, Steering Committee Meetings and Trainings (in particular European Investment Bank (EIB), with JESSICA program and ELENA, and the Banco Português de Investimento (BPI)). Other banks have been contacted but were not available to collaborate.

Also the National authorities with roles in the ECO.AP program, have been involved in our activities, so far. There are regular contacts, by phone and email, with ADENE and DGEG, the entities managing the public programs. They also belong to the National SC and use to attend the meetings. The same with APES Energia. We asked APES, ADENE and DGEG to help us identify pilot projects.

Another important strategy was the co organization of the Second National ESCO Conference, which was held in Lisbon and joined the main key players in Portugal. The Transparensense project was widely disseminated and the Code of Conduct was presented in

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the morning session. This is the main ESCO event in Portugal, gathering the main key players and also the politicians to debate the problems.

Involving the energy agencies (municipal and regional agencies) in the process of adopting/managing the CoC may be a good strategy to disseminate EPCs especially among municipalities, since they have quite a lot of influence at regional levels. We start by involving the National energy Agency, ESCO Association and DGEG, but it may be more fruitful to involve smaller key players.

1.4 Uptake strategy sustainability

The CoC was appreciated by the governmental Institutions although it cannot be easily introduced in the tender documents (that would need to be enacted by the parliament and turn into law). But they hope the ESCOs establishing EPCs with Public Buildings will subscribe the Code. **The Code can give confidence to the customer, while being a separate independent document additional to the contract.** While being involved in several energy efficiency projects and other EPC related projects, being consultants of EDP and some Governmental Institutions, (DGEG and ADENE), we are in a privileged position to keep promoting the CoC and the ESCO businesses and to show the potential advantages of being involved with the Transparensense project in terms of state of the art and networking. Signing the CoC is a win-win situation.

As a facilitator, and since ISR-UC is the National Code Administrator beyond Transparensense, ISR-UC will continue to promote the CoC in its presentations, in seminars, conferences, meetings, trainings, classes, etc. Our engagement is to launch this challenge to ESCOs and ESCO Association (especially those that mentioned the Code does not bring any added value to their common practice):

If your practices are already in accordance with the Code, why not to subscribe it, if it is voluntary and non-legally binding?

The CoC can be a differentiating factor, for those ESCOs that subscribe it. It is a declaration of compliance with Best Practices at EU Level.

[* An uptake strategy is sustainable when it continues to deliver guidance and benefits to the Code signatories and/or other stakeholders for an extended period after the Transparensense assistance has been terminated]

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Needs for Portugal

Regarding economics, lack of financing or difficult access to capital is one significant barrier hindering the ESCO business to deploy. In the public sector, the very complex procedure of the Public Tendering Process and the strict rules of the ECO.AP Program, which requires ESCOs to invest and saves the public entities to share the risks associated with EPCs, is avoiding the ESCOs to establish projects in the Public sector. Moreover, ESCOs or banks do not have any guaranties of receiving the costs of the savings and thus recovering the investment. Another problem with the public sector is the inability to pledge public goods, compromising the potential guaranties required in a loan.

Another important aspect that needs to be clarified is related to the accountancy of EPCs in Public Sector. In particular, it is necessary to figure out if payments under EPCs are qualified as public debt or not. For Portugal, with high public debt, this is crucial, and we are waiting for an official answer, from the National Court of Auditors for a long time!

Portuguese financing institutions need to have a better knowledge about the financing typologies and contracts, as well as about the technologies to be installed, in order to facilitate more adequate financing. There is also a need for different formats for guaranteed savings (adjusted guaranteed savings) contracts to fit the ESCOs in order they can assume part of the risk. There is still the myth that ESCOs are banks, EPCs are too complex, and the customers are reluctant to understand the announced savings.

2 Uptake status quo at the end of the project

2.1 National administrator

ISR-UC, as a Non-profit and Independent Organization belonging to a Public University, will continue to administer the Code after Transparensense ends and while not succeeding on finding another more adequate National Administrator.

But ISR-UC is conscious that either an ESCO Association or National Energy Agency would be better choice, with potential higher impact in the market. Since the National Energy Agency refused to be the National Code Administrator, we contacted recently with the National Association of Energy Agencies (RNAE) in order to figure out if they are willing to take over the National Administration of the Code. Their reply was received on 6th July 2015, were they refused this commitment because of their involvement on too many projects, by the time being.

2.2 Procedures established

Since ISR-UC committed to be the National Code Administration after Transparensense ends, the procedure that is being used is the recommended by Transparensense: every time an ESCO wants to sign the Code, the form is being sent for signature. After ISR-US receives the form back, dully signed, the web-site is updated and the new signatory receives the Logo that confirms they are using the Best European Practices when establishing EPCs.

2.3 Code implementation in practice

- How the Code is implemented by market players and in the projects
The EPC market in Portugal is not so well developed, but in some cases, EPC providers included a clause with reference to the Code on the EPC contract. On other cases is just used as a moral guidance, either for Client and EPC provider.
- How is included in tender dossiers and contracts?
ISR-UC documented at least one case were the Code was referenced as part of a clause on the EPC contract. Unfortunately the EPC was never signed, since the company went bankrupted before signing the EPC contract.
On the EPC for public entities, in the scope of ECO.AP programme, it is not possible to include the Code since they already have all templates and the Code would only include more entropy to the process.

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- Summarise good practices
 The fact that ISR-UC caught the support from the major government stakeholders (DGEG and ADNE), helped strengthening the transparency of the Code. After the support of the government institution, ISR-UC was contacted by several entities who wanted to subscribe the Code. The support of strong companies, their commitment and involvement on dissemination activities, such as Schneider-Electric, was also a key factor to the success of the number of Code subscribers.

2.4 List of Code signatories

Providers	Facilitators
Schneider	EnerEfficiency
IsaEnergy	RdA
Âmago	YourSavings
Amniene	
Elergone Energia, Lda	
Green Value	
ENFORCESCO	
Wattsave	
A1K	
VivaPower	
SelfEnergy	

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3 Uptake strategy recommendations

Based on national uptake strategy experience derive common recommendations for the EU-28.

- **Strong engagement with the project**

Chasing all projects that are announced! Then establish direct contacts (either by email and telephone) with companies ESCOs and Clients for getting them involved with Transparense and adopting the CoC. The carrot should be to show those ESCOs the potential advantages of being involved with the Transparense project in terms of state of the art and networking. Active ESCOs clearly understood this is a win win situation.

- **Strong promotion and dissemination**

Presentations in conferences and workshops, preparation of articles or even press releases, surveys and the strong marketing tool “Word of mouth” are excellent means of dissemination. It is important to target all stakeholders and key players, from supply to demand side (industry, large companies, banks, local authorities and managers/responsible for buildings, municipalities, energy managers, consultancy and engineering companies). It is also important to address diverse related subjects other than Transparense topics, in particular, financing issues, best practice examples and Monitoring and Verification, among others.

- **Wide range of stakeholders involvement**

The fact that EFIEES and eu.bac ESCO support the CoC should also be stressed as a success factor for getting the interest of ESCOs, clients, facilitators, etc..., because it gives much more credibility to the CoC, than a document being developed within an IEE project.

Involving the energy agencies (municipal and regional agencies) in the process of adopting/managing the CoC may be a good strategy to disseminate EPCs especially among municipalities (potential clients), since energy agencies have quite a lot of influence at regional level. Of course, involving the National Energy Agency, ESCO Associations Energy Ministries, etc. is very important, but it may be more fruitful in terms of getting CoC signatories, to also involve the smaller key players.

- **Establish strong partnerships**

The establishment of partnerships with the major national organisms in the area of energy, like the Directorate General of Energy (DGEG) and ADENE (National Energy Agency), was the most important driver for getting signatories in Portugal.

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- **Voluntary agreement or mandatory standard procedure at EU level?**

Including the CoC in the ISO 50001, for example, or making it mandatory, would be a success factor, according to several attendants at dissemination Workshops.

- **More training and education is needed to increase client's awareness: are we all speaking the same language?...**

Still lack of awareness about this business, especially among the potential customers. There is an information gap between the Portuguese ESCOs, which have good technical knowledge and work very well, and the potential customers and decision makers, especially in the public sector. The lack of definitions standardization leads to misunderstandings and creates disinterest about energy savings.

It is crucial for the success establishment of EPCs, that the decision makers, the clients, the financiers and the assurance companies clearly understand what the EPC is, what are the costs involved and the costs associated to the risks involved.

Moreover, regarding the public sector, an interlocutor, who understands the same language as the ESCO, is generally missing. Although the government identified a local energy manager for each public building and facility, many times they are not trained to understand energy efficiency issues.

- **How about standardization? Success or failure?....**

Standardization of language and definitions is urgently needed, but regarding the contracts and the projects, it is debatable whether standardization is favourable for EPCs market. Projects are all different, all specific. Therefore, standardization of the process can make it even more complicated and lengthier (as the ECO.AP framework is showing in Portugal - Although the high expectation created by the legal framework and regulatory factors for establishing EPCs in the Public Buildings, which is available and published since 2011, there are no EPCs in the scope of the ECO.AP Program yet!)

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References

D2.5A - Country Report on Recommendations for Action for Development of EPC Markets - Portugal

D5.04 – Country Report on EPC Pilot Projects Evaluation and Use of Code of Conduct – Portugal

D6.10 - Documentation of National Business Facilitation Seminars - Portugal

Minutes from SC meetings

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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

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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

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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