



EPC arrangements – main features and provisions

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Traditional procurement



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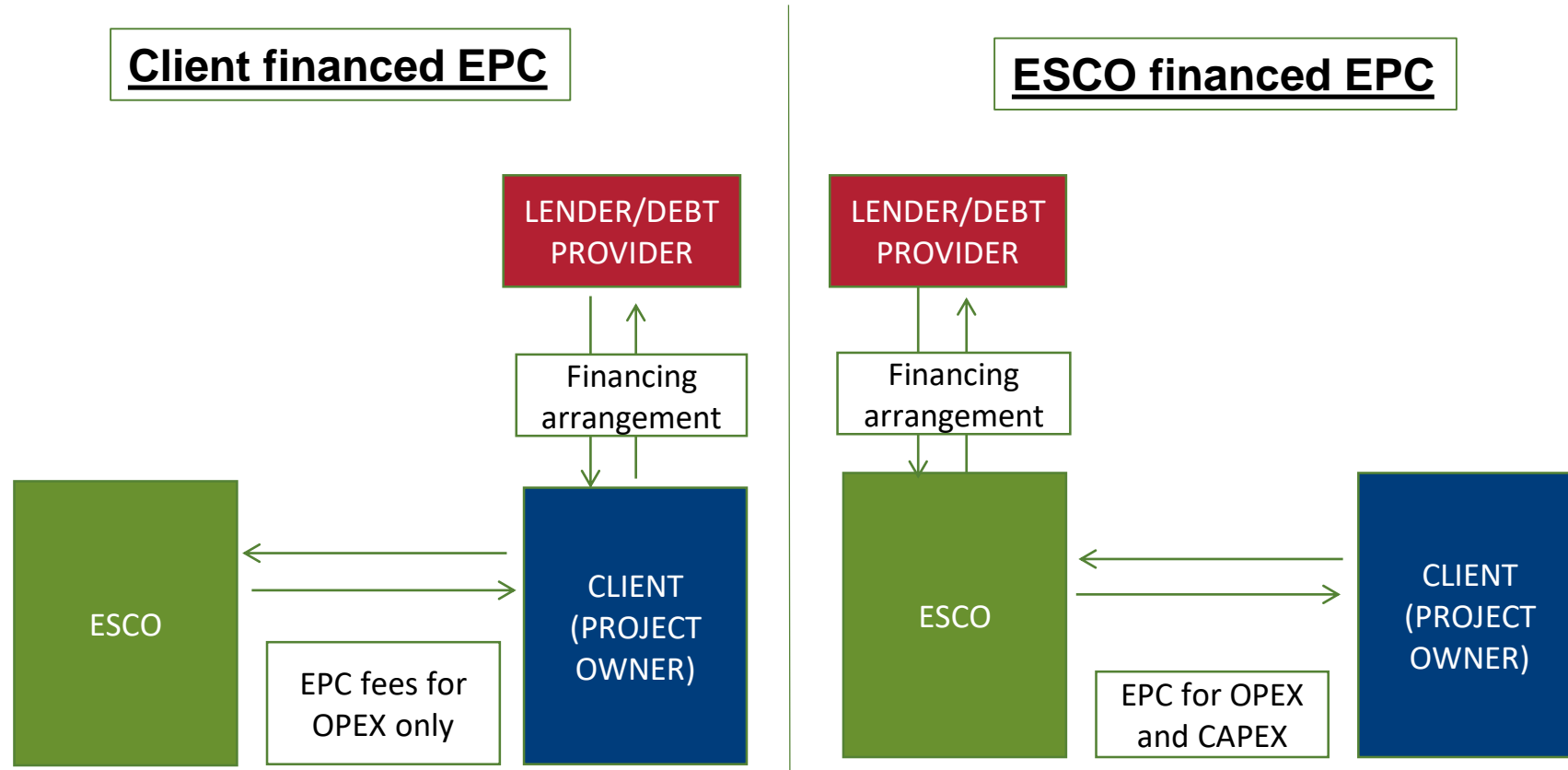
EPC procurement



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Who finances EPC?



EPC financing



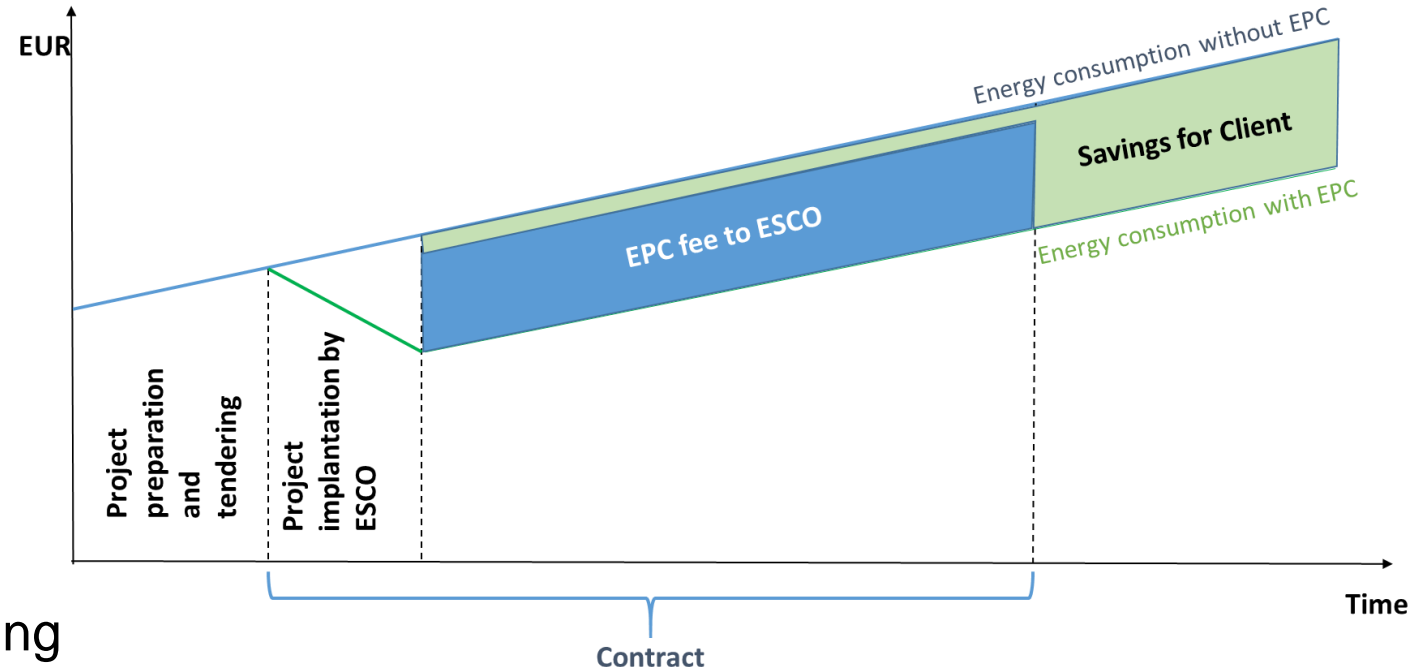
- Client provides financing
 - ESCO provides design, construction, energy system management and performance guarantee
 - EPC fee includes OPEX dependent on performance
- Financing may be provided by ESCO
 - ESCO provides design, construction, energy system management, financing and performance guarantee
 - EPC fee includes Capex and Opex, dependent on performance
- Client and ESCO provide financing
 - Part of the CAPEX is paid by the client as capital grant to ESCO
 - ESCO organises remaining financing
 - EPC fee includes part of CAPEX and OPEX. Fee depends on performance
 - This is used for measures with longer payback time than contract length



Types of EPC contracts



➤ EPC (standard)



➤ EPC – Recommissioning

➤ Savings are generated through energy management of existing HVAC and lighting only

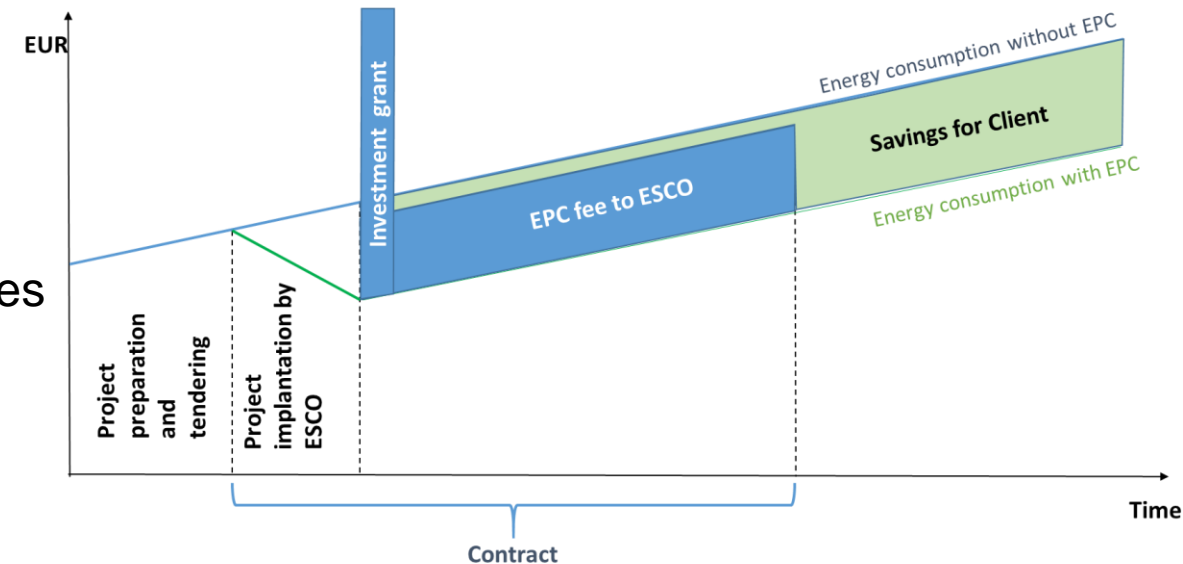
➤ “Lighting as a service” (LaaS)

➤ Client is charged for the service of light and pays for availability of lighting of agreed quality level. Service can be found for large commercial venues (shops, factory halls)

Types of EPC contracts



- **EPC + renewable energy**
 - Revenues are generated by energy savings and from renewable energy for own consumption and/or selling electricity to the grid
- **EPC + comprehensive energy retrofitting**
 - Energy efficiency measures include insulation of the building envelope
 - It includes measures that will not be repaid from energy savings during the contract duration. Types of measures require payments from client going beyond savings to be “EPC-able”



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Types of EPC contracts



➤ EPC + non-energy savings measures

- The activity may contain measures such as upgrading building to fire safety rules, installing electric vehicle charging.
- It includes measures that usually cannot be repaid from energy savings during the contract duration. Types of measures require payments from client going beyond savings.
- This can be realised through two contracts (EPC + traditional procurement with investment grant) or PPP-like structures containing availability payments

