

## Conference-meeting EPC

# Energy Performance Contracting Plus

Santander, September 2015

Francisco Puente Rivas



*Cofunded by the European Commission.*

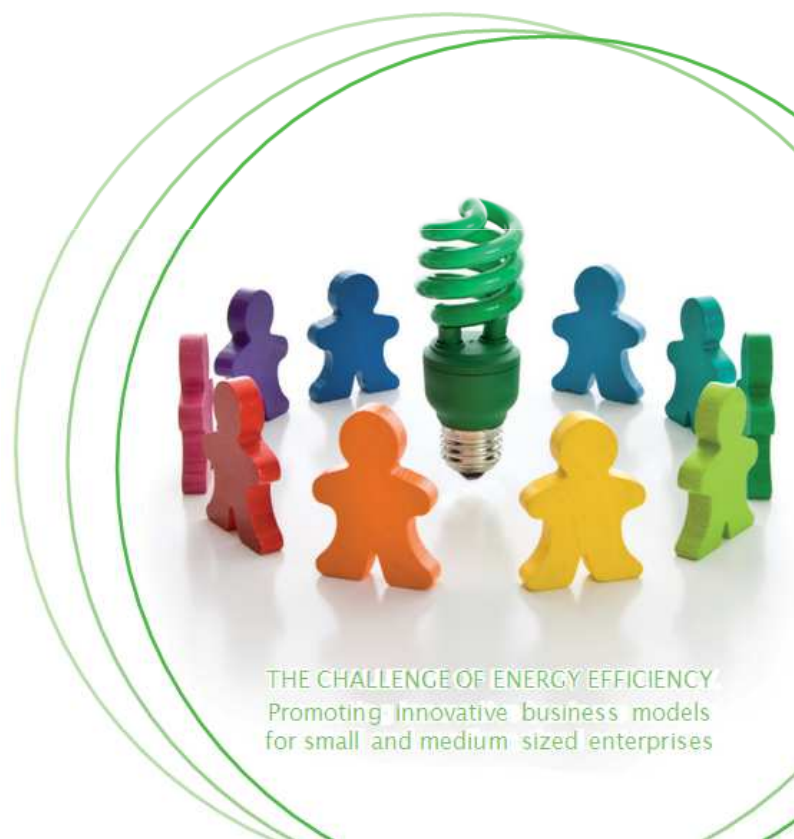
*The sole responsibility for the content of this report lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.*

# CONTENTS

1. The EPC+ project
2. The Clusters of SMEs
  - 2.1. Strengths and weaknesses
  - 2.2. Opportunities and Threats
  - 2.3. Market approach and strategy
3. Frequent Asked Questions
4. DOs and DONTs
5. How can you benefit from EPC+

# 1. The EPC+ project

The EPC+ project aims at developing and promoting **new business models** for the **implementation of energy efficiency services** through cooperation of Small and Medium-sized Enterprises (SMEs).

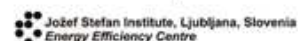


# 1. The EPC+ project

[www.epcplus.org](http://www.epcplus.org)

The EPC+ project runs from March 2015 and February 2018.  
 This project will be carried out in eleven European countries: Austria, Belgium, Bulgaria, Czech Republic, Germany, Greece, Ireland, Italy, Portugal, Slovenia and Spain.

## Participants



# 1. The EPC+ project

## What activities will be implemented?

- + Creation of SME Partnerships for Innovative Energy Services (SPINS)
- + Each SPIN will consist of a network of, at least, three SMEs offering jointly tailored EPC services/ contracts.
- + The development of commercial, standardized energy service packages which will target SMEs interested in improving their energy performance
- + Implementation of pilot projects in each partner country.
- + Development of an international platform to support collaborative networks and innovation



## 2. The Clusters of SMEs

### Spin "SMEs for SMEs"

- + The SME Partnership for Innovative Energy Services offers a set of complementary energy services (energy audit, efficient lighting, HVAC, biomass, etc).



Legal Firm  
+  
Engineering company  
+  
HVAC company  
+  
Biomass boiler supplier  
+  
Smart metering specialist  
+  
Lighting specialist  
+  
Energy Consulting

The **objective of cooperation** among SMEs which offer SEE is known as **SPINs** (SME Innovative Partnerships for Energy Services) or "**clusters** " of companies. Organized **groups of independent companies** that provide innovative **energy efficiency services** with a structured **long- term cooperation**.

## 2. The Clusters of SMEs

- ✓ The project **supports SMEs that are interested to create SPINs** by means of **standardized contracts** and **technical** as well as **financial tools**. This leads to a **reduction of transaction costs** and will provide collaborating SMEs with a **competitive advantage**.
- ✓ The **organizational tools will support potential SPIN members or potential SPIN managers during the creation process and during the management process** of SME Partnerships for Innovative Energy Services.

## 2.1. Strengths and Weaknesses



- Services can be offered in **higher quality** compared to services offered by ESCOs;
- Services can be provided at **lower cost to the customer**;
- Allow a **quick and efficient response** upon consumer needs and market demand;
- Allows **transfer of know-how among SPINs** to persist in fast changing environment;



- **Insufficient definition** of an appropriate **SPIN-management structure**;
- **Different approaches** from experts lead to **higher development costs**;
- **Absence of a SPIN-framework** leads to:
  - Less transfer of sales opportunities;
  - **Limited know-how** sharing.





Energy Performance Contracting Plus

## 2.2. Opportunities and threats



### OPORTUNITIES

- There is **growing demand** for specialized, innovative and high quality **energy efficiency solutions**;
- **Small scale services providers** seem to be **less anonymous**;
- **Local SMEs** are likely to be **preferred by some clients**;
- **SPINs** can be also **capable to cover bigger areas**;
- **Various backgrounds** of SPIN members helps to be more resilient

### THREATS

- **Retention of know-how of SPIN experts** due to mistrust;
- **Interest of the own company** is seen as more important than the success of the SPIN.
- **Know-how sharing** may leads to a growing number of **competitors**;
- **Unfavourable market conditions** may hinder the supply of services of SPINs



Energy Performance Contracting Plus

## 2.3. Market approach and strategy



- a. **Joint commitment to strategic alignment of the SPIN:** SPIN members are committed to the strategic alignment and move in the same direction.
- b. **Selection of suitable customer segments:** customer segments where SPIN partners are already represented are predestined for the provision of SPIN services. This means that SPIN partners mutually support the access to customer segments and thus support “cross-selling” of services.
- c. **Common process of strategic product development:** the service product provided to market needs to be **convincing and beneficial** to the customer segments addressed, taking into account:

- Assessment of **needs of** the (potential) **customers**;
- Definition and strengthening of **competitive advantage**;
- **Financing**
- **Risk Management**
- Putting together a **business case** including multi-level calculation of contribution margin.

### d. Long-term perspective of SPIN collaboration.

## 3. FAQs

- Which innovative energy service do you want to offer and what is the objective of your SPIN?
  - Each SME is specialized in one technical topic.
  - Provide a wide range of energy services.
- Is there a market demand for the service the SPIN wants to offer?
  - Yes. There is a **high potential of energy saving** in building and industries all over Europe.
- How will the SPIN be managed?
  - Each SPIN has a minimum of **3 SMEs**.

### Obligations of the SPIN members/partners:

- **Know-how sharing**
- **Transfer of sales:** How to deal with higher overhead costs; is it allowed to absorb a customer from a SPIN member;
- **Sharing of additional transaction and management costs**, partly due to required additional explanation of the SPIN approach to clients;
- Be willing to **respond quickly upon customers request.**

### What SPIN members/partners should not do:

- **Keep knowledge inside the company** even if the project development and implementation requires sharing of know-how among SPIN partners;
- **Limit communication** and exchange of ideas to employees of the own company;
- Focus on **own strategical targets**.



Energy Performance Contracting Plus

## 5. How can you benefit from EPC+?



- SMEs working together as clusters for better technical and economic management. **A SPIN is a cluster of SMEs that provides high quality EPC services.**
- Training has become an integral part of the modern business model. **We provide training courses for SPINs.**
- Organizational and Technical toolbox's and modular contract models for the successful implementation of the energy efficiency measures. **Highly access to EPC guidelines and practical tools.**
- **The challenge of energy efficiency in SMEs.** Pilot projects to promote market take up of innovative energy solutions and services.
- The power of information, you can benefit from our **international EPC platform.**
- **National and European campaigns** will disseminate the successful EPC models.

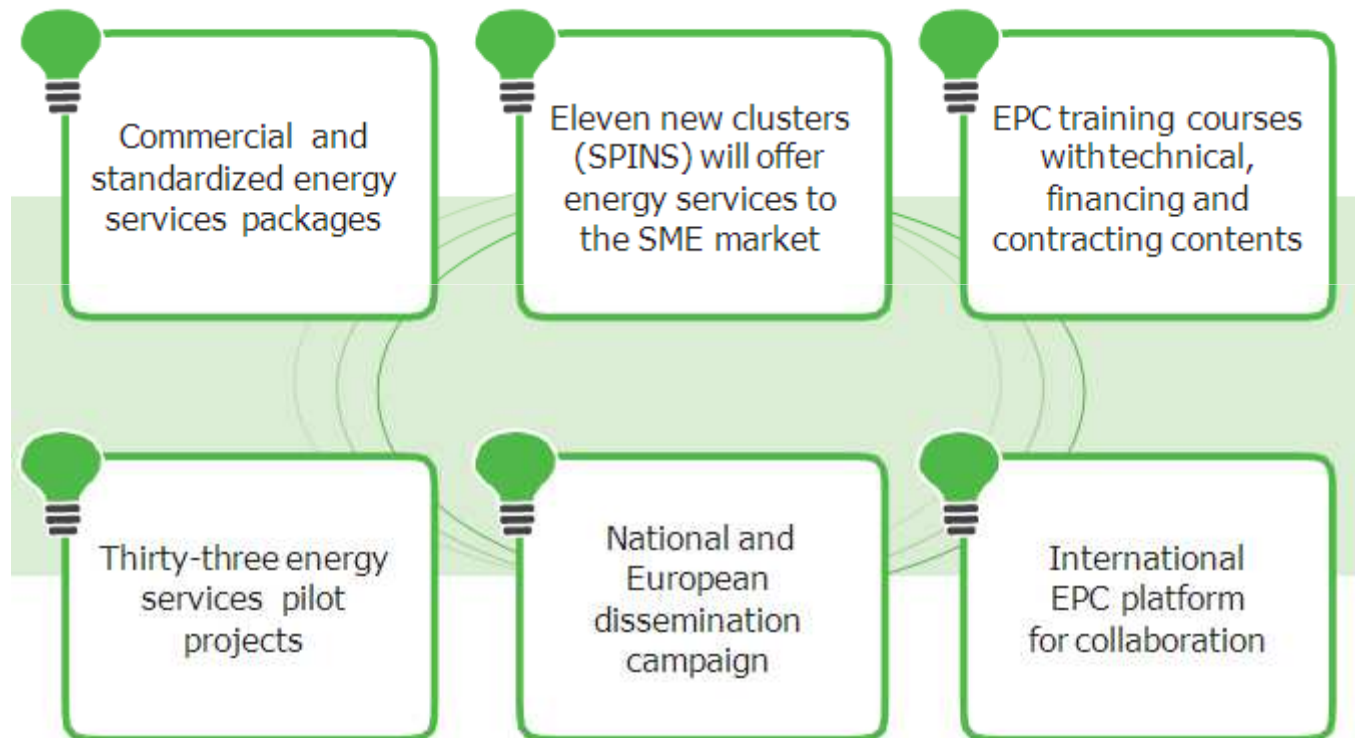


Energy Performance Contracting Plus

## 5. How can you benefit from



## EPC+?







Energy Performance Contracting Plus

# Contact



For further information you are invited to visit: [www.epcplus.org](http://www.epcplus.org)

The screenshot shows a website page with the EPC logo at the top left. Navigation links include 'THE PROJECT', 'PARTICIPANTS', 'PARTNERS', and 'SUMMARY'. The main content area features a photograph of a street with colorful flags and a sign that reads 'SPIN'S A CLUSTER OF SME'S PROVIDING EPC SERVICES'. Below the photo is a table with three columns: 'SME PARTNERSHIPS SPINS', 'TRAINING', and 'ENERGY SERVICE PACKAGES'. Each column contains a brief description of the respective activity.

SME PARTNERSHIPS SPINS	TRAINING	ENERGY SERVICE PACKAGES
SME Partnerships SPINS: A SPIN (SME Partnerships for Innovative Energy Services) is an organized cluster of independent companies, mainly SME's, that jointly supply energy efficiency services and that have a structured long-term collaboration with commonly agreed objectives.	Training: This consists of the capacity-building of the pilot SPINs on administrative, technical, legal and financial matters pertaining to the SPIN's operational practices. It will seek to leverage existing EPC related materials and courses and develop only new content where it relates to the EPCpartnership activities.	Energy Service Packages: This consists of the development of highly standardized energy service packages which can be easily implemented by the SPINs.
PILOT PROJECTS	EPC PLATFORM	DISSEMINATON

Escan, s.l.  
Av. Ferrol 14, 28029 Madrid (Spain)  
[escan@escansa.com](mailto:escan@escansa.com)