Energy renovation of buildings in Croatia

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Milan 16 November 2017
Croatian Government Real Estate Agency announced 57 public procurement procedures for the provision of energy services.

Environmental Protection and Energy Efficiency Fund - co-finance with grant (40% of eligible costs to the public sector)

69 buildings covered by active contracts

Total surface area 257 000 m²

Total contract value 604 million kuna (82 M€) (VAT excluded)

By realisation of these contracts annual savings shall amount to 70 GWh
Basic settings and characteristics of the Program

→ Programme promotes **integrated renovation concept** that includes renovation of buildings envelope, upgrades to the heating/cooling system, water heating system, ventilation, lighting and water supply.

→ Building construction **measures that address the building envelope are mandatory**!

→ **ESCO invests and takes technical and economic risk** so the public sector does not have any additional costs.

→ Payment of services is based on **verifiable savings**.

→ The service fee shall not exceed **the savings**.

→ Energy savings are **proven by the Design**.

→ **EPC lasts 14 years**.
Results of the Programme of energy renovation of public sector buildings 2014-2015

Completed renovations

- Clinical Hospital Centre Split - location Križine
- Clinical Hospital Centre Split – location Firule
- Building of Nursery school „Girice“ Cres
- General Hospital Karlovac
- State Institute for Metrology ZG

\[ \sum \text{ 25 buildings} \]
\[ 128\,306 \, m^2 \]

Savings 55,38%
Results of the Programme of energy renovation of public sector buildings 2014-2015

Renovations under way

• Penitentiary Lepoglava
• University North, Varaždin
• Prison hospital in Zagreb
• General hospital Varaždin

∑ 17 buildings
50 373 m²
Savings 33,7%
Results of the Programme of energy renovation of public sector buildings 2014-2015

Contracted

- Swimming complex Poljud
- Police academy, Zagreb
- General hospital Šibenik

Σ 27 buildings
78 203 m²
Savings 57%
Programme objective:
→ Integral renovation
→ Energy consumption reduction up to 70%
→ Annual energy savings about 50 GWh

Financing:
→ with funds from the ERDF under the Operational programme Competitiveness and Cohesion 2014-2020
→ 211 810 805 EUR have been allocated
Programme of energy renovation of public sector buildings 2016-2020

MODEL 1

→ **Targeting public educational buildings** owned by the Republic of Croatia or local (regional) government
→ buildings for preschool education, elementary and secondary school education and college/university education
→ **co-financing by allocation of grants** from ESI funds

MODEL 2

→ By **contracting energy services** using **standardized EPC**
→ Public sector does not have to provide funds for the energy renovation
→ **ESCO provides funds for the entire investment (60% own funds +40%grant)**
→ Grants from ESI funds are allocated to the ESCO company (ESCO is the beneficiary of the grant)
→ The procedure of allocation of grants from ESI funds is carried out in alignment with the procedure of energy service contracting
Programme of energy renovation of public sector buildings 2016-2020

MODEL 3

Public sector receives grants from ERDF but shall provide an own share:

1. By contracting the energy service
   → The obligation of paying charges for the public sector upon completed energy renovation of the building

2. By a financial instrument
   → Specialised loan lines with favourable interest rates and grace period until completion of energy renovation (HBOR - Croatian Bank for Reconstruction and Development)

3. With funds from the Fund for co-financing implementation of EU projects
   → Funds provided by the MRDEUF for co-financing implementation of EU projects at the regional and local level
   → Very limited funds and limited maximum amount for the beneficiary

4. Own funds allocated in the budget
PILOT PROJECT
Development of project documentation for energy renovation and use of RES in public institutions performing educational activities

• 72 projects contracted
• Co-financing rate 100%
• Contracted grant amount: approx. 1M€
• Required minimum energy savings 20%
• Achieved energy savings in projects from 43% to 80%

PILOT PROJECT
Energy renovation and use of RES in public institutions performing educational activities

• 33 projects contracted
• Co-financing rate 70-95%
• Contracted grant amount: approx. 6.5M€
• Required minimum energy savings 20%
• Achieved average energy savings 56%
• Highest achieved savings 80%
• Most often energy class upgrade from D to B

Energy renovation and use of RES in public institutions performing educational activities

• 224 projects accepted
• Co-financing rate 85% for project preparation and 35% -60% for implementation
• Required minimum energy savings 50%
• Average energy savings 60%
• Total value of energy renovation works exceeds 105 M€
• Grant amount exceeds 46 M€

22.11.2016 - 20.2.217
PUBLIC CALL

Energy renovation of public sector buildings

- Planned allocation 50 M€
- Co-financing rate 85% for project preparation, and 35%–60% for implementation
- Required **minimum energy savings 50%**
- Educational buildings, and buildings in which the following is performed: scientific, theatre, audio-visual, museum and gallery, health care, administrative, sports and other social activities

Photo by Marko Vrdoljak. This photo is the property of The Zagreb Tourist Board.
Energy renovation of multi-apartment buildings

→ Program of energy renovation of multi-residential buildings 2014-2020
→ National co-financing (ECO fond) by grants 40-80% started in 2014.
→ In 2 years 2 355 applications approved for more than 37 M€

→ 2016-2020 co-financing by grants from ERDF
→ Jaspers Report „Outline of an energy efficiency and RES use scheme for public and residential buildings in Croatia“ 2015. as guidelines
→ „Analysis of the recommended co-financing rate for energy renovation of residential buildings“ EIHP

PUBLISHED PUBLIC CALL
Energy renovation of multi-apartment buildings

- 649 project applications
- 598 approved projects
- Co-financing rate 85% for project preparation and 60% for implementation
- Required minimum energy savings 50%
- Average energy savings 66%
- 16,381 households
- Average age of buildings 80 years
- Total value of energy renovation works exceeds 135 M€
- Grant amount exceeds 75 M€
Energy renovation of single family buildings

- **Programme of energy renovation of family houses 2014-2020**
  - National co-financing (ECO fond) by grants 40-80% started in 2014.
  - In 2 years 15,494 projects contracted
  - 89 M€ approved for co-financing

- **2016-2020 co-financing by grants from ERDF**
  - Amendment to Regulation (EU) 1303/2013 is necessary in the part related to the eligibility of natural persons in the capacity of applicants
  - Public call for Energy renovation of family houses in the course of 2018
  - Planned allocation 30 M€
  - Individual measures will not be co-financing (required minimum energy savings 50%)
Thank you for your attention!

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