



ELENA Completed Project Factsheet
GREEN REVOLUTION OF WEALTH IN SALENTO
(GROWS)

Location of planned investments	The ELENA project development services was carried out, and the investment programme was implemented in 27 municipalities of Salentina Peninsula, which is located in the Southern part of the Apulia region, Italy.
Final Beneficiary	Municipality of Campi Salentina
Final Beneficiary's address	Piazza Liberta, 27 73012 Campi Salentina (LE) Italy
CoM signatory	Yes
Sector	Energy efficiency in public buildings and public lighting
Total PDS costs	EUR 1,658,667
ELENA contribution	EUR 1,492,800
Project development services financed by ELENA	<p>Project development services financed by ELENA prepared technical and legal documentation as well as procurement of the energy efficiency investments to be implemented in Energy Performance Contract (EPC) model and under a call for proposal issued by the Region Apulia. The ELENA-funded TA was delivered by the Project Development Unit (PDU) managed by the internally hired Project Manager, supported by an external advisor, and composed of the internal staff and external experts.:</p> <ul style="list-style-type: none"> • The internal staff consisted of 6 experts (project manager, engineer, architect, surveyor, accountant, procurement expert) and 2 assistants; • External Management Advisor and external experts, in two groups: <ul style="list-style-type: none"> ○ Technical External Expert Group to carry out energy audits and retrofit designs of buildings and street lighting projects, ○ Economic and Legal External Expert Group. <p>Additionally, an externally hired Board of Auditors was formed to verify the compliance of the implemented projects with regulations. Tender publishing and costs to establish tender commission were also covered by ELENA.</p>
Description of ELENA operation	<p>Most of the investments were implemented using the Energy Performance Contracting (EPC) model. The preparation of investments, procurement, and execution of works was done exclusively by the Municipality of Campi Salentina. The Municipality of Campi Salentina, through the Project Manager, controlled the progress and took a final decision on all the planned investments.</p> <p>Most of the building retrofits are planned to be partially financed through Conto Termico, a grant provided by the Italian Ministry of Economy and Finance with the objective to promote the improvements of energy performance of existing buildings. The grant can reach up to 65% of related costs - the remaining 35% of the investment costs will be covered by the ESCOs with their own funds. In addition, 15 buildings will be retrofitted with the call for proposal of Region Apulia through usual work contracts.</p> <p>Public lighting projects are planned to be entirely financed by the ESCOs.</p>
Timeframe	January 2019 – December 2022

Investment programme description	<p>The investment programme consisted of two main components: energy efficiency in public buildings (approx. EUR 30.25m) and energy efficiency in public lighting (approx. EUR 14m):</p> <ul style="list-style-type: none"> • Energy efficiency in public buildings programme entailed deep retrofits of 42 public buildings representing approximately 60,000 m² (mostly schools). The refurbishments significantly reduced energy consumption of the buildings and achieve energy performance class of “A+”, in line with the “nearly zero-energy building” (NZEB) standard as indicated by the Energy Performance of Buildings Directive (EPBD). Planned EE and small RES measures included window replacement, high-performance wall and roof insulation, installation of PV panels, HVAC systems replacement and lighting replacement. RES is accounted for in the EE • Energy efficiency in public lighting programme entailed replacing approximately 22400 old streetlamps with new LED ones. The project also included the replacement of old control panels with new remote control systems in order to optimise the operation and maintenance as well as additional works in associated infrastructure.
Investment in implementation phase	EUR 44.3m
Results expected to be achieved	<ul style="list-style-type: none"> • Energy Efficiency – Annual total savings in the final energy consumption of 14.85 GWh. • CO₂ reductions – Annual total emission reductions of 3 231 t CO₂ eq.
Leverage factor achieved	29.66
Lessons learnt	<p>Uncertainty in EPC market rules hinders investment: EPCs are not specifically ruled by the new code for public contracts (DLGS. 50/2016). Therefore, they comply with the European directive (2012/27/UE) implemented by the National Government with the law decree n. 102/2014. The Municipality of Campi Salentina has chosen the procurement for goods and works system which allows to simplify the project phase of the work. This kind of call for tender requires the most economically advantageous tender criteria, based on the best quality-price ratio. The Italian legislative void concerning EPC has requested months of work and study during which there has been various debates with the top experts of this sector such as ENEA (delegate by the Italian Government to write the EPC rules and a standard contract), GSE (Gestore dei Servizi Energetici SpA, in charge of the grant programme), and also know-how sharing with other ELENA and EPC case in Italy.</p> <p><i>Comments on EPC application:</i> Introduced in Italy with art. 2 of Legislative Decree 115/2008, the EPC Contract has in fact found little use in the public sector, given the regulatory uncertainty that characterizes its essential elements, the difficult coexistence with the rules of the Public Contracts Code and, above all, the frequently incorrect framing of the requirements which, inevitably, leads to a market failure. Therefore, from the perspective of the public body, the conclusion of an EPC requires a number of precautions, such as the correct identification of the savings targets and the procedure for choosing the contractor, as well as the provision of monitoring tools during the execution of the contract. The creation of a system called “Cruscotto”, before the technicians started the data collection, avoided any possible divergence that could have affected the relevance of the collected data. A unique call for tenders divided in four different allotments of works/services was published. This choice allowed the competition also to medium-seized enterprises because a unique allotment could be accessible only to big enterprises. As a result of the analysis of the financial plan and of the long-term return of the investments the EPC with the ESCOs are estimated at 15 years.</p>

	<p><i>Comments on tender organisation:</i></p> <p>Before the call for tender the FB had to redefine the allotment of contracts many times. The long preliminary activity to prepare the application form for GROWS, almost two years, made it necessary to revise and verify the investment plan of each municipality, because in the meantime some of them had participated to the tender called by the Apulia Region for energy efficiency. Certainly, this huge amount of work has extended the project timeline, but it enabled to achieve a very good result.</p> <p>In conclusion, the GROWS project:</p> <ul style="list-style-type: none"> • Has published very complex calls for tender that can be taken as model by Italian Municipalities but also by other small European municipalities. • Has created a model of informed system (called Dashboard), conceived to give the decision makers the chance to check their projects and create very rigorous ex ante simulations, extremely important in case of a long-term EPC, even before the technicians begin their audit and design job. • Has studied and realized an EPC model which enables to eliminate the uncertainty that confines the EPC In Italy to a restricted market area for the public sector. This model can be replicated by all the Administrations. <p>The Municipality of Campi Salentina will continue to offer assistance, through its technical office, to its partners but also to all those which require it.</p>
Further information sources	https://www.elenagrows.it/en/home/
Contact person at ELENA Beneficiary	Arch. Riccardo Taurino, urbanistica@comune.campi-salentina.le.it