

1.Name of measure

Energy Performance Contracting (EPC) Concept & Financing Scheme

2.Purpose of measure

To overcome the capital costs/financing barriers in implementing cost-effective energy efficiency measures. It will provides customers with a comprehensive set of energy efficiency, renewable energy and distributed generation measures and often is accompanied with guarantees that the savings produced by a project will be sufficient to finance the full cost of the project.

3.Outline and applicable sectors (transport, buildings, manufacturing, etc.)

The concept of EPC is based on a profit-sharing agreement between the building owner and the Energy Service Company (ESCO) whereby the initial capital cost for the energy efficiency improvement projects is fully-borne by the ESCO. In ensuring successful implementation of the EPC particularly in government sector, ESCOs are required to register with Energy Commission prior to register with Ministry of Finance to carry out EPC projects under the Green Technology Services Code (222801)

4.Financial resources and budget allocation of measures

ESCO will offer to implement and finance the project. Payment to ESCO is based upon the guaranteed savings achieve. The actual amount to be paid will be based upon the agreed sharing value between the ESCO and the owner.

5.Method to measure effects of measures (reduction in energy consumption and energy cost, etc.)

1. Measurement and Verification report

6.Results of measures

1. Savings in terms of investment in identifying and implementing energy savings measures in government buildings.
2. Annual electricity bill savings and guaranteed energy savings targets.
3. Improve competency of efficient energy management among the owners of government buildings
4. Ensure a more comprehensive building maintenance in achieving sustainability.

7.Future tasks

1. To get the participation of the Local Finance Institutions (LFIs).
2. To tackle the issue of collateral imposed by the LFIs.
3. To develop a EPC guideline for implementing EPC in government sector

8.Others



9. For further details about measures, please contact:

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