



NEWSLETTER 1 – PERMANENT PROJECT – JANUARY 2010

THE PERMANENT PROJECT

The PERMANENT project, launched in September 2009 and running until December 2011, is financed through the Intelligent Energy Europe Programme.

The PERMANENT project is aimed at increasing the knowledge about measurement and verification of energy efficiency and renewable energy projects. Measurement and Verification (M&V) of energy efficiency projects is an important tool towards removing the distrust in these projects from the site of financial institutions and decision makers on corporate level.

The projects' main objective is to educate financiers, project developers and energy users about how energy efficiency projects can demonstrate permanent results and how that permanence can break the distrust barrier.

The International Performance Measurement and Verification Protocol (IPMVP) and the International Energy Efficiency Financing Protocol (IEEFP) will be the basis for this development.

PERMANENT Project Partners

Partner name	Country
ENVIROS, s.r.o. <i>Project co-ordinator</i>	Czech Republic
Maicon Associates Ltd.	United Kingdom
Polish Foundation for Energy Efficiency (FEWE)	Poland
EnEffect-Consult Ltd.	Bulgaria
EnergoEco	Romania
DZZD "Econoler, EnEffect and Elana" (EEE)	Bulgaria
HEP ESCO d.o.o.	Croatia

BARRIERS TO BE ADRESSED BY THE PROJECT

The project addresses the most common barrier to deployment of energy saving projects: disbelief that planned project results will be achieved and can pay back the investment in a sustainable manner.

This disbelief or lack of confidence in project savings impedes investment even where energy audits or other engineering analyses demonstrate sound investment opportunities.

Successful energy efficiency projects and mainly Energy Performance Contracts (EPC) have, however, demonstrated key techniques for measuring project results and verifying achievement of guaranteed savings. This can then result in financing energy savings projects without the need for collateral beyond that of the project itself.

PROJECT PARTNERS

The project co-ordinator is ENVIROS from the Czech Republic. It is assisted by Maicon, who will manage the knowledge and technology transfer aspects of the project.

These and all other participants in the project have practical experience with energy auditing, verification of energy saving projects and Energy Performance Contracting in their home country.

The project builds on 12 years of experience represented by the Efficiency Valuation Organization (EVO) in performance risk management and end user energy efficiency projects valuation. EVO experts, having personal experience with the development of measurement and verification tools, are directly involved in the project.

PROJECT OBJECTIVES, EXPECTED RESULTS AND TARGET GROUPS

THE OBJECTIVES

PERMANENT will develop and test harmonized and integrated approaches developed by EVO (used in Western Europe and internationally) in 5 new Member States.

PERMANENT will

- Educate technical energy efficiency professionals in the **International Performance Measurement and Verification Protocol of EVO (IPMVP)**
- Educating energy end users, financiers and energy services suppliers on performance risk measurement and management techniques in energy saving projects using another **EVO** tool - International Energy Efficiency Financing protocol (IEEFP);
- Train instructors who will be able to continue with training on performance risk management of energy saving projects after the completion of this project.

THE RESULTS

The project will support the dissemination and acceptance of the following techniques and approaches:

- Measurement of project results - with the use of common practices for measuring results, there can be effective management of performance risk;
- Verification of guaranteed energy saving predictions - with the use of common practices for verification of energy savings achieved, investors can select projects built on good foundations, and enter investments with less fear of success.

This will lead to financing far more energy savings projects without additional collateral (beyond that of the project itself). When applying these common practices, financiers do not need to take a charge on other assets of the project owner, thus opening up more energy saving projects to available financing.

TARGET GROUPS

PERMANENT will train energy end-users, technical energy efficiency professionals and financiers and bankers in measurement and verification as well as in performance risk measurement and management techniques. Trainings are scheduled as follows:

	INVOLVEMENT / ENGAGEMENT	BENEFITS
Technical Energy Efficiency Professionals	Up to two days training of professionals making use of the IPMVP and training materials specifically prepared for PERMANENT	Increased knowledge in detailed energy savings prediction and savings measurement techniques. Increased confidence in savings projections will enable larger project investments. More business for consultants.
Financiers Bankers	Up to half-day trainings using the IEEFP as a basis	Increased confidence in savings projections and larger project investments. More investments into energy efficiency e.g. in the role of a Third Party. Increased understanding to ESCO services.
Energy End Users	Presentations at workshops / conferences (up to half an hour), articles in association newsletters on performance risk management.	Increased awareness of performance risk management techniques for energy efficiency projects (disseminated among a wider professional audience)

INTRODUCTION TO THE IPMVP - THE INTERNATIONAL PERFORMANCE MEASUREMENT AND VERIFICATION PROTOCOL OF EVO

The IPMVP provides an overview of current best practice techniques available for verifying results of energy efficiency, water efficiency, and renewable energy projects in commercial and industrial facilities. It may also be used by facility operators to assess and improve facility performance. It is especially used in energy performance contracts where savings must be reported to a client and may form the basis of a payment to an ESCO.

IPMVP presents common terminology and defines full disclosure, to support rational discussion of often contentious M&V issues.

A primary purpose of IPMVP is to publish current good M&V practise, as reassurance for the public about savings reports. Its global use has helped the EPC industry in the USA and worldwide.

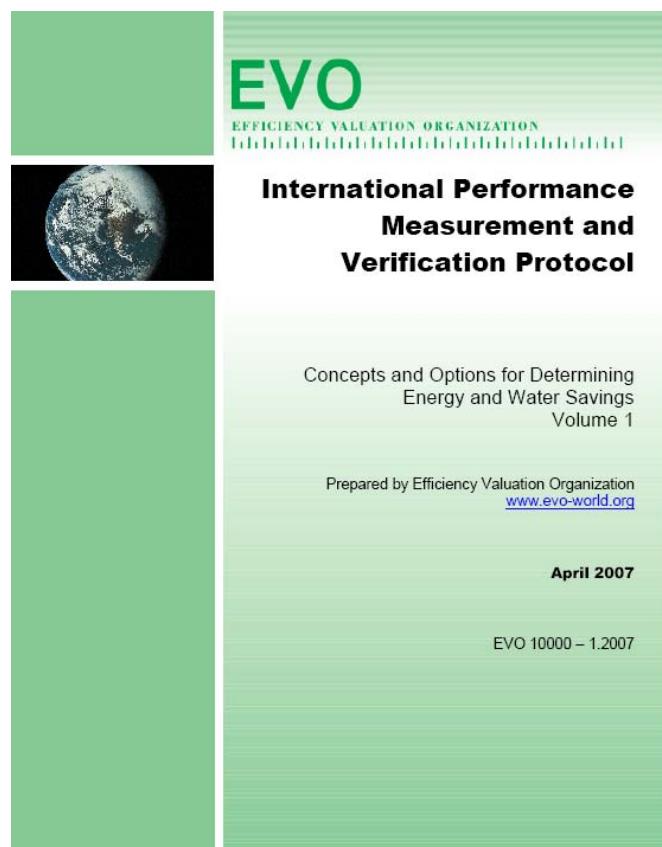
Energy conservation measures (ECMs) covered in the protocol include fuel saving measures, water efficiency measures, load shifting and energy reductions through installation or retrofit of equipment, and/or modification of operating procedures. The IPMVP currently has three published volumes:

Volume I Concepts and Options for Determining Energy and Water Savings; Volume II Indoor Environmental Quality (IEQ) Issues; Volume III contains specific application guidance manuals for Volume I (current manuals address new building construction (Part I) and renewable energy additions to existing facilities (Part II).

EVO (Efficiency Valuation Organisation)

EVO is a non-profit entity focused on advancing methods in energy performance risk management. EVO began as IPMVP, a committee of volunteers who came together under a US Department of Energy initiative to develop an international M&V protocol that would help determine energy savings from energy efficiency projects in a consistent and reliable manner.

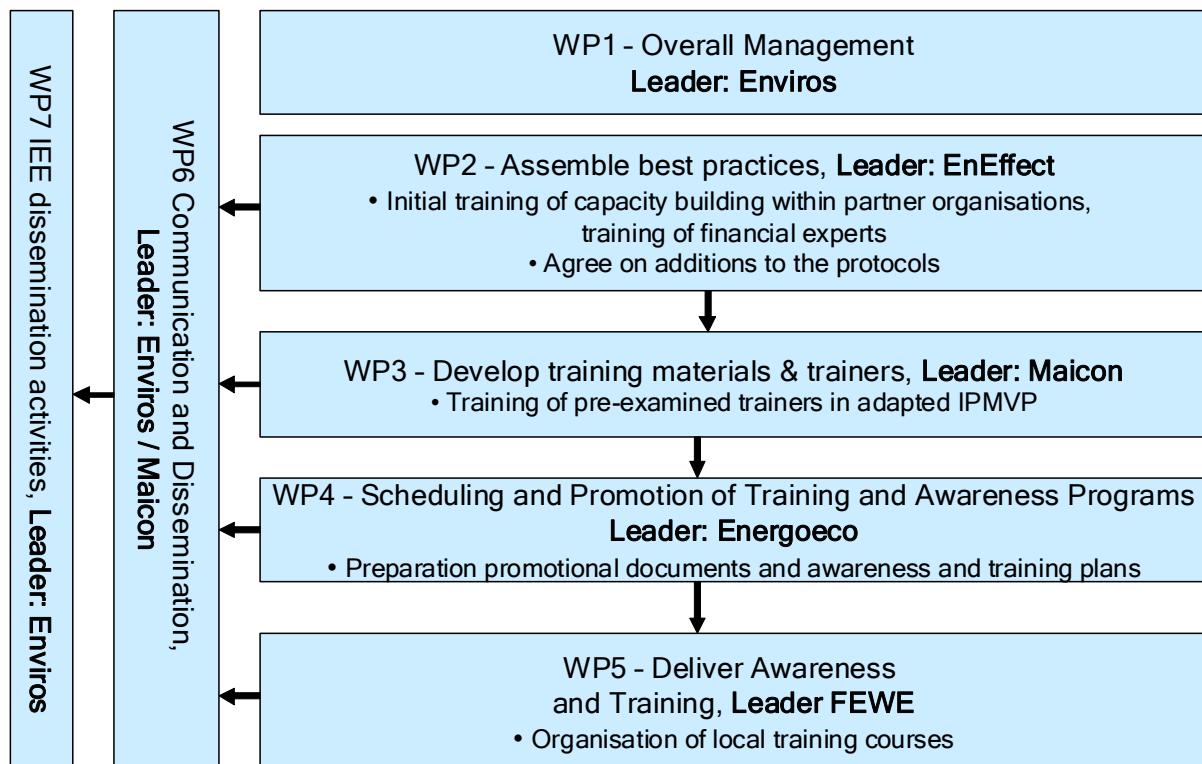
EVO's role in the project is in supplying the basic course material to be adapted by PERMANENT. Experts with intimate knowledge of IPMVP and IEEFP are part of the Maicon team and will channel support from EVO in the form of course materials (and orchestrate customizations of IPMVP and IEEFP as needed for PERMANENT). Co-operation with EVO will ensure long term availability of project materials and a focal point for ongoing updates.



IEEFP - International Energy Efficiency Financing Protocol - EVO has also developed this protocol, which provides guidelines for Local Financing Institutions ("LFIs") around the world to evaluate and finance energy efficiency and savings-based renewable projects ("Energy Savings Projects").

The IEEFP's objective is to create a better understanding by LFIs on how Energy Savings generate savings from existing operating expenses of end-use consumers, and how this equates to new cash flow and increased credit capacity for end-use consumers to repay EEP loans.

PROJECT ORGANISATION AND WORKPLAN



DETAILS OF THE PROJECT WORK PROGRAMME

WP2: After studying the EVO documents and materials, each partner will prepare an example savings measurement and verification (M&V) plan and savings report for 2 substantially robust energy efficiency projects in its home country.

WP3: The Protocols are adapted to both existing European legislation (e.g. IPPC, EPBD, ESD) and also national legislations and standards. Partners will agree on ways to customize the IPMVP to the EU context.

WP4: From this assembly and harmonization of materials for Europe, training materials will be developed. Training of trainers' will be provided by a team of EVO experts fully immersed in EVO's tools.

WP5: Partners will widely promote awareness of the techniques of performance risk management through arranged speaking engagements at: energy user conferences, ESCO conferences, banker conferences and engineering conferences.

Partners in five countries will also organize local training sessions for different market segments and in different levels of depth.

WP6: Dissemination materials and tools will be developed and distributed among an EU-wide professional public.

CONTACT DETAILS

Further information about the PERMANENT project can be gained at the project website:

www permanent-project.eu

Further information on the project can also be obtained from the national project co-ordinator:

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This newsletter is the first in a series to be published every 4th month during the course of the project.