

ESCO projects in the City of Győr

CSO Platform Interview Questions

1. What was the main consideration or motivation to participate in this CSO initiative?

The reduction of heating costs, and the favorable financial support of the ESCO company. The Municipality of the city of Győr also supported the Condominiums that implemented retrofitting of the heating system.

2. What change(s) did the project mean to the community?

The tenants paid attention to the regulation of the heating system in an environmentally conscious sense, therefore increase the sum of their savings.

3. What were the biggest problems in the preparation stage, and how were they resolved?

The tenants who had doubts, we had to convene multiple General Assemblies for the sake of the proper information of the building community. It has helped to find the solution that the investor and the ESCO company provided continuous assistance.

4. Did a process facilitator participated in the project? If so, what were your experiences with this? If not, would you recommend to other building communities to include this kind of service in their projects?

Yes, one has participated and we had good experiences, because they continuously supported the investment process. They keep monitoring the status of the project up to this day.

5. Had the community any experience in energy efficiency projects?

Yes, because the condominium participated in energy savings tenders continuously. First step was the replacement of the tenant's windows, then come this project, the retrofitting of the heating system, roof, façade and cellar slab heat insulation.

6. What information or tools were you most in need of?

The common representative of the condominium continuously collected information from the internet about heat insulation materials and heating system retrofitting tools, personally visited several buildings that participated in similar projects.

7. How did you find the contractor(s), designer(s)? What were your experiences with them?

The ESCO company managing the project and the tenants jointly selected the contractors in an invitational competition. The contractors had to be continuously supervised, so that they do proper work, for this the Technical Supervisor of the Condominium and the personal representation of the ESCO company provided help.

8. Did you enter into operation and energy supply contracts?

We entered into the operation and energy supply contract with the ESCO company that managed the project, which currently applies.

9. If you could do it all over again, what is that you would do differently?

In our opinion the implementation of the project satisfied the Condominium's needs.

43-49 Szabolcska Street Condominium

Common Representative
Mrs. Éva Tóthné Szalay
Condominium division
Division Leader

Mr. Attila Dávid
XXX. Housing Cooperative
Chairman of the Board

1. What was the main consideration or motivation to participate in this CSO initiative?

In 2011 the authorities had not been issued calls for Government subsidized Energy Efficient retrofitting proposals for already 3 years. EnergoSys -as an ESCO company- prepared a financing and implementation concept under the name of Raab-Sol, which provided residential buildings and neighbourhoods of residential buildings favorable, acceptable financing solutions.

The Housing Cooperative had 4 motivation factors to embrace the project:

- a. Acceptable financial burden: There hadn't been any financing construction, which would have provided for the flat owners with low income the costs of an acceptable complex energy efficient building energy retrofitting.
- b. Guaranteed results: As an innovative aspect the developed solution considered that almost 30% of the investment costs can be financed from energy savings by adequate ESCO guarantees.
- c. Non-refundable subsidies: Subsidies from the municipality and a small subsidy from the EIB could be relied on.
- d. Favorable loan financing: Because of the long term loan payback period and the favorable conditions of the applied loan financing, the anticipated amount of common costs became acceptable for the flat owners.

In order to realize the concept, the XXX. Housing Cooperative (Note from the translator: read as "No. 30 Housing Cooperative") and the EnergoSys Inc. had a Cooperation Contract, according to which they together surveyed and made the energy audit of the 67 buildings of the Housing Cooperative, and developed the investment program.

The individual investment program of the buildings had been discussed by each building community, which resulted that the Parties developed a specific investment program for 10 buildings. The Municipality ensured 25% non-refundable grant, for which the refinancing EIB contributed with approx.15%.

According to the decision of the Building Communities, in 2012 the investment program started with 4 buildings, of which tenants voted for the realisation.

2. What change(s) did the project mean to the community?

The high construction quality, the guaranteed energy savings and the utilization of renewable energy made possible to achieve significant operation cost reduction for the residents. Besides that, they could achieve more favorable living conditions and increase of the market value of their properties. Given the fact that the investment had been approved by 75% of the residents, the cohesion of the Communities and the monitoring needs strengthened. The achievable energy saving possibilities have become more important for the residents.

3. What were the biggest problems in the preparation stage, and how were they resolved?

During the approval process, the targeted high energy-saving requirements and the impact of the emission reduction goals on the investment cost have deterred the initially enthusiastic

Communities. Under these conditions, the 75% positive vote rate at the General Assembly, which was required by the local government, has reduced the proportion of viable projects by half. In 60% of the cases, we have not been able to convince the Residents about the importance of the recommended options. The Authorities' occasional announcements, according to which they shortly start a greater subsidy program, and the meanwhile implemented discounts of residential energy tariffs, have reduced the attractiveness of the program.

4. Did a process facilitator participated in the project? If so, what were your experiences with this? If not, would you recommend to other building communities to include this kind of service in their projects?

As it was previously mentioned, the Energosys Inc. as project developer and manager, continuously cooperated with the Housing Cooperative. The tasks described in the Cooperation Agreement have been properly fulfilled by the company, and they did their tasks thoroughly as a reliable partner.

The Housing Cooperative always relied on advisory or mentor companies, even before the Raab-Sol project. Now, the Housing Cooperative is prepared to contract consulting, design companies with project preparation and hires suitable companies to manage individual buildings. However, in case of building groups and complex city-wide projects, we recommend to establish long-term cooperation with innovated management companies as it was done in the Raab-Sol project.

5. Had the community any experience in energy efficiency projects?

The housing Communities of the Housing Cooperative have initiated smaller or bigger energy efficiency investments since 2003, also complex retrofitting projects have been implemented during the last years.

6. What information, tools were you most in need of?

6.1 In the preparation phase the following information were the most important:

- technical and energy status of the building and its energy savings potential.
- energy consumption of the previous 5 years at least
- at least two versions of renovation alternatives as well as
- those impacts on costs and estimated energy potentials (energy savings, reduction of emissions)

6.2 Implementation phase

- tender documentation to select a contractor
- conditions of loan financing: criteria of contracting, the expected amount of repayment
- specifications of implementation: definition of the technology and technical parameters of the project, schedule of the implementation, warranties and costs
- anticipated changes in the common costs as a result of the project implementation

6.3 Operational phase

- the terms of the contract concluded with the ESCO management company, system configuration parameters
- operating costs, cost accounting procedure

7. How did you find the contractor(s), designer(s)? What were your experiences with them?

The ESCO company together with a consultancy company (Lagross Ltd.) on behalf of the Housing Cooperative has complied the requirements towards construction and installation contractors, which meet with the quality criteria, local and EU regulations.

The ESCO company asked for quote at least from three different companies per disciplines. The main criteria of the selection were the conditions of the guarantees of quality and the price.

8. Did you enter into operation and energy supply contracts?

Operating and accounting contracts have been signed with the ESCO company. According to the decision of the government about the residential energy fees in 2013, the operation reverted to the Housing Cooperative.

9. If you could do it all over again, what is that you would do differently?

With the support of the involved communities, I would discuss the payment conditions more properly with the local government and the commercial Bank.

We would expect more detailed information for the residents about the construction and installation work, and later about the operating conditions and methods from the construction company and the ESCO company.

We would hold public forum yearly where the encountered problems, the achieved results and the changes could be discussed and can be agreed.

11 May 2016, Győr

Mr. Attila Dávid

Chairman of the Board

XXX. Housing Cooperative

Győr-Moson-Sopron County Chamber of Commerce and Industry

EU EB

Proficient FP7 Research and Development Project

EU model projects

RAAB SOL project, Győr

Subject: Evaluation

1. What was the main consideration or motivation to participate in the communication of the RAAB Sol project and to support it with services (5 week Workshop Program for SMEs and Building Communities in 2013)?

The Chamber of Commerce and Industry for Győr-Moson-Sopron County has always placed great emphasis on efforts related to energy savings and possibilities of renewable energy utilization. We have participated in many projects in order to raise the awareness of contractors and users and implement sample demonstration projects. We organized many consultations and further trainings.

Furthermore, regularly “club” have been organized for the Condominium Managers where information about the retrofitting of buildings, and implementation options have been presented by experts. We dealt separately with the issue of tenders, used materials, applicable technologies and possibilities of financing. The Proficient FP7 Research and Development Project belonged to this topic, and the RAAB-SOL project has been implemented as part of it.

As part of the RAAB SOL project, the whole retrofitting project has been presented from design to operation to the contractors and condominium managers.

The five-week workshop program for the condominium managers and SMEs has been successful, we managed to bring together the potential customers and the contractors.

2. How do you assess the results of the RAAB SOL project, for example in case of building Sopron street 5-7.?

The measured energy-savings after the retrofitting that has been realized within the RAAB SOL project have been over 50 %. This professionally outstanding success have been awarded with the IKAROS Innovation award by the Chamber of Commerce and Industry for Győr-Moson-Sopron County in 2013.

3. Which aims, results and implications of the RAAB SOL project would you recommend to others?

The RAAB SOL program (1st phase) included the retrofitting of 10 buildings (311 flats) which are managed by housing associations in different parts of the city. Retrofitting resulted increased comfort level and significant energy-savings. The retrofitted buildings became better-looking, they are colourful patches in the city's landscape. The residents appreciate the results of the program. The implementation was initiated by the owners and SMEs. The program was realized with municipal support.

It has been proved, that the professional design, the correct implementation, the work of the local contractors have been successful in both macro and micro levels, the program was profitable in the foreseeable time.

12 May 2016, Győr

Mr. Előd Dinnyés

Secretary