

Taking on the challenges



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-30°C

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Mats Brantsberg

Real estate director
Municipality of Örebro

The municipality of Örebro - and the Municipal Real Estate Department



Short facts:

- I. 129.000 inhabitants and the 7:th largest city in Sweden
- II. The real estate department managing 650.000 m2 municipal localities
- III. The department has it's own organisation for admin, operation and management
- IV. An existing biomass CHP plant is the backbone of the municipal energy policy
- V. The municipality has a strong and growing environmental focus



The five drivers that enlightened us



Drivers:

- I. Increasing financial constraints due to increased energy costs
- II. Diminishing resources for operation & maintenance of existing building stock
- III. A strong environmental commitment to reduce the CO2 emissions
- IV. The possibilities to realise ESCO-projects with firm saving guarantees
- V. The authorities capacity building support and partial investment grants

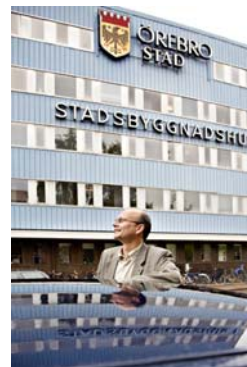
We wanted to realise the hidden and embedded savings potential



From doubtful idea to successful project

The route:

- I. Early information from ESCO, but then it didn't create any real interest in the municipality
- II. New management and increased costs renewed and strengthen the interest
- III. A feasibility analyses indicated large saving potential, but also large investment needs
- IV. Multiple study trips with politicians, economists and O&M finally created confidence to move on
- V. ESCO capacity building legitimised the approach and the investment grants facilitated decisions
- VI. Public procurement and negotiated procedures consumed time but created an excellent project



It's essential to have all stakeholders onboard before you take off



The largest public ESCO project in Sweden



Key figures:

- I. Over 400 municipal buildings and 420.000 m²
- II. Substantial technical upgrade as well as extensive training of the entire O&M org.
- III. A total investment of approx 15 million Euro
- IV. A total energy saving of over 20 percent
- V. Over 20 oil and fossil fuel boiler systems have been converted into biomass CHP district heating
- VI. Reduction of CO₂ emissions with 36 percentage and cut of 80 percent in oil consumption
- VII. Profitable year one, by applying a P&L perspective rather than a traditional Pay-off perspective

We are fulfilling our environmental goals and still earn money



Public Private Partnership – In reality!

Key success factors:

- I. A well anchored project with a structured tendering and procurement process
- II. A step by step project development process
- III. Clear roles and responsibilities between the different organisations
- IV. Firm savings guarantees from the ESCO paired with mutual incentives for additional improvement
- V. Equal focus on technical upgrade and on developing organisations and human capital
- VI. A mutual and true respect for the other parts organisational specificities and characteristics



Any successful ESCO project needs to be built on a true partnership



Contact information

Mr Mats Brantsberg
Municipality of Örebro
Real Estate Director

Phone: +46 19 21 11 09

Mobile: +46 70 288 31 42

mats.brantsberg@orebro.se

