



SLOVENSKI STANDARD
oSIST prEN 17669:2021
01-julij-2021

Pogodbe o energetske učinkovitosti - Minimalne zahteve

Energy Performance Contracting - Minimum requirements

Energiespar-Contracting - Mindestanforderungen

Contrat de performance énergétique - Exigences minimales

Ta slovenski standard je istoveten z: prEN 17669

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Energy Performance Contracting - Minimum requirements

Contrat de performance énergétique - Exigences
minimales

Energiespar-Contracting - Mindestanforderungen

This draft European Standard is submitted to CEN members for enquiry. It has been drawn up by the Technical Committee CEN/CLC/JTC 14.

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Recipients of this draft are invited to submit, with their comments, notification of any relevant patent rights of which they are aware and to provide supporting documentation. Recipients of this draft are invited to submit, with their comments, notification of any relevant patent rights of which they are aware and to provide supporting documentation.

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Contents	Page
European foreword	3
Introduction	4
1 Scope.....	6
2 Normative references.....	6
3 Terms and definitions.....	6
4 Scope and boundaries of the EPC	8
5 EPC's Energy Targets	9
6 Contractual energy baseline	10
7 Definition and description of the EPIA(s)	11
8 Methodology for the evaluation of the energy efficiency improvement (ex-post)	12
9 Methodology for the evaluation of other improvement measures (ex post)	13
10 Energy service provider obligations.....	13
11 Beneficiary and energy service provider obligations for EPIAs on assets owned by the beneficiary.....	14
12 Additional obligations of the energy service provider	15
13 Beneficiary obligations.....	15
14 Financing mechanisms.....	15
15 Guaranteed savings.....	16
16 Reporting for other improvement measures	17
17 Duration	17
18 Payment mechanisms - Invoicing	17
19 Risks assessment, mitigation and allocation	18
20 Insurance	19
21 Exclusions	19
Annex A (informative) Statistical analysis to determine baseline EnPI and EnPIv	20
Annex B (informative) EPC Business plan.....	23
Annex C (informative) Example of Risk allocation matrix.....	32
Bibliography	33

European foreword

This document (prEN 17669:2021) has been prepared by Technical Committee CEN/CLC/JTC 14 “Energy management and energy efficiency in the framework of energy transition”, the secretariat of which is held by UNI.

This document is currently submitted to the CEN Enquiry.

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Introduction

Energy efficiency improvement is one of the pillars of the energy transition. It is considered as one of the most cost-effective ways of addressing the growing demand for energy, climate change mitigation, energy security and increased competitiveness.

Directive 2012/27/EU on energy efficiency defines Energy Performance Contracting (EPC) as “contractual agreement between the beneficiary and the provider of an energy efficiency measure verified and monitored during the whole term of the contract, where investment (work supply or service) in that measure are paid for in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criteria, such as financial savings”.

The new energy efficiency directive (EU) 2018/2002 highlights that reaching an ambitious energy efficiency target requires barriers to be removed to facilitate investment in energy efficiency measures. One step in that direction is the clarification provided by Eurostat on how to record energy performance contracts in national accounts, which removes uncertainties and facilitates the use of such contracts.

The lack of broadly accepted best practices or guidelines for EPC demands the development of a standard defining the minimum requirements of the contractual agreement that matches the needs of:

- Policy Makers to provide tools for quality, transparency and effectiveness in Energy Performance Improvement Actions (EPIA);
- Building owners, public or private organizations and energy service providers to adopt a contractual framework for energy services that provides clear and transparent risk allocation and guaranteed energy efficiency improvement and other agreed energy performance criteria;
- Financial institution and banks to have a reference contractual framework between user and energy service provider that clearly define value generation (including multiple benefits or co-benefits of energy efficiency) and risks allocation;
- Property valuers to help assessing the value of the asset in relation to its energy efficiency and sustainability performance for the project lifetime.

The standard addresses the multiple domains of the contractual agreement: technical, financial, legal and provides a common framework of methods to integrate the minimum requirements of energy efficiency improvement

Because EPC usually has an impact on the risk allocation between the energy service provider, the financial institution and the beneficiary of the energy efficiency improvement services, the requirements have implication on the economic evaluation, legal, fiscal and accounting procedures for both public and private organizations.

This document can be used in conjunction with the following

- management system standards,
- energy management standard,
- risk management standards,
- asset management standards,
- underwriting procedures of financial institutions (European Bank Authority – EBA),
- international accounting standards (International Financial Reporting Standards - IFRS);

- Eurostat statistical treatment of EPC,
- Environmental Social and Governance (ESG) requirements, or
- Action plan for Sustainable Finance.

The production of renewable energy on site does not necessarily achieve energy efficiency improvement. Even if energy consumption across the boundary decreases, there may be no measurable improvement in energy efficiency related to the energy use as a result of the change.

However, renewable energy production may be a component of an EPC and is therefore considered to be in the scope of this document when delivered in combination with an EPIA.

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prEN 17669:2021 (E)**1 Scope**

This document defines the minimum requirements for an energy performance contracting (EPC). The energy performance improvement actions (EPIAs) are meant to achieve a guaranteed level of energy efficiency improvement and other agreed energy performance related criteria irrespective of the quantity, use, or types of energy consumed.

This document is intended to be applied to EPIA(s) on existing assets.

The requirements are set in order to provide:

- transparency throughout the whole process that will result in the Energy Performance Contract,
- cost effectiveness in relation to the benefits generated by the energy efficiency measure,
- a quality assurance, risk mitigation and risk allocation toolkit,
- material information necessary for financial and technical calculations for both beneficiary and energy service provider.

The document is applicable to energy service providers and beneficiaries regardless of their type, size, complexity or geographical location.

This document may be used by financial institutions and other stakeholders of the process.

NOTE This document can be used in conjunction with Eurostat and International Accounting Standards Board (IASB) guidance.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

3.1**energy consumption**

quantity of energy applied

[SOURCE: EN ISO 50001:2018]

3.2**energy efficiency**

ratio or other quantitative relationship between an output of performance, service, goods, commodities, or energy, and an input of energy

EXAMPLE Conversion efficiency, energy required/energy consumed

Note 1 to entry: Both input and output should be clearly specified in terms of quantity and quality and be measurable

[SOURCE: EN ISO 50001:2018]

3.3**energy performance**

measurable result(s) related to energy efficiency, energy use, and energy consumption

Note 1 to entry: Energy performance can be measured against the organization's objectives, energy targets and other energy performance requirements

[SOURCE: EN ISO 50001:2018]

3.4 energy performance contracting EPC

contractual agreement between the beneficiary and the provider of an energy efficiency measure verified and monitored during the whole term of the contract, where investment in that measure are paid for in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion

[SOURCE: Directive 2012/27/EU]

3.5 energy performance contracting boundary

physical, geographical or organizational limit as agreed between the beneficiary and the energy service provider

EXAMPLE Industrial plant, building(s) or their parts (a production line, a group of processes, a boiler, air compressing equipment, lighting system, building envelope, building HVAC system, vehicles of a fleet of vehicles)

3.6 energy performance contracting scope:

set of facilities and/or activities that the EPC addresses

Note 1 to entry: the scope can include several boundaries

3.7 energy performance improvement action (EPIA)

action or measure or group of actions or measures, implemented or planned, intended to achieve energy performance improvement through technological, managerial or operational, behavioral, economical, or other changes

[SOURCE: ISO 50015:2014, 3.5, and ISO 50046:2019, 3.11]

EXAMPLE A non exhaustive list of EPIAs is the following:

- measures in order to reduce the energy consumption;
- replacement, modification or addition of equipment;
- more efficient operation;
- continuous optimization of operation of technical installations;
- improved maintenance;
- deployment of behavioral change programs;
- implementation of an energy management system

prEN 17669:2021 (E)

Note 1 to entry: for the purpose of this document the term “energy performance improvement action/measure” is equivalent to “energy efficiency improvement action/measure” since the only kind of performance that can be normalized, as requested by this standard is the energy efficiency

3.8**energy service provider**

a natural or legal person who delivers energy services or other energy efficiency improvement measures in a final customer’s facility or premises

Note 1 to entry: an ESCO (Energy Service Company) is a type of energy service provider

3.9**energy use**

application of energy

EXAMPLE Ventilation; lighting; heating; cooling; transportation; data storage; production process

Note 1 to entry: energy use is sometimes referred to as ‘energy end-use’

[SOURCE: EN ISO 50001:2018]

3.10**materiality**

importance or significance of financial and non financial aspects of an organization’s activity for stakeholders evaluation of its development, performance, position and impact

[SOURCE: ISO CD 32210 - 2020-08-14 Framework for sustainable finance: Principles and Guidance - ISO TC 322/WG 1]

oSIST prEN 17669:2021

EXAMPLE Example of material information, intended as significant information both quantitative and qualitative related to the EPC and EPIA(s) affecting a decision from the beneficiary (stakeholder), the energy service provider and the third interested party, are, as non exhaustive list, the following:

- relevance of Energy Performance Indicator (EnPI) adopted to measure energy efficiency improvement;
- baseline measured EnPI leading to the evaluation of guaranteed energy efficiency improvement, environmental impact reduction and economic saving;
- measured EnPI measured after the implementation of the EPIA(s);
- adjustment factors to determine energy efficiency improvement;
- investment (capex), operational costs (opex), emerging costs (stranded assets) and measurable benefits that have an economic value;
- any information that if omitted, misstated or obscured could reasonably be expected to influence the decision of the beneficiary, the energy service provider or a third party

4 Scope and boundaries of the EPC

The EPC shall:

- be appropriate and cost effectiveness in relation to the benefits generated by the EPIA;
- provide a risk mitigation and risk allocation framework both in technical and monetary terms;

- deliver material information for the due diligence and underwriting procedures of financial institutions to support financeability;
- provide material information for statistical treatment and financial accounting;
- define reporting guidelines for financial, non financial, sustainability disclosure and property valuers;
- meet the beneficiary energy performance requirements related to the expected level of service such as comfort, level of maintenance, production output, etc.

The scope and boundaries of the EPC shall be defined.

The scope of the EPC shall be described in an exhaustive and unequivocal way.

The boundaries within which the EPIAs shall be implemented shall be described including the energy types for each energy use and the detail of each individual action.

The energy efficiency improvement achieved by the EPC shall be demonstrated through measurement and verification.

5 EPC's Energy Targets

The EPC shall define the guaranteed energy targets to be achieved during the contract duration. Energy targets shall be measurable and associated to relevant EnPIs. Each EnPI should be related to a contractually agreed baseline.

Energy targets shall be expressed in the same units as the relevant EnPIs defined in the baseline. The change of EnPI value can be expressed as absolute values or percentage.

The energy targets shall include the level of service and/or comfort to be achieved.

The EPC can also include other objectives such as:

- environmental: CO₂ or other emissions reduction objectives;
- costs reduction;
- safety measures improvement;
- improvement of earthquake building code.

EPC investments, operational costs and economic profit for the energy service provider are paid for in relation to a contractually agreed level of energy efficiency improvement or other agreed level of energy efficiency improvement or other agreed energy performance criterion or financial savings.

NOTE Additional objectives set in the EPC and that do not lead to savings directly connected to energy efficiency savings are generally paid in relation to other criteria defined in the contractual agreement.

prEN 17669:2021 (E)

An EPC shall include, as a minimum:

1. the EPIA(s) description,
2. the ex-ante EnPI related to the boundary of the EPIA(s),
3. the relevant variables and static factors,
4. an algorithm that correlates the EnPI(s) with the relevant variables and static factors,
5. the guaranteed energy efficiency improvement in relation to relevant variables and static factors for the whole contract duration,
6. the methodology for measurement & verification and the reporting plan to assess (at least annually) the energy efficiency improvement over time,
7. the value of the investment committed for the EPIA(s) implementation,
8. the responsibilities and payment allocation for the energy supply,
9. the ownership of the EPIA(s) asset(s),
10. the responsibilities and the allocation of costs for operation, maintenance and repairs for the whole contract duration of the EPC,
11. a description of the economic, financial or other remedies and compensations (penalties) in case of failing to achieve the annual guaranteed energy saving,
12. a description of economic, financial or other compensation bonuses in case of savings in excess to the annual guaranteed energy saving,
13. the definition and beneficiary of any kind and form of applicable incentives (economic, financial, fiscal, etc.),
14. the identification of EPIA's implementation risks and their mitigation and allocation,
15. the contract duration,
16. in case of availability of incentives (economic, financial, fiscal, etc.) who is the beneficiary.

6 Contractual energy baseline

The contractual energy baseline is a value for a reference period that appropriately represents the range of operating conditions ex-ante implementation of the EPIA(s). This enables changes in energy performance to be accurately represented by comparing EnPI values for the reporting and baseline periods.

The type of information needed to establish an energy baseline is determined by the specific purpose of the EPIA(s), and by the effect of relevant variables on energy performance.

The EPC shall define an exhaustive, qualitative and quantitative assessment of the ex-ante energy efficiency performance within the scope of the agreement, indicating:

- boundaries of the energy system;