



Thermoprofit Graz Energy Agency, Austria

Summary

Thermoprofit is an impulse program to stimulate the market for energy services involving different market actors. It was developed within the Municipal Energy Concept of the City of Graz, called KEK Graz (1996), as a public-private partnership, involving local authorities as well as companies and other agencies. The medium-term goal of the impulse program is to disseminate innovative energy services like energy performance contracting and related approaches to support the market development of energy services.

End-user area

- New buildings
- Refurbishment of buildings
- Transport and mobility
- Financial instruments
- Industry
- Legal initiatives (regulations, directives, etc)
- Planning issues
- Sustainable communities
- User behaviour
- Education
- Other

Target Audience

- Citizens
- Households
- Property owners
- Schools and universities
- Decision makers
- Local and regional authorities
- Transport companies
- Utilities
- ESCOs
- Architects and engineers
- Financial institutions
- Other

Technical

- Energy efficiency
- Heating
- Cooling
- Appliances
- Lighting
- CHP
- District Heating
- Solar energy
- Biomass
- Wind
- Geothermal
- Hydro power
- Other

Context

Thermoprofit contains the key elements of Third Party Financing and Energy Performance Contracting, while being organised in a more flexible way. In particular, Thermoprofit is focused less on advance financing by the contractor. It also includes models in which the ESCO optimises energy use on the basis of either an energy saving guarantee or a performance-based fee, while the owner of the building remains in charge of the financing himself. While Thermoprofit projects are above all designed for the renovation of existing buildings, they can also be applied to the construction of new buildings.

Objectives

The market development and penetration of total service packages is to be reached via four main strategies:

1. Creation of a Thermoprofit network of competent suppliers
2. Developing and establishing quality standards
3. Independent support provided by the Graz Energy Agency and other partner agencies
4. Information and marketing initiative Thermoprofit

The essential characteristics of Thermoprofit projects are:

- reduction of energy used in buildings



- economic advantages for owners and users of buildings
- direct or indirect reduction in pollutants and CO₂ -emissions
- planning and implementation carried out by a Thermoprofit partner
- Thermoprofit guarantees that energy costs will stay below a defined limit

Process

Thermoprofit was developed within the Graz Municipal Energy Concept. The development of Thermoprofit contained the following steps:

1. Market analysis, conception and development of the programme
2. Development, realisation and documentation of model projects (positive examples)
3. Development of a network with ESCOs (Thermoprofit-Partners)
4. Marketing initiative: Activities for communication and networking to disseminate the developed solutions and to inform potential users and multipliers
5. Competent and neutral support of building owners during preparation and implementation of the project
6. Support of suppliers: standardised project implementation (contracts, bidding procedure), project-controlling
7. Continuous project realisation

Main target groups of the project are:

- Municipality buildings
- Public buildings
- Residential property
- Businesses from trade and industry

The Graz Energy Agency functions as a turntable, competence centre and impetus behind Thermoprofit. It takes care of the promotion, relevant networking activities and evaluation of the programme.

The definition of the programme was worked out by a project-team consisting of representatives of the Chamber of Commerce, the Chamber of Labour, the City of Graz, the Energy Representative of Styria and the Graz Energy Agency.

Financial resources and partners

The **Graz Energy Agency** co-ordinates the network is responsible for the project management and in charge of implementing and supporting the required networking and marketing activities. Thermoprofit is supported considerably by various public agencies, in particular by the city of Graz and the Styrian Chamber of Commerce.

Results

The Thermoprofit Network consists of suppliers of total service packages – the so-called **Thermoprofit partners**. Primarily, Thermoprofit partners are prime contractors. They co-operate with regional enterprises in the execution of projects and thus contribute to stimulating the economy of the respective region. They commit themselves to the Thermoprofit quality standards and are certified by the Thermoprofit-Commission as qualified and professional contractors. The **Graz Energy Agency** co-ordinates the network and acts as a turntable for Thermoprofit issues. It is responsible for the project management and in charge of implementing and supporting the required networking and marketing activities.

Results so far are:

- 6 companies certified as Thermoprofit partners



- 3 Thermoprofit partner agencies
- 25 Thermoprofit projects realised or underway, several projects in preparation
- 110 buildings optimized with Thermoprofit
- Contracting award “Energieprofi 2000”, “Energieprofi 2001”, “Energieprofi 2003” and Contracting Award “Energieprofi 2004” for Thermoprofit projects from the federal ministry for environment
- High publicity of “Thermoprofit” in the Styrian region and beyond

Lessons learned and repeatability

Concerning the development of the Thermoprofit network it is sometimes difficult to persuade the ESCOs to accept the quality standards defined by Thermoprofit. In the beginning ESCOs consider it as an interference in their business policy, before they realise their advantages. A standardised quality label enhances the acceptance of customers.

As it appears, a stronger involvement of ESCOs is necessary concerning the working out of regulations and principles for the market and to get feedback on the so far realised objectives. The initiation of Thermoprofit projects also requires a lot of information work because it is necessary to eliminate the distrust of clients. Customers who already have bad experiences with third party financing because of low quality offers are very sceptical to start new projects.

The Thermoprofit quality standards and guarantees help to reduce the existing barriers. The initiation of new projects is getting easier as first Thermoprofit projects are successfully implemented.

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Printed reports or other literature available:

Title: Thermoprofit Broschure and Best Practice Examples (in German)