



ELENA Project Factsheet
ENERGY PROGRAMME FOR CLIMATE NEUTRAL CITY OF VELENJE
(ELENA MOVENERGY)

Location of planned investments	The Project will be located in the City Municipality of Velenje, Slovenia.
Final Beneficiary	City of Velenje (MOV), Slovenia.
Final Beneficiary's address	Titov trg 1, SI-3320 Velenje - Slovenia
Sector(s) of investment	EE Non-Residential and Residential Buildings, District Heating and Renewable Energy Sources
Total Project Development Services (PDS) cost	EUR 1 900 000.00
ELENA co- financing	EUR 1 710 000.00
Project Development Services (PDS) financed by ELENA	<p>The Project Development Services (PDS) financed by ELENA will provide support to develop Energy Efficiency investments in public and residential buildings, and renewable energy (RE) such as PV on buildings and new RE-based heat plants for the district heating in the City Municipality of Velenje (MOV), Slovenia.</p> <p>The PDS consist of preparation of the feasibility studies for RE projects, energy audits with energy baselines for EE projects, financial engineering, preliminary design, or energy studies for some solutions. It will also provide communication and public engagement, mainly to inform and educate occupants and homeowners on the benefit of residential building retrofits.</p> <p>The PDS will be managed by a Project implementation Unit (PIU) established and managed by MOV and will consist of one fulltime project assistant, and part time director, a technical consultant from the local energy agency seconded to the PIU and a public engagement consultant. The PIU will manage the external consultants, prepare the reports for the different stakeholders, and provide communication and public engagement.</p> <p>The PIU will procure a Project Support Team of external experts consisting of energy systems expertise,</p> <p>EU grants expertise, project management, finance expertise, legal expertise with emphasis in PPP, energy contracting expertise, and other expertise as needed necessary for implementation support.</p>
PDS Timeframe	October 2024 – September 2027
Investment programme description	<p>The investment will consist of four different types of EE/RE projects:</p> <ol style="list-style-type: none"> 1. Energy retrofit of public buildings: 8 buildings have been identified to implement comprehensive refurbishment to decrease their consumption by 62.2% on average. The project

	<p>will be financed through a combination of grant and third-party (ESCO) financing as Energy Performance Contract.</p> <ol style="list-style-type: none"> 2. Energy retrofit of residential buildings: These measures include deep renovation of an estimated 12 residential buildings, introducing an innovation by also developing EPC for residential buildings and reducing consumption by circa 60%. 3. PV in Buildings: Installing approximately 5 000 m2 solar plants on the roof of different public buildings. 4. Initiating the transformation of the city district heating by developing two new RE based heat plants, one 22.5 MWth thermosolar field and a 0.51 MW heat pump at a wastewater treatment plant. <p>The energy efficiency works will consist of insulation of the envelopes of the buildings (roof, walls, windows, doors etc.), modernisation of the heat distribution system in the buildings and the heat substation for the buildings connected to District Heating or the boiler house, if not connected.</p> <p>The investments are planned to be financed by national and EU grants, and third-party financing from the ESCO through Energy Performance Contract, Power or Heat Purchase Agreement depending on the technologies. Some community investments in solar PV will also be looked at.</p>
<p>Investment amount to be mobilized</p>	<p>EUR 46 200 000.00</p>
<p>Description of the approach to implement the Investment Programme</p>	<p>Third party financing model performed by ESCOs is the fundamental implementing approach selected for the implementation of the energy efficiency and RES investments, due to limited own financial resources. Several tenders for groups of similar buildings (schools, kindergartens, etc) or same technology measure will be issued to reach economy of scale. Selection of ESCOs will be based on several criteria: offered level of savings, economic conditions, references, etc. with the clear goal for optimal and rational use of resources.</p> <p>For the energy retrofit of public buildings, preferably an Energy Performance Contracting (EPC) will be used. In cases where the implementation of an Energy Performance Contracting (EPC) is not feasible or where ESCOs express a lack of interest in financing and executing the project, MOV will independently undertake the implementation and financing of energy retrofits, with the support of EU co-funding.</p> <p>The object of ESCO contracts will be complete implementation of the investment and maintenance & operating of the installed equipment in the contractual period. Measures, where economic indicators of the necessary investments will not fulfil requested contracting period for ESCOs implemented as recommended by the Ministry (up to 15 years), the "Public Beneficiary" will co-finance the implementation with own financial resources and other available funds (Cohesion funds, ECO fund, etc.).</p> <p>For the energy retrofit of residential buildings, MOV will try to develop an ESCO model, that could be replicated to other Slovenian municipalities and will serve as a "project lighthouse" at the level of the whole of Slovenia. The idea is that the residents of multi-apartment buildings would not finance energy interventions with their own money, as a result it is necessary to include the managers of such buildings and ESCO companies in the model. ESCOs would finance the measures in an amount that is still economically sustainable for them, and the managers would provide the difference through EU co-financed loans from the Eco fund, which the residents would repay as</p>

	<p>part of investment maintenance or alternatively, a design-build model is also possible.</p> <p>MOV will adopt a new PPP approach for implementing PV systems on public buildings. This approach involves MOV collaborating with private partners to establish "Individual or Community self-sufficiency" with electricity through the installation of solar panels. In the individual and community self-sufficiency approach to implementing PV systems on public buildings, municipalities collaborate with private partners to establish self-sustained electricity generation. In the individual self-sufficiency model, PV panels are installed on public buildings, generating electricity to meet the specific building's needs, thereby reducing its reliance on the grid, and lowering energy costs.</p> <p>For the DH system measures, MOV plan that they will be concluded according to the contract on the supply of heat between UCV/MOV and future ESCO. For this purpose, within the framework of the ELENA project, the UCV will carry out a verification of the technical conditions, based on an "in-house" contract with the municipality.</p> <p>The IP will be implemented by new Project Implementation Unit (PIU) including involvement of existing City Administration departments responsible for the investments implementation and steered by the special Project Steering Committee (SC).</p>
<p>Expected results of investments planned</p>	<p>The project will result in:</p> <ul style="list-style-type: none"> • annual total savings in the final energy consumption of 6 880 MWh • annual total renewable energy generation of 10 790 MWh, • an annual total emission reduction of nearly 7 773 tCO₂eq.
<p>Leverage factor (Minimum 20)</p>	<p>27.02</p>
<p>Status</p>	<p>Contract signed on 30/09/2024</p>
<p>Contact person at ELENA beneficiary</p>	<p>Anže Sovinc - anze.sovinc@velenje.si</p>