



Purchase of certified green electricity

Municipality of Arcola

Procuring electricity from renewable energy sources



Standard product / old tender

- Electricity from national standard mix
- .
- .

GPP tender

- .Electricity from renewable energy sources
- .Certified Green electricity

Results

- 12 t CO2 saving (PIs provide figures for both)
- .
- .
- .

Introduction to case

PITCH-TALK – SUMMARY

The municipality of Arcola is a Municipality with 10.600 inhabitants. In 2010 the Municipality submitted its SEAP committing to reduce by 21 % CO2 emissions by 2020 through energy efficiency measures in public and private sectors, RES promotion and transport. In 2014 Arcola became a Member of the Energy Consortium for Liguria, managed by IRE Spa. Thanks to the support of TF intervention, from 2015 the Municipality started to purchase green energy for 2 points of delivery amounting to a total of about 25,000 kWh.

CASE CONTENT AND CASE ISSUE

IRE spa managed the Energy Consortium of Liguria, established on 24th July 2002 with the aim of purchasing electricity and natural gas on the free market for public entities.

The Energy Division of IRE SpA handles the operative and administrative operations of the Consortium and in particular:

- Prepares, examines and awards the tender for the supply of energy for public bodies
- Provides technical and administrative assistance to the members;
- Performs all the functions of the Contracting Authority;
- Oversees invoicing and payments;

The Energy Consortium for Liguria is currently made up of 100 members. Its main purposes are:

- To maximise the opportunities following the liberalisation of the energy market.
- To allow a reduction of the costs related to energy bills.
- To establish the basis for a reduction of energy consumption in the public system.
- To help develop an innovative approach to energy management in public bodies in Liguria.

ARCOLA WAS ALREADY A MEMBER OF THE CONSORTIUM, BECAUSE OF A NEED TO PURCHASE ELECTRICITY FROM A NATIONAL STANDARD MIX WITH A CONSUMPTION OF ABOUT 800.000KWH. IN ORDER TO ACHIEVE THE OBJECTIVES OF ITS SEAP, AND THANKS TO THE SUPPORT OF THE PRIMES TF, THE MUNICIPALITY OF ARCOLA EXPRESSED A DESIRE TO PROCURE GREEN ENERGY.

SOLUTIONS APPLIED

Through the Energy Consortium, it is possible for Liguria to procure certified green electricity. The Municipality of Arcola has decided to purchase green energy for 2 points of delivery amounting to a total of about 25,000 kWh.

Contract tendered

In 2015 IRE launched a tender for electricity for more than 100 members (Region, Provinces, Municipalities, Hospitals, in house companies, etc). In the same tender the supply of green electricity was included to amount up to 20% of the tender. The extra cost for green electricity is 10cent/MWh

- Value of the contract: 57,600,000 plus VAT
- Type of procedure: open
- Type of contract: supply
- Nature of contract: framework contract



Procurement objectives

The main objective is to supply green electricity from the free market

The Municipality did not develop its own tender but decided to purchase green electricity through the Energy Consortium for Liguria.

The decision was taken in order to achieve the objectives of the Sustainable Energy Action Plan but also to be an example for other Municipalities in terms of sustainability and CO2 emissions reduction.

Procurement approach

The suppliers have the obligation to provide guarantees of origin for 100% of the electricity supplied.

The supplier must offer the “Green Option” (the opportunity to buy green electricity) if requested by a member at the additional price indicated in the tender for up to 20% of the total supply. For requests that exceed that, the supplier reserves the right to refuse the “Green Option”.

The supplier must produce the relevant documentation to show the possibility of being able to supply green energy to cover the points of delivery that have requested the “Green Option”.



Development Criteria:

The environmental specifications that have been included in the contract are a result of the expertise and experience that IRE has matured in the field of energy supply contracts, as well as an accurate study of the current energy laws and an in depth analysis of the requests from the Municipalities that are part of the Energy Consortium.

Results

Green electricity provided to the Municipality of Arcola is about 25.000 kWh. Considering the average CO₂ content of the Italian electricity grid, savings in terms of emissions are about 12 tCO₂

	Investment volume (€)	Energy savings (€/year)	CO ₂ reduction (tCO _{2e} /year)	RES triggered (toe/year)	Payback time (€)
Lot 1	Plus 0.10€/Mwh	0	12	0	
Lot 2					
Lot 3					
Total		Text	Text	Text	

4



Lessons learned

On the Italian market, certified green energy is more expensive than energy coming from the national mix. Small and medium sized municipalities often lack knowledge about technical energy issues and market opportunities. Often the added value is mainly seen as giving a good name to the Municipality in terms of environmental issues. It is important to raise the awareness of officers and administrators in Municipalities with information campaigns on technical and legislative topics related to green public procurement, green energy and advantages of energy saving and energy efficiency.

The administrative process related to public procurement is often long and complex. Purchase groups at a Local, Regional and National level can be a good means to foster changes in the legislation and in the procedure, following the real needs of local governments.

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About PRIMES



Across six countries in Europe; Denmark, Sweden, Latvia, Croatia, France and Italy, PRIMES project seeks to help municipalities overcome barriers in GPP processes, many of which lack capacity and knowledge.

PRIMES aims to develop basic skills and provide hands-on support for public purchasing organisations in order to overcome barriers and implement Green Public Purchasing. This will consequently result in energy savings and CO₂ reductions.– www.primes-eu.net

About GPP 2020



GPP 2020 aims to mainstream low-carbon procurement across Europe in support of the EU's goals to achieve a 20% reduction in greenhouse gas emissions, a 20% increase in the share of renewable energy and a 20% increase in energy efficiency by 2020.

To this end, GPP 2020 will implement more than 100 low-carbon tenders, which will directly result in substantial CO₂ savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – www.gpp2020.eu



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