



Procuring green electricity

Municipality of Ljungby, Sweden

- Reaching lower carbon-footprint
- Reducing the emission of CO₂



Standard product / old
tender = benchmark

- Standard Nordic energy
mix

GPP tender

- Purchase of green
energy

- Results
- 39 861kg CO₂
savings/year.

Introduction to case

1.1 PITCH-TALK

A good example of procurement of green electricity: The tender is consistent with measures in the regional climate and energy strategy in the County of Kronoberg. This tender forms part of the EU supported project Procurement in Municipalities focusing on Energy Efficient Solutions (PRIMES)

1.2 CASE CONTENT AND CASE ISSUE

In Sweden, the municipalities are big energy users, because the municipalities have a large role as public house owners providing housing and services for the inhabitants within the municipalities. Being big energy users also gives the opportunity to use procurements as a strategic method to change the energy supply and demand more energy from renewable energy resources.

1.3 SOLUTION APPLIED

When procuring electricity contracting authorities have the opportunity to opt for electricity from renewable energy. In Sweden this means that you choose between the Nordic mix of energy sources or different types of eco-labelled electricity from fossil-free energy sources. The solution used in this case was to include criteria for eco-labelled energy sources in the procurement.

Contract tendered

- a) The contracting authority was the Municipality of Ljungby.
- b) Subject matter: Supply of electricity from both renewable and other sources.
- b) Since the price for electrical energy is successive or ongoing price-fixing, with a fixed fee to the energy supplier, the total value can't be determined.
- c) The procedure used was open tender.
- d) The contract is for supply of electrical energy.
- e) The contract is a direct contract for two (2) years, with a possible extension of one plus one (1+1) year.
- f) 2 Lots were tendered – Lot 1: Electricity; Lot 2: Electricity with environmental declaration or Good Environmental Choice-label.
- g) The volume for energy in the tender was 44,3 GWH per year.

Procurement objectives

- The main objective of this procurement is to obtain green electricity with the Swedish eco-label Bra Miljöval (<http://www.naturskyddsforeningen.se/node/12484>).
- The tender intended to challenge the suppliers to deliver electricity from renewable energy sources.

Procurement approach

- For eco-labelled energy only information of price addition was requested, but the price addition was not evaluated. The municipality had the choice of accepting the price addition or declining it. The environmental specifications are verified through the eco-label who carries out controls that safeguards the environmental specifications.
- Is there an environmental policy passed by the company management? Yes/No. The companies verify that they have an environmental policy by sending in their policy to the municipality at the same time as the companies send their tender.



Criteria development

Eco-labelled energy sources were used as criteria, since this is by far the most effective way to use environmental criteria within this type of procurement. It gives several advantages; e.g. verification through the controls made by the eco-label, simplicity through the fact that the eco-label is known by the energy suppliers.

Results

- Reduction of emissions from CO2.
- Increase demand of energy from RES. How large the increase is, is not possible to calculate due to the fact that it depends on the demand from other procurements and the demand for energy during the period for this procurement.

Calculation CO2-emissions	Alternative1: Business-as-usual			Alternative 2: Eco-labelled energy		
	Need of energy per year (KWh)	Emissions from Nordic energy mix in gram CO2/kWh	Emissions per year in kg CO2	Emission from eco-labelled energy in gram co2/kWh	Emissions per year in kg CO2	Reduction in kg/year
	443000	39870000	39870	8860	8,86	39861,14

There are other positive results as well, through the capacity building that was made during the project and satisfaction within the municipalities to be able to have clean energy sources powering the municipality's activities.

Lessons learned

- The market is changing constantly, thus the contracting authority needs to develop its knowledge and stay humble. Just because the public organisation has made a procurement in one area, you don't have all information you need the next time.
- Don't repeat the same procurement year after year, it is important to raise the bar each time.
- This case is relevant for all other municipalities, because all municipalities need electricity and need to demand green energy in their procurements.

Contact

Per-Anders Persson, County Board of Kronoberg, [per-](mailto:per-anders.persson@lansstyrelsen.se)

anders.persson@lansstyrelsen.se

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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This information is **for general guidance only and shall not be treated as legal advice**. In case you have any questions related to the procedure please contact the partner as indicated in this document.