



SDH Ownership and Financing

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About KPC

About Project Owners

Evaluation of Granted Projects

Financial issues

Recommendations

Profile of KPC

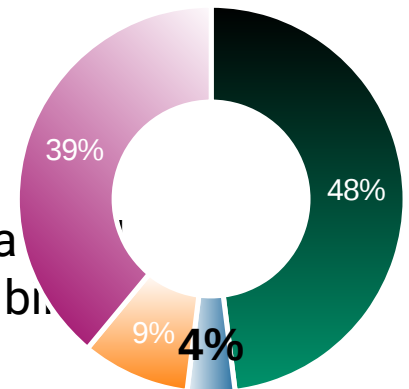
▪ **Owners** 90 % Kommunalkredit Austria, 10 %
Raiffeisenlandesbank OÖ

▪ **Business** “Corporate Consulting and Corporate Organisation”
and “Engineering Office for Land and Water
Management”

▪ **Revenue** EUR 16.8 million (2015)

▪ **Projects** about 380,000 projects since 1993 with a
support volume of approx. EUR 11.5 billion

▪ **Staff** 115 (corresponding to 107 full-time equivalents)



Environment consultants

Lawyers

Other

Economists

Fields of Business

- **Support scheme and programme management**
- **International Climate Protection**
 - Climate Finance International
 - Austrian JI/CDM Programme
 - Climate Austria - Voluntary Carbon Offsetting
- **National and International Consulting**
for the Environment & Energy segment
- **Management of the Environmental and Water Management Fund (UWF)**
Total assets 2015: EUR 1.9 billion



International Climate Finance

- Support to the Austrian emissions reduction targets for international climate finance for the Federal Ministry of Agriculture, Forestry, Environment and Water

 - Direct project support as Austria's contribution to international climate finance in the context of the international climate change negotiations:
 - Projects that mitigate the emission of greenhouse gases
 - Projects for adapting to the adverse effects of climate change

 - Tasks of KPC
 - Support the Federal Ministry of Agriculture, Forestry, Environment and Water Management with public relations work
 - project management, specially verifying project costs and invoicing
 - Quality management
-

National and International Consulting

▪ Examples of international consulting projects

- **AFD** (Armenia)
Management of Financial programme for social & energy efficient projects
- **EU**
Study on blending mechanisms for infrastructure financing and on public-private collaboration in the context of EU development cooperation
- **EU** (Armenia, Georgia, Moldova, Ukraine & Belarus)
Support to municipalities for implementing energy efficient projects
- **EBRD** (Russia & Ukraine)
Support in the implementation of an EBRD Credit Line for the energy efficient renovation of residential buildings
- **GIZ** (Moldova)
Support to municipalities for improving municipal service provision
- **OECD** (Moldova)
Study on the identification of climate change adaptation measures for the water sector
- **World Bank (Ukraine)**
Support in the set-up of a Homeowners Association Resource Center
- Design of revolving funds and municipal ESCO's for rehabilitation
- **EIB** (Slovakia & Czech Republic)
Support in the implementation of the EIB Credit Line "Green Initiative"
- **ADA**
Policy advice for and support of water and wastewater projects within the framework of the Austrian Development Cooperation in South Eastern and Eastern Europe

▪ Examples of national consulting projects

- **BMLFUW**
Modified cost-effectiveness analysis for contaminated site rehabilitation
- **BMLFUW**
Technical support for technology transfer expert group (EGTECH)
- **BMLFUW**
Study of Industrial Waste Heat potential in Austria
www.waermeatlas.at
- **Verbund AG**
Study of market potential for small-scale CHP plants

Technical, economic and financial consulting according to ISO 9001:2008 Quality Management Standard



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- ✓ Larger Urban District Heating Companies

 - ✓ Communities
 - Municipal utility providers

 - ✓ Industrial and Commercial Companies
 - Agriculture
 - Forestry sector
 - Food industry
 - Owner of heating companies

 - ✓ Others
 - PPP
 - Consumer owned
 - **Public participation model**

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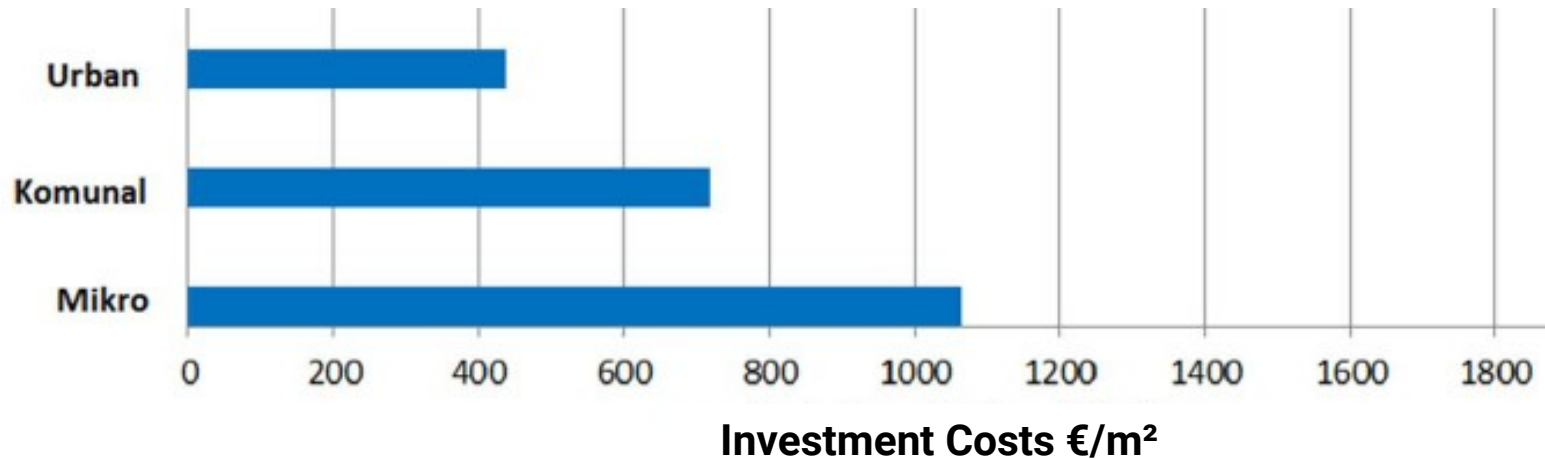
Recommendations

Systems operate in very good way, but we see

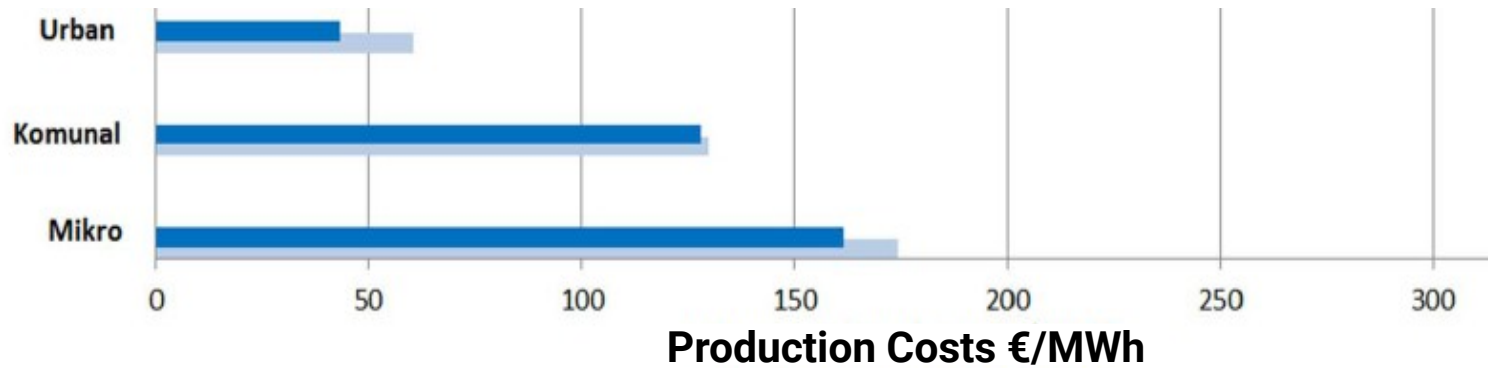
- a wide range of performance (200-550 kWh/m²) and solar coverage rate
- deviation between planned and realized performance
 - ☒ Various reasons: e.g. deviations in demand, lack of data
- different technical solutions
 - ☒ System temperature, storage capacity, heat pump included, feed-in in return etc.
- investment costs in a range of 350-1,800 €/m²
- that production costs can be competitive with gas

Each project in unique

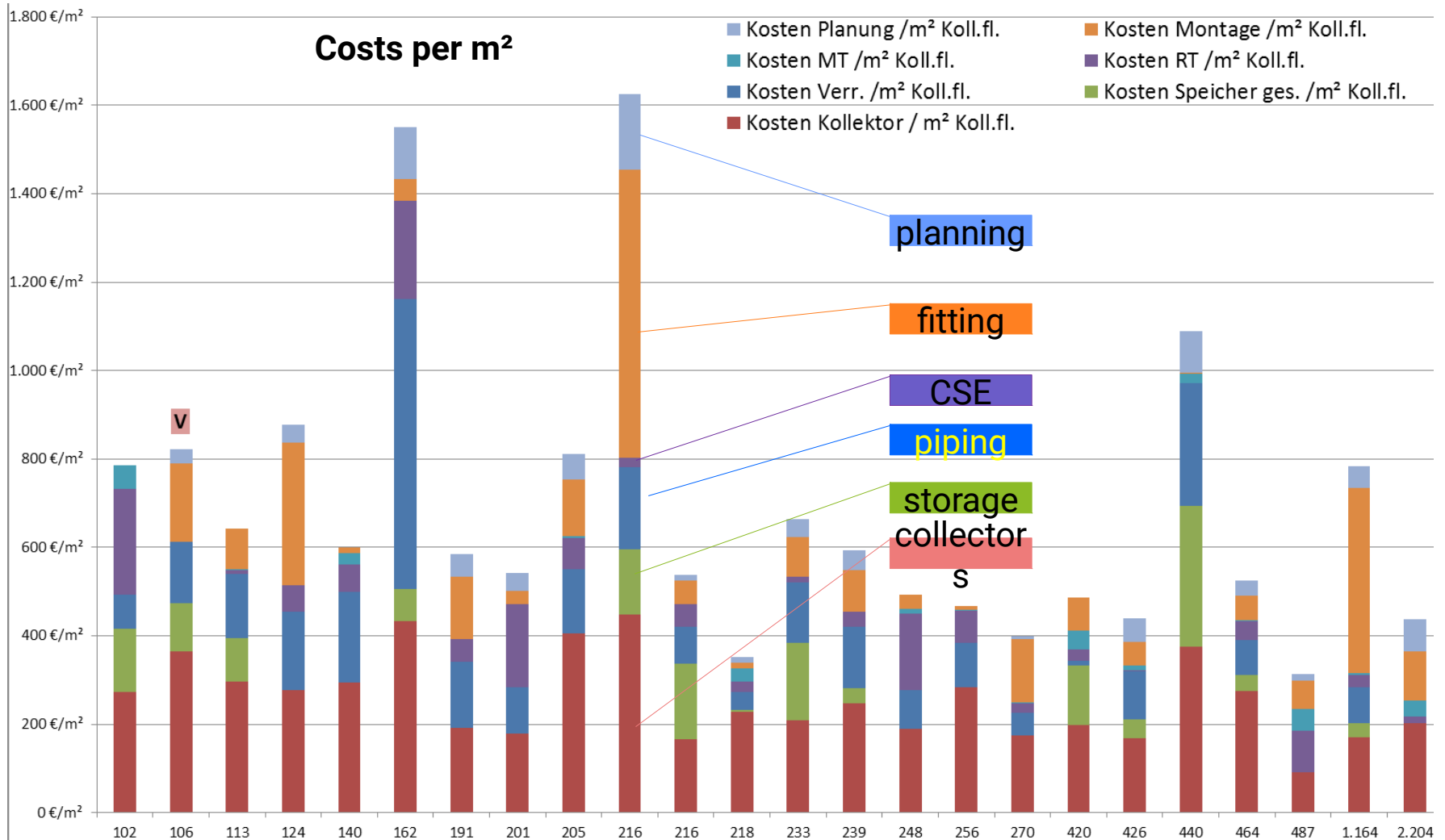
Investment costs are already viable



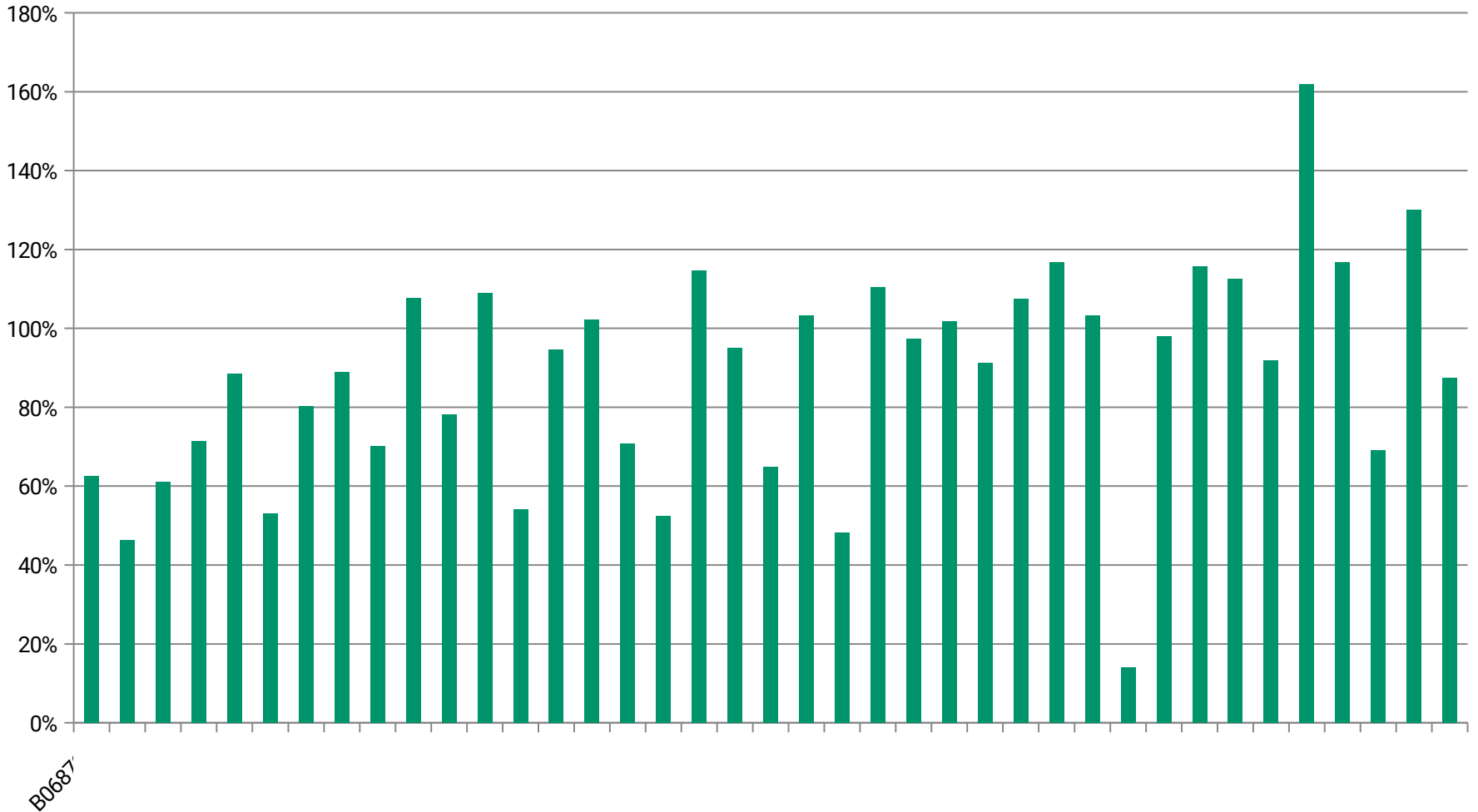
Production costs are competitive...



Splitt of investment costs



Realized performance



- Commercial Financing (loans, bonds, etc)
- Project financing
- Vendor credit
- ESCO
- PPP models, Public Participation
- Support from IFI's (Credit line, Technical assistance)
- On-bill financing

- Be careful with comparing specific solar revenue – it is quite sophisticated
- Solar revenue is not the only indicator for quality of solar system
- To anticipate solar revenues you need experiences and good data quality
- Even with best solar system you might have deviations between performance and planning
- Most systems need investments below 800 €/m²
- Efficient systems can compete with natural gas
- Consider combination with storage tanks and heat pumps



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Support scheme and programme management

- Environmental support under the Austrian Environmental Support Act (municipal water management, Industrial environmental protection measures, rehabilitation of contaminated sites)
- Climate and Energy Fund
- Management of Federal Funds for flood protection measures
- klima:aktiv mobil support programme
- ERDF/EAFRD management in seven Austrian provinces
- “Handwerkerbonus”
- Management of provincial support programmes
 - Salzburg Climate and Environment Pact
 - Economic support programmes of the Province of Tyrol
 - Photovoltaics for private residential buildings in Vienna, Lower Austria (2012), Tyrol, Vorarlberg (2011, 2012, 2014)
- Eco-Electricity Investment Support (OeMAG)



Austrian JI/CDM Programme

- Emission reduction purchasing programme from international climate protection projects for a volume of 80 Million CO₂ tons

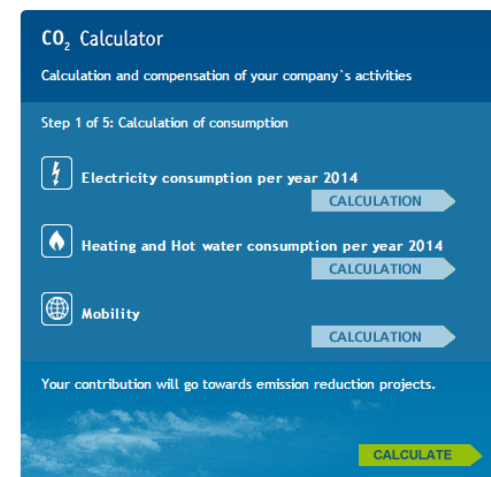
- Support to the Austrian emissions reduction target through project related flexible mechanisms:
 - JI (Joint Implementation)
 - CDM (Clean Development Mechanism)
 - GIS (Green Investment Schemes)

- Tasks of KPC
 - Public relations work
 - International representation
 - Consulting and project management
 - Portfolio management and risk controlling
 - Negotiation of international purchasing contracts
 - Contract management and financial transfers



Platform of the Voluntary Carbon Offsetting Programme

- Cooperation with the Ministry of Environment, Austrian Airlines, Vienna Airport
- Climate Austria calculates the CO₂ emissions from private or business-related activities – such as air travel, use of motor vehicles, heating, air conditioning, electricity supply
- Unavoidable CO₂ emissions can be reduced elsewhere through voluntary donations = CO₂ compensation
- KPC manages the donated funds and assures the support of Austrian and international climate protection projects
- The Austrian Airlines booking portal provides an online CO₂ calculator for air travel compensation http://www.austrian.com/Info/Flying/CO2offsetting.aspx?sc_lang=de&cc=AT



CO₂ Calculator
Calculation and compensation of your company's activities

Step 1 of 5: Calculation of consumption

- ⚡ Electricity consumption per year 2014
- 🔥 Heating and Hot water consumption per year 2014
- 🌐 Mobility

Your contribution will go towards emission reduction projects.

www.climateaustria.at

**Check durch WDI und CPR
Text soll werblicher
gestaltet werden**

Program Management

- Long term cooperation with Ministries
 - Trust building & transparent processes
 - Regular national and international audits
 - Active advisory services
 - Regular & open communication
 - Professional Staff – low number of complaints, fraud, failures
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International Projects

- It's a long & hard way to built up trust & get a good standing
 - Clients cherish high quality of work and outputs
 - Professional Project management is mandatory
 - Emphasis on Quality management is a key for succesful implementation
 - Strong focus on project selection & preparation
 - Quality sells better than price
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- Teamwork within KPC, EECC and project team

- Go only for projects where in house experience is available
 - KPC wants to lead projects to ensure high standard of implementation
 - Partner need to be reliable, trustworthy and complementary with similar standards and track records
 - Ensure good mix of local and international experts – take time to select most appropriate ones
 - Spending time on project preparation pays off
 - Open communication is one key of successful risk mitigation
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