



### Lighting Upper Austria with EPC: 34 Street Lighting Projects

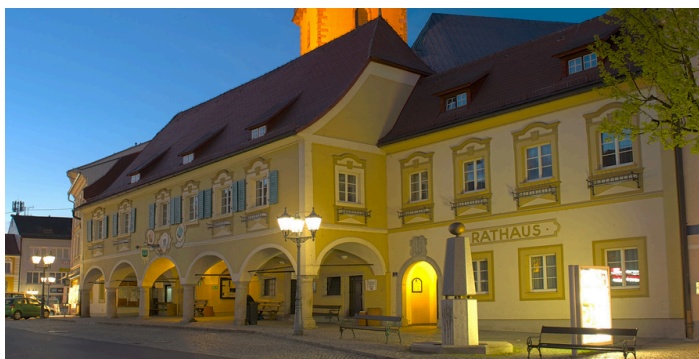
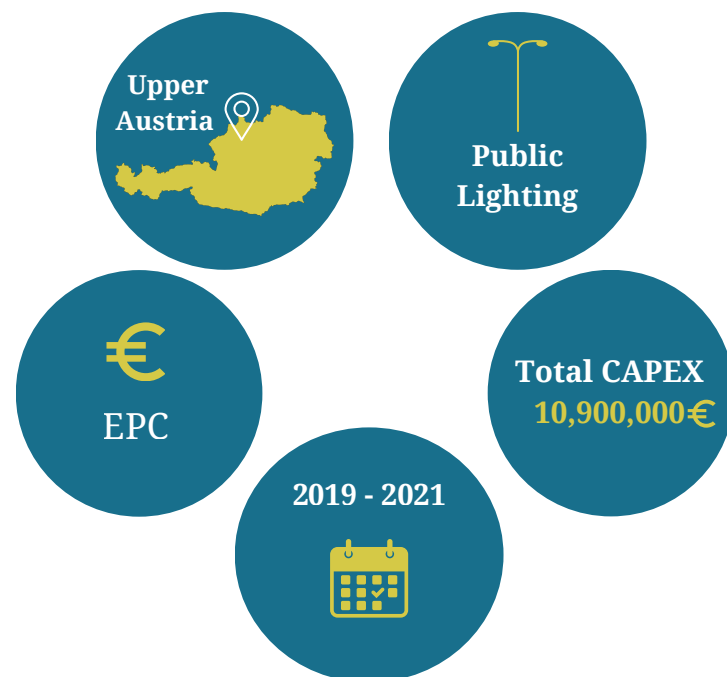
Financing  
Scheme

#### 34 Street Lighting Projects

The implementation of 34 street lighting contracting projects in Upper Austria within two years shows that **municipalities can benefit from modern and efficient street lighting as well as guaranteed annual electricity and maintenance cost savings** despite a tight municipal budget.

Overall, 10.9 million Euro were invested in LED street lighting, 9,493 light points were converted to LEDs and the municipalities now benefit from **annual cost savings of ca. 420,000 Euro**. These investments were enabled and supported by the region's energy contracting programme (ECP).

The regional energy agency of Upper Austria, OÖ Energiesparverband (**ESV**), **manages this programme and supports municipalities** in the project implementation in the framework of a **One-Stop-Shop**. So far, the programme has facilitated the refurbishment of street lighting in more than 180 municipalities (over 40% of all Upper Austrian municipalities)!



#### Putting Things in Context

Energy efficiency improvement measures, such as street lighting refurbishment with LEDs, often require **significant upfront investments**. This is a major barrier for most municipalities. **Energy Performance Contracting (EPC) can offer a solution** to overcome this obstacle.

**EPC works best where technologies with short payback times are available.**

The regional government of Upper Austria started its **first programme for EPC market development in 1998**.



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### The Project in Practice

Financial support is granted to the energy contracting client. It goes towards reducing either the annual rates paid to the ESCO or the length of the contract. The **level of funding is based on the savings guaranteed for the contract period**. Up to 40% of the savings are granted as subsidy (max. 75,000 Euro). In addition, a funding incentive of up to 15,000 Euro is available for avoiding light pollution through the use of special lights and lamps. These incentives can be combined with other subsidies (e.g. from the federal government). In Upper Austria, projects are often financed through a combination of several sources, such as through energy savings, with own funds and with subsidies ("blended finance").



#### Challenges

- **Building trust** in the instrument was a major challenge in the first years of the programme.
- **Municipalities and ESCOs require significant support** in project development.

#### ESV Solution

A long-term, concerted approach, consisting of financial incentives and the services from the ESV's One-Stop-Shop was critical in overcoming these barriers.



#### Successes for Replicability

- It is a good strategy for municipalities to **start with relatively simple projects** (in terms of technical complexity and risks) like street lighting to gain experience and demonstrate the value of EPC.
- EPC is a highly replicable model, but its **success depends on the presence of systemic enablers**.
- Key to the programme's success is the **combination of funding** from the regional government and a **comprehensive facilitation service (information and advice)**.



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