



**Ireland
Active**

**Leisure, Health
and Fitness
Association**

*Energy Webinar – Transforming Energy Costs and CO2
Emissions*

LAWLER
SUSTAINABILITY

Your Green Light to Performance Improvement and CO2 Reductions



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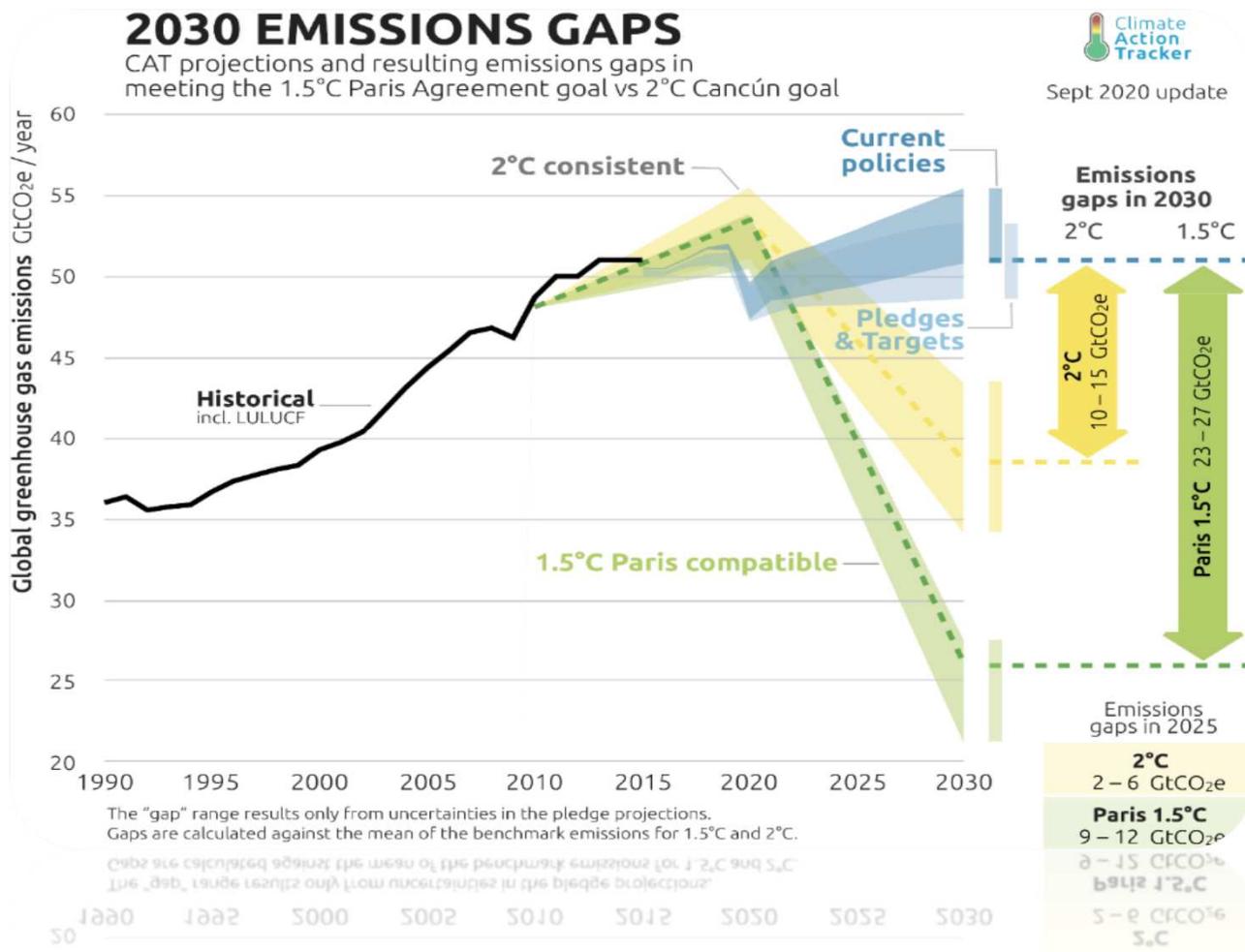
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LAWLER
SUSTAINABILITY



ENERGY AND CO2 LANDSCAPE



- EU is a signatory of the Paris Agreement, in a commitment to limit global temperatures from rising more than 1.5°C
- We are very far from where we need to be

ENERGY AND CO2 LANDSCAPE

Programme for Government 2020

- Re-iterates the targets set out in the Climate Action Plan 2019
- 7% reduction of overall greenhouse gases each year until 2030
- Carbon neutrality by 2050
- Upgrade circa 500,000 existing homes

Press release

Government approves landmark Climate Bill putting Ireland on the path to net-zero emissions by 2050

From [Department of the Environment, Climate and Communications](#)

Published on 23 March 2021

Last updated on 23 March 2021

- Interim Target to reach 51% reduction by end of the decade will be enshrined in law
- Public urged to join the Climate Conversation and help create a new Climate Action Plan to begin the journey to Net Zero

ENERGY AND CO2 LANDSCAPE



“Solving Covid crisis easy compared with climatic crisis”



“Sustainable investing is the strongest Foundation for client portfolios going forward”

IMPORTANCE OF ACTING NOW

Carbon tax increase

Following up the **Climate Action Bill** published by the Government last week, Budget 2021 aims to encourage lower emissions with a €7.50 increase in carbon tax to €33.50 per tonne of carbon dioxide (CO₂). This will result in an increase in petrol and diesel prices, effective from midnight tonight, and for all other fuels from 1 May 2021.

Donohoe also revealed that the plan is for carbon tax to increase each year this decade, reaching €100 per ton of CO₂ by 2030.

Energy price hikes take effect this month - RTE

1 Apr 2021 — From today, customers of SSE Airtricity, the country's third biggest **energy** supplier, will see their **electricity** prices **increase** by 6.2% and their gas ...

Electricity shortage brought Ireland close to power cuts

7 Jan 2021 — The Single **Electricity** Market Operator (SEMO) issued an amber alert to **power** suppliers, meaning there was **expected** to be enough **energy** to ...

EXEED Certified Grant Scheme 2021 - SEAI

26 Feb 2021 — **No. Grant** is only available for measures which reduce an asset's energy consumption or divert its consumption from **fossil fuels**. The asset ...

Two more energy providers to increase gas and electricity ...

26 May 2021 — It is also raising the **cost** of gas by 8.9pc from June 26, a move that will

Demand for electricity is getting close to overload - The Irish ...

The ESB believes the **crisis** will end after the winter of 2001-2002, when new **power** stations

OUR WORK TO DATE



Reducing energy and operating & maintenance costs AND reduce their CO2 emissions.



Accessing grants, subsidies, and other supports for proof of concept for energy performance improvement and CO2 reductions.



Guaranteeing savings from Energy Performance Contracts.



Supporting customers in the financing of Energy Performance Contracts.

OUR WORK TO DATE



Supporting customer and employee well-being via an optimum building environment.



Contributing to customer retention and acquisition by demonstrating a clear commitment to sustainability.



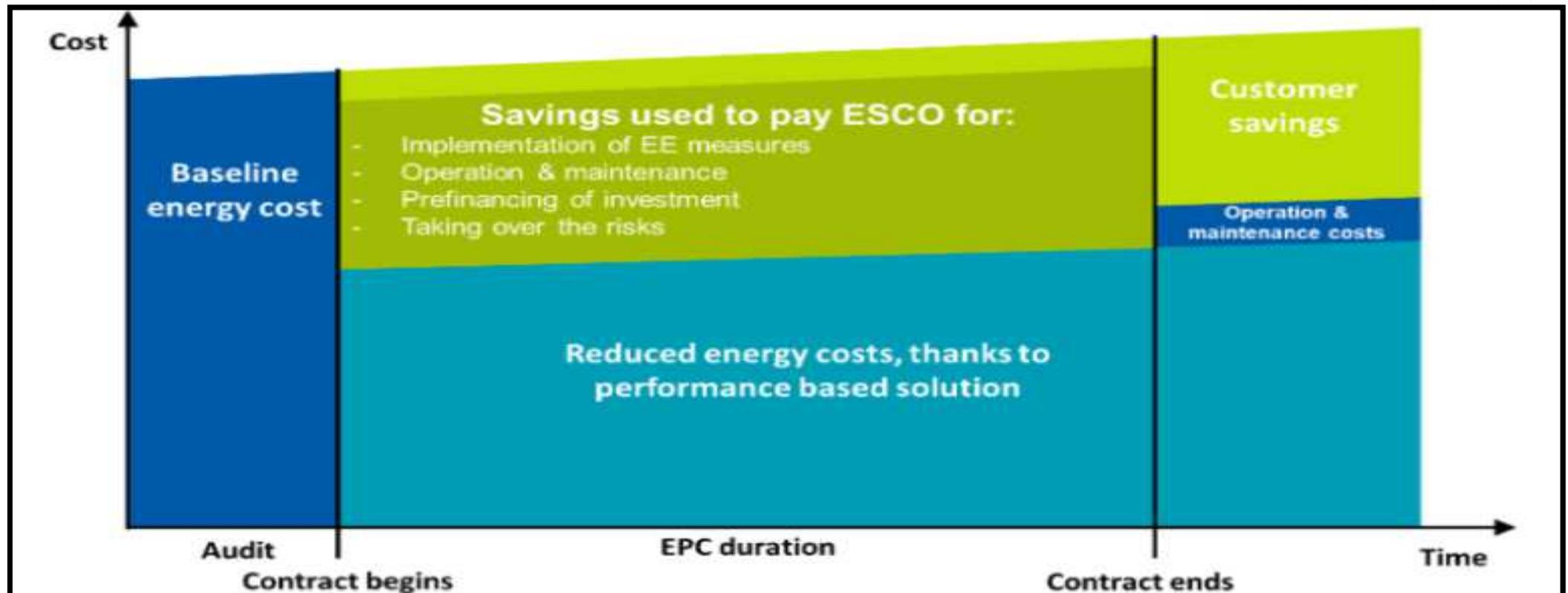
Increasing value of businesses through energy performance improvement and CO2 reductions. Key issue for financiers and investors.



Measuring, verifying and monitoring success in energy efficiency and CO2 reduction.

HOW EPC'S WORK - OVERVIEW

Energy Performance Contracting is a model that delivers energy efficiency upgrades whereby the investment is paid for the savings achieved.



HOW EPC'S WORK - STAGES



1. Desktop Audit and Review

Understanding building
Energy Bills
Metering data



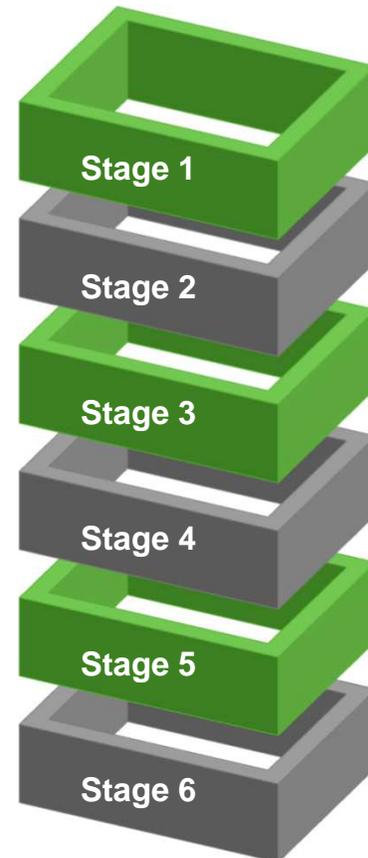
3. Investment Grade Audit

Review building current systems
Technology upgrades
Renewable integration
Financial modelling



5. Implementation & Construction Phase

Oversee the whole project
leaving time to the client to focus
on core operations



2. Report on Opportunities



4. Agree Project Scope & Finance Options

EPC formulation



6. Monitoring and Reporting

Continued advice on new
technologies/opportunities
Measurement & Verification (IPMVP)

EPCs - IRELAND AND EU GREEN AGENDA

Energy Performance Contracting as part of the solution



Action 68

- Support the wider development and use of EPCs by building capacity and expertise in the public sector



Energy Efficiency Directive

- “use (...) energy performance contracting to finance renovations and implement plans to maintain or improve energy efficiency”

RESULTS



- Lawler Group forty year history in the Leisure, Health and Fitness space.
- Seventeen reference sites currently operating under Energy Performance Contracts. Fourteen in the Leisure, Health and Fitness sector.

EPC across 3 leisure centres.
Energy Efficiency Measures included:

- Combined heat and power
- Boilers, Pumps
- Heat recovery systems
- Lighting upgrades
- Building Management Systems

Summary of Costs and Benefits

Total Investment	-€670,000
Energy Cost Savings	+€165,000/year
Maintenance Cost Savings	+€96,000/year
Total Client Savings	+€261,000/year
Reduction in CO2 Emissions	639 tonnes/year
Excludes grants received and ESCO cost. The net of which further improves the payback period and return on investment	

RESULTS



- Such significant savings can support investment in:
 1. Customer and employee propositions
 2. Additional staff AND
- Influence the long-term viability and shareholder support for businesses:
 1. Looking to rebuild following the devastating impact of Covid 19.
 2. Struggling to secure funds for critical investment in other areas of the business.

RESULTS



They completed their works to the highest standards in a professional and competent manner. Having a professional (ESCO) at the end of the phone, who we know has a vested interest in the building's performance and operation, has saved our managers valuable time.

*Cormac Healy, Dublin City Council
Energy Management Lead*



Encouraged by the LED project we are looking forward to mapping out projects a path towards carbon neutral by 2030. With the team at Lawlers, we are confident, we have a team that will mentor us.

*Edmund O'Keeffe, Meubles
Director*



To date Lawler Sustainability have delivered on the contract with cost savings of €1.5 million and energy savings of 38%. This is a phenomenal success, and we would certainly recommend the EPC approach by Lawler Sustainability.

Joe Hayden, Codema – Dublin's Energy Agency

Senior Executive Engineer



We appointed Lawler Consulting as M&E design engineers (...). Their sustainable approach to the building services design reduced the forecasted operational costs of the development. (...) Lawler Consulting delivered on sustainability and occupant comfort at Center Parcs.

*James Moloney, John Sisk & Son
Regional Manager*

RESULTS

Appointed by EU to perfect the EPC process and EPC delivery by learning from existing best practices and developing best practices in all areas of EPC construction and delivery.

Recently successfully completed the NOVICE project (<http://novice-project.eu/>) that received €2M of funding.



EPC FINANCING

Two main options to access financing, credit financing/loan and leasing financing. Can be combined with subsidies and grants that shorten payback and minimise risk.

Credit financing most common type of financing. Borrower can be either the ESCO or the customer.

Financing is based on confidence in the project cash flows and other securities may also be required.

Expertise of the ESCO in delivering energy savings underpinned by robust measurement, verification and monitoring systems is therefore critical to success for all stakeholders.

Full advantage should also be taken of all local grant and European funding mechanisms, including the SEAI and the vast array of EU funds.

KEY RISKS & MITIGANTS FOR FINANCING

Risk	Mitigant
<p><u>Poor project design and operation</u> Causing shortfall in optimum savings.</p>	<p><u>Mitigation Measure – ESCOs with great track records</u> EG over 40 years’ experience in designing, operating and maintaining the engineering systems responsible for energy consumption in buildings.</p> <p>Track-record in meeting or exceeding initial predicted savings.</p>

KEY RISKS & MITIGANTS FOR FINANCING

Risk	Mitigant
<p><u>Technology and Performance</u> Success of investment dependent on correct and continuous operation of the energy savings measures implemented.</p>	<p><u>Mitigation Measure – ESCO guarantees availability and performance</u> Guarantee availability and performance of all installed equipment for the lifetime of each Project Contract, including the fulfilment of any service obligations under the Project Contract.</p>

KEY RISKS & MITIGANTS FOR FINANCING

Risk	Mitigant
<p data-bbox="91 539 817 730"><u>Uncertainty in baseline measurements and further savings</u></p> <p data-bbox="91 746 817 997">Success and investment repayments fully dependent on verified savings across the contract duration.</p>	<p data-bbox="869 539 2175 662"><u>Mitigation Measure – Use of a Measurement and Verification Protocol</u></p> <p data-bbox="869 678 2175 933">Lawler’s use International Performance Measurement and Verification Protocol (IPMVP, 1997). Ensures that savings measurements and verifications follow best practice.</p> <p data-bbox="869 1013 2175 1270">IPMVP also specifies the contents of a Measurement and Verification Plan (M&V Plan) that must be drafted for each project by a qualified professional (which is a credential that Lawler SECC has in house).</p>

KEY LEARNINGS AND ADVICES

Energy efficiency solutions need to be:

-tried and tested, best in class and future proofed.

Engagement with and buy-in from existing facilities management/engineering leads is critical to the success of the projects.

Financial model and contract must be fully transparent and easily understood by key Client stakeholders. Decision making led by CEOs, CFOs, FM Leads and Boards.

Significant increase in EPCs to support Climate Action Plan. Critical to understand mechanics and supports available.

Early engagement with ESCOs with proven track records in delivering EPCs is very sensible given proven benefits and low assessment costs.

KEY LEARNINGS AND ADVICES

What are the critical success factors for a successful EPC?

✓ Expertise in designing the optimum solution

✓ Excellent track record in delivering the optimum solution

✓ Experience in Measuring, Verifying and Monitoring the energy savings

✓ Contract in place that protects all parties

QUESTIONS & ANSWERS??????????