

The NEWLIGHT Project

A Potential Solution for up-scaling investments in Energy Efficiency and Renewables

A Covenant of Mayors 2016 Case Study

In a nutshell

57 Croatian municipalities are committed to modernise their public lighting, using environment-friendly luminaries in order to reduce light pollution and achieve an energy cost saving of almost 60%.



Background

The North-West Croatia Regional Agency (REGEA), a Local and Regional Energy Agency pledged to the Covenant of Mayors since 2014, has endeavoured to come up with a potential solution for up-scaling investments in Energy Efficiency and Renewables, and thus, proposed the NEWLIGHT Project.

In August 2015, the European Commission approved NEWLIGHT, the first Croatian project financed by the EIB ELENA Facility which is implemented mainly through Energy Performance Contracting (EPC) for the redevelopment and modernisation of public lighting in two counties - Zagreb and Krapina-Zagorje. Investments are planned in 57 local authorities, which have joined the project in a process successfully facilitated by REGEA.

The NEWLIGHT Project

The NEWLIGHT Project is the first of its kind in Croatia. Under the framework of Article 5 of Directive 2006/32/EU and the Strategy of Energy Development of the Republic of Croatia, REGEA undertook the redevelopment of public lighting, using environmental-friendly luminaries in order to reduce light pollution.

The project's main objective is the modernisation of public lighting systems in 57 municipalities based in Zagreb County and Krapina-Zagorje County. Energy efficiency measures under this project are focused on replacing lamps with more energy-efficient technologies and installation of the advanced public lighting controlling and management system, with the potential to achieve energy and cost savings of 60%. Auxiliary operations such as reconstruction of lighting poles and replacement of power cables are also included. The contract for technical support signed between the European Investment Bank and REGEA, and the trilateral agreement established between Krapina-Zagorje County,



the County of Zagreb and REGEA, provides financing of HRK 6 million (circa €796,000) for the preparation phase of the NEWLIGHT project. This phase includes:

- Preparation of tender documentation allowing for public procurement and the provision of detailed energy audits of public lighting systems;
- Detailed energy audits of the existing public lighting system;
- Development of action plans for the modernization of public lighting;
- Preparation of tender documentation for the selection of contractors, with an emphasis on ESCO financing sources;
- Preparation of the main project design for new lighting installations;
- Preparation of the application to European and national sources of financing, for works including the modernisation and reconstruction of public lighting;
- Project management.

REGEA expects to modernise 1/3 of public lighting in Croatia over 3 years which will result in a number of direct benefits including: the modernisation of circa 200,000 light fixtures; the creation of a secure and renewable energy supply; the reduction of energy consumption by 15 GWh; and the reduction of CO₂ emissions by 5,000 tonnes. Additionally, it will result in indirect benefits such as the development of a EPC market in the Republic of Croatia, with increased competitiveness, development of new energy services and a reduction in energy costs.

Project numbers

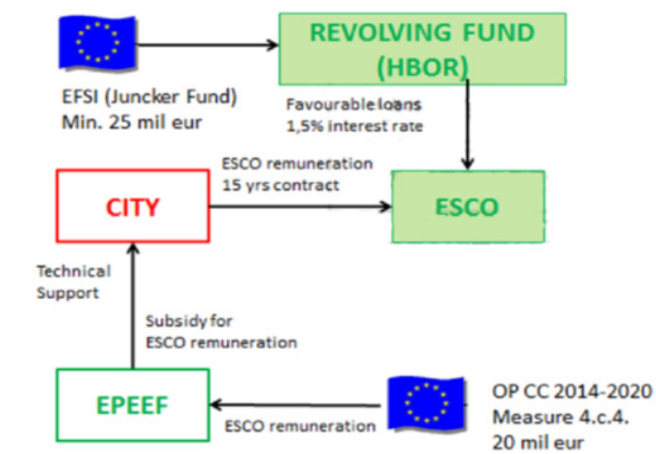
57 croatian municipalities involved

€20 million estimated investment

1/3 of public lighting in Croatia expected to be modernised

15GWh reduction of energy consumption

5,000 tonnes of CO₂ emission reduction



As a precondition for the implementation of investment activities, REGEA has prepared and conducted public procurement for the implementation of detailed energy audits of public lighting for local authorities. All the information and data that is to be collected during the energy audits will also be entered into a Geographic Information System (GIS), the first of its kind in Croatia.

The total estimated investment of this project will run at over €20 million (a total of 34,000 lighting points). ELENA/EIB approved the overall technical assistance in the amount €711,000 (90% of all eligible TA costs), and €79,000 (remaining 10%) will be co-financed by Zagreb and Krapina-Zagorje County making all NEWLIGHT project activities free of charge for 57 local authorities.

Arising from this Good Practice the project is now evolving into a national scheme which it is proposed will be funded by Innovative financing instruments – combination of EFSI and ESIF. The proposed National PPP investment platform of public lighting modernization envisages the establishing of the financial instrument for financing of the real estate sector (ESCO Service providers) by ensuring quasi equity, guarantees and similar financial products as well as co-financing of monthly fee (payment) for public bodies.

For more information on the project, please contact:

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