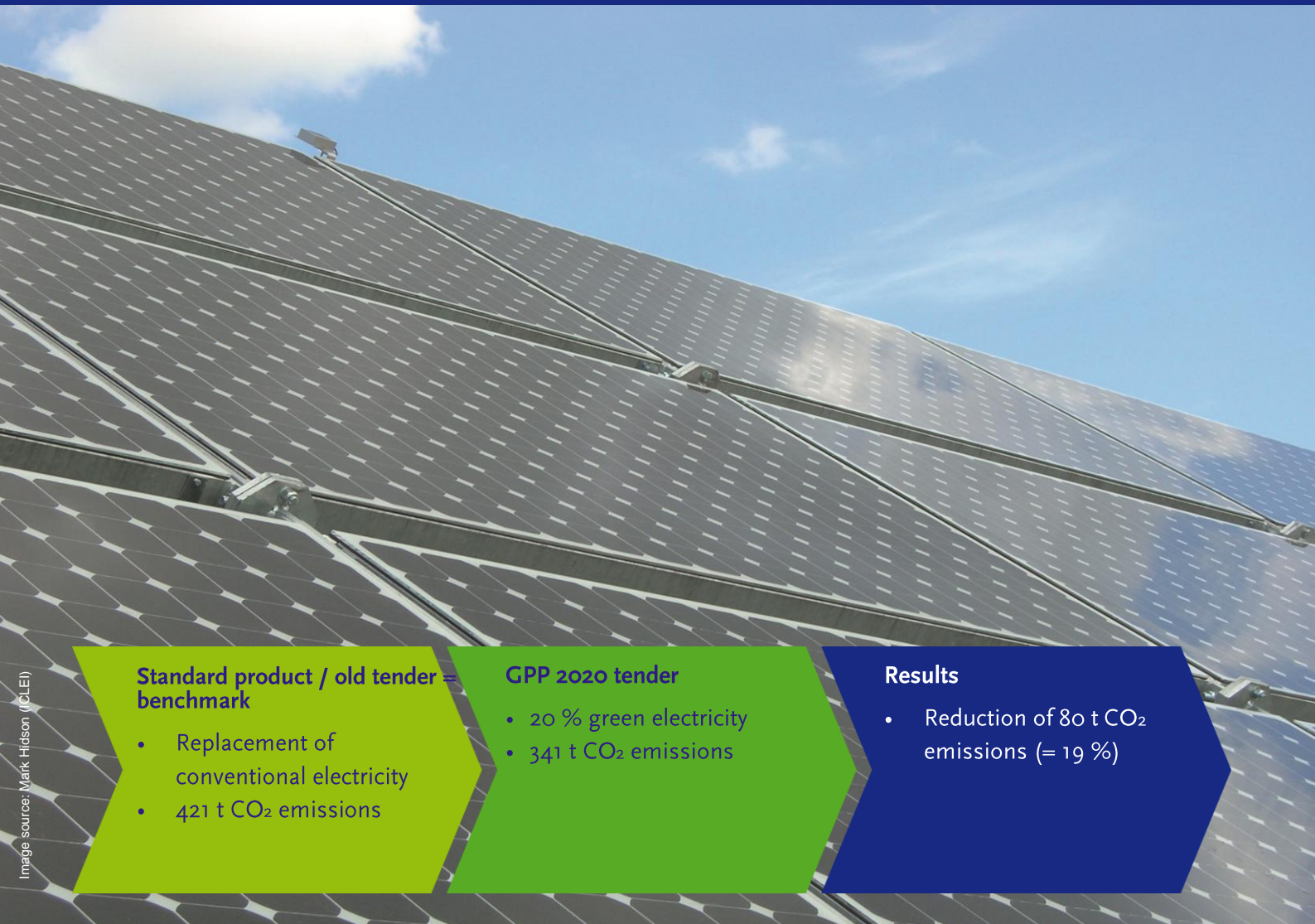




Supply of electricity from renewable sources

Municipality of Župa Dubrovačka, Croatia

- From 0% to 20% of electricity from renewable energy sources
- Encouraging bidders successfully to offer electricity derived from renewable energy sources, taking into account the particular circumstances in Croatia related to the electricity market
- Improvement of local governments' social responsibility profile



Standard product / old tender = benchmark

- Replacement of conventional electricity
- 421 t CO₂ emissions

GPP 2020 tender

- 20 % green electricity
- 341 t CO₂ emissions

Results

- Reduction of 80 t CO₂ emissions (= 19 %)

Contract tendered

- The approximate quantity of electric energy put up for tender on a year-based calculation was 1,380,000 kWh.
- The tender aimed to replace the existing conventional electricity consumption in Zupa Dubrovačka with electricity consumption combined in a ratio of 80% conventional electricity and 20% electricity from renewable sources and therefore lowering of greenhouse gas emissions.
- 1 year contract/ open procedure
- Total cost: 91,000 € (excluding VAT)

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Procurement approach

Tendering followed the open procedure:

| Electricity from renewable sources | |
|--|--|
| <p>Technical specifications</p> <ul style="list-style-type: none"> - 20% of electricity from renewable sources <p>Verification: Statement of the bidder that shall supply minimum 20% of total required electricity from renewable sources</p> | <p>Award criteria / most economically advantageous tender:</p> <ul style="list-style-type: none"> • 90% price • 10% of award points for the bidder with more than minimum requirement of electricity from renewable sources (minimum requirement as defined in the technical specifications is 20%) |
| <p>Eligibility of bidders: The bidder must prove that he has the permit from the national energy regulatory agency.</p> <p>Verification: The bidder shall supply proof that he complies with the Croatian Act on the Regulation of Energy Activities, the Energy Act and other acts regulating particular energy activities.</p> | |

Contract clauses

Upon completion of contract, selected bidder must provide a statement with supporting documentation as a proof that at least 20% of total delivered energy is from renewable sources.

Criteria development

The ambition of the public tender was to increase consumption of electricity from renewable sources and to improve sustainable consumption of energy in the local government. The criteria used were installed after having consulted with the market.

Results

By redefining the selected characteristics of energy, it has been possible to achieve a significant reduction of CO₂-emissions.

CO₂ emission reductions were calculated based on the GPP 2020 methodology. The results are as follows.

| | CO ₂ emissions (t CO ₂ /year) | Energy consumption (toe/year) |
|--|--|----------------------------------|
| (Low Carbon Solution – 20% green electricity) | 341 | 119 |
| (Last Tender/or „worst case“ – conventional electricity) | 421 | 119 |
| Savings | 80 t CO₂ (1 year) | 0 toe (1 year) |



Calculation basis

- 1,380,000 kWh of electricity were supposed to be contracted, but the contractor decided to contract at least 20% from renewable sources. In total, 1,104,000 kWh of energy resulted to be conventional and combined with 20% of 276,000 kWh of green electricity.
- Conventional electricity emits 421 t CO₂, and the chosen combination emits in total 341t CO₂.
- New contract leads to total reduction of 80 t of CO₂ per year or 19%.

Total TOE remains the same as the amount of consumed energy remains on the same level. On the other hand, the financial impact on local municipality budget remains the same: in other words, there has been no negative financial impact on the budget but solely the positive impact on environment due to total CO₂ reduction of 19%.

In conclusion, the total amount of reduced CO₂ emission is nearly equal to the percentage of electricity from renewable sources, which confirms the direct correlation between CO₂ reduction and renewable sources usage in production of electricity. So, as the amount of electricity from renewable sources increases – it increases the benefits on reduction of greenhouse gases.

Lessons learned

The new procurement method was applied successfully and the Municipality of Župa Dubrovačka will continue applying this method in future tenders.

As the competitiveness was not compromised, in future, more ambitious criteria on the amount of electricity from renewable sources could be considered as an award criterion and also more ambitious technical specifications could be chosen, i.e. increasing the percentage of RES.

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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

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



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