



Supply of electricity from renewable sources or high efficiency cogeneration

Republic of Slovenia, Ministry of Finance

- 80% of electricity derives from renewable energy sources or high efficiency cogeneration
- Contract covers 210 contracting authorities and 2,918 individual sites



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Standard product / old
tender = benchmark

- 70% green electricity
- Emissions of 11,458 t CO₂e/year

GPP 2020 tender

- 80% green electricity
- Emissions of 7,638 t CO₂e/year

Results

- 15,277t CO₂e saved over 4 year contract
- 3,807 toe additional RES capacity

Contract tendered

- Four year framework contract for the supply of electricity, principally from renewable energy sources or high efficiency cogeneration plants.
- Common public tender, published by the Public Procurement Directorate of the Ministry of Finance, Slovenia, in November 2013.
- Contract to cover 210 contracting authorities (2,918 measurement sites). Contracting authorities are ministries, constituent bodies of the Government, Government offices, individual local self-government and public institutions that have authorised the Ministry of Finance to execute the tender on their behalf.
- Approximate quantity of electric energy put up for tender for all contracting authorities for two years was 221,405,015 kWh.
- The Ministry of Finance entered into a four year general framework agreement with all tenderers that have filed complete bids meeting minimum specifications.
- From these suppliers, a *most favourable tenderer* is selected by the Ministry, based on defined award criteria. Individual framework agreements with individual contracting authorities will then be made with the most favorable tenderer for a period of two years, or until the reopening of competition or the end of the general framework agreement.
- After two years competition will be reopened between all suppliers which have signed general framework agreements, to again determine the most favourable tenderer.

Procurement approach

Type of procurement procedure: Open procedure

Subject matter: Supply of electricity from renewable energy sources or high efficiency cogeneration sources for the needs of administrative authorities of the Republic of Slovenia.

Specifications: At least 40% of the electricity supplied must be produced from renewable sources or high efficiency cogeneration sources.

Award criteria: The contract was awarded on the basis of the most economically advantageous tender. Each additional percentage of green electricity was awarded an additional 0.07% in tender evaluation, up to a maximum of 2.8%.

Contract clauses: Supplied energy contains a minimum of 40% (percentage from the bid) energy that must be produced from renewable sources of

energy or high efficiency cogeneration sources. This must be proven by the supplier within one calendar year of the expiry of this contract. The supplier must prove this by providing an appropriate amount of attestations of origin of the electric energy on the account of the contracting authority. These attestations must be issued by state or regional bodies or independent organisations, mandated for the issuance of such attestations. Only this will be accepted as a proof that the goods meet the contractual demands.

Criteria development

This tender follows requirements included in the Decree on Green Public Procurement (<http://www.pisrs.si/Pis.web/pregledPredpisa?id=URED5194>). The Decree establishes the 40% minimum percentage green electricity, however the award criteria are determined by the individual authority.



Results

6 bids were received. One was ineligible, as the bidder did not meet the minimum requirements of the tender, which is why it was eliminated. All other bids were compliant.

The compliant bids offered green electricity percentages ranging from 40% to 100%. The bidder selected as most favourable tenderer for the first two years offered 80%.

	CO ₂ emissions (t CO ₂ e/year)	Renewable energy production triggered
Low Carbon Solution: 80% green electricity	7,638.5 t CO ₂ e/year	88,562,006.4 kWh/year
Last Tender: 70% green electricity	11,457.7 t CO ₂ e/year	77,491,755.6 kWh/year
Savings per year	3,819.2 t CO ₂ e/year	11,070,250.8 kWh/year = 951.9 toe/year
Savings over 4 year contract	15,276.8 t CO ₂ e	44,281,003.2 kWh = 3,807 toe

Calculation basis

- Low carbon solution: 80% green electricity
- Previous tender: 70% green electricity
- CO₂-reduction calculated by taking 10% of 110,702,507 kWh (quantity of electricity per year) and multiplying it by the CO₂-emissions per kWh (for Slovenia: 0.345 kg CO₂/kWh).
- Formula: $(110,702,507 \text{ kWh} * 0.1) * 0.345 \text{ kg CO}_2/\text{kWh} = 3,819,236.51 \text{ kg CO}_2 = 3,819.24 \text{ t CO}_2$

Prices in current tender (three tariffs were set – low, middle and high) are lower than most favourable prices in the previous tender by between 20.5 % and 22.0 %. This is mostly due to price fluctuations on energy market.

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Lessons learned

Setting additional demands, and not only the minimum demands set by the Decree on green public procurement (at least 40% of supplied electric energy must be produced from renewable sources), makes sense, as bidders are able to meet up higher standards and competitiveness is not compromised.

In the future the minimum percentage of supplied energy from renewable sources could be increased above 40%, and the percentage that that gives additional points could be lowered.

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Tender accessible at:

www.djn.mf.gov.si/javna-narocila/arhiv-javnih-narocil

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