

Revolving energy saving fund Litomerice [Czech Republic]

Context & Rationale

With public budgets of local authorities being very strained in the Czech Republic, there is a strong need to use limited financial resources in a smart way. Before the revolving energy saving fund was set-up, this was not the case.

There was no strong incentive for individual city departments to engage in energy efficiency, as the money they had achieved through first energy efficiency measures – i.e. through refurbishing/insulating buildings – was sent to 100% to the municipal budget and then reallocated for various projects in the city. There was no direct “benefit” for a department to save more energy, as it could not keep a portion of the financial savings for its own projects.

Description

The Czech municipality of Litomerice has set up in 2014 a revolving energy savings fund, which uses the municipal budget as its main funding source. The money acquired through energy savings measures are redistributed in the following way:

- 35% allocation to municipal budget
- 30% allocation to revolving energy savings fund
- 30% allocation to the municipal department that implemented an energy efficiency measure
- 5% allocated to a Commission fund

The fund targets energy efficiency measures in Litomerice’s municipal buildings. In the starting year 2014, EUR 69000 were allocated.

Main Objectives

- Reinvest financial savings acquired through energy efficiency projects into new energy savings measures
- Reward municipal departments for energy savings efforts by allocating a portion of the saved money to them
- Increase motivation of municipal staff to reduce energy
- Increase the value of municipal properties
- Increase thermal comfort for building users (municipal staff)
- Reduce energy consumption & bill of municipality

Implementing Structure & Partners - Governance

The key people involved are:

- City energy manager (main manager of the revolving fund, is in charge of the methodology and runs the fund)
- Financial department staff (assists city energy manager in the management of the revolving fund, by following the proposed methodology and allocating money generated from savings)
- Municipal council (approved the fund proposal of the city energy manager in 2013)
- Financial committee (approves each year the financial allocation of savings)

The city energy manager came forward with a technical proposal to set up the fund and discussed his idea directly with the mayor and vice-mayor. Then, discussions followed with the city council and the finance department. The city council approved the fund in December 2013 and it became operational in 2014.

Financing and Costs / Time Frame

The fund has been implemented since 2014. Normally EUR 69000 are allocated to the fund each year, but this figure also depends on the energy savings achieved each year.

Between 2014 – 2017, an estimated EUR 300 000 have been saved thanks to the revolving energy savings fund in Litomerice. The energy consumption of the city's municipal buildings is expected to be reduced by at least 20% by 2030, compared to the Baseline Year 2013, as a result of the revolving energy savings fund.



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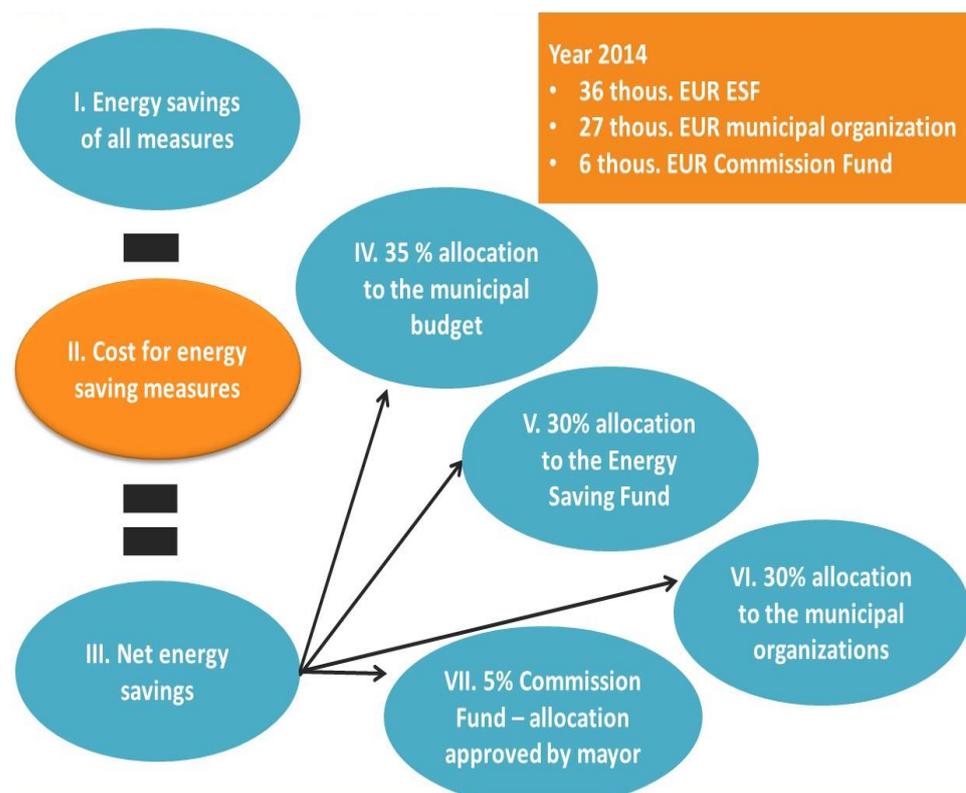


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Infographic of Litomerice's Revolving Energy Saving Fund

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