

# The Finnish Experience on ESCO Business

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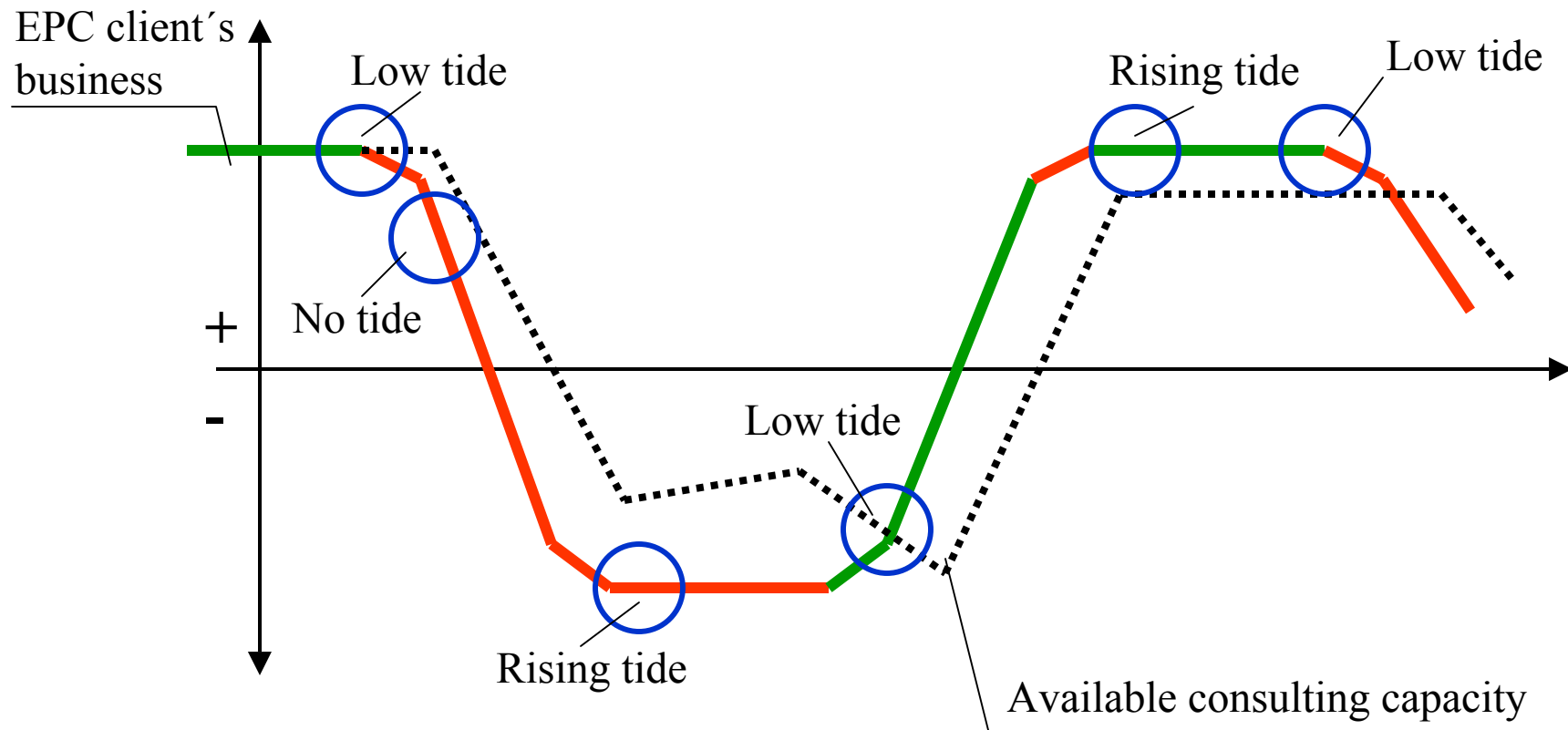
Ministry of Trade and Industry

Finland

# Our experience is that it is hard to...

- Get EPC service providers interested... when there is no market
- Get clients interested... when there are only a few providers
- Develop a business... when you are not really in it yourself
- Find financing... when the size of the market is marginal
- Increase the size of the market... when you don't have financing
- Promote the business... when you only a few projects in hand
- Get anyone interested... when the concept is totally new
- Swim if the tide is against you... you will just float away

# Where is the tide ?



# How we saw it might work

Pre studies 1996...97

Interviewing all players and increasing our own understanding

Methodology

Awareness

Financing



Just an idea on how it should look like

# What did we do

## Methodology

1998 - 2000

- Standard EPC Model
- EPC Guidebook
- Pilot projects

2002

- Public sector barriers
- CO2 and ET

2003

- Public sector barriers
- Process industry b's
  - IAS
  - procurement

## Awareness

- Presentations and active media contacts since 1999
- Guidebook 2000
- ESCO Seminar 2001
- [www.motiva.fi](http://www.motiva.fi)
- Basic brochure 2001
- ESCO Seminar 2002
- "abc" assistance to all wannabeESCOs

2003

- [www](http://www) to be improved
- Guidebook update

## Financing

1999

- Guarantees ?, no go

2000 - 2001

- Nothing really done

2002

- Banks ? – no go
- 15...25 % subsidies

2003

- 15...25 % subsidies
- Local banks again
- State guarantee?

# Situation in Finland today

- 3 ESCOs with ongoing projects but all are really active
- By the end of 2003 we expect to have another 3 new ESCOs
- The interest among the clients is good and getting better
- The general knowledge on the ESCO Concept is pretty good
- The awareness activities cannot be significantly strengthened
- We know the size of the market – some 350...400 M€
- The turnover in 2002 was some 4...5 M€, clearly increasing in the autumn

# This is what we plan (hope) to happen

Methodology

Awareness

Financing

No crying from the market,  
ESCOs lead the way  
and do the work

Wide it is today,  
but wider it  
should get tomorrow

Not a barrier to anyone  
who is in need

EPC is "business as usual concept"

# Our experience is that

- EPC can be made to work and
- the process can be accelerated, but
- it is hard and it will take time!
- International co-operation can reduce the development costs and
- Also improve the understanding on this though issue