

**GPP**  
**2020**

procurement  
for a low-carbon  
economy



# Electricity procurement: GPP 2020 advice

GPP 2020 Factsheet  
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## Introduction

The generation of electricity is responsible for more greenhouse gas emissions than any other single activity. Public authorities are significant energy purchasers through the operation of hospitals, schools, offices, street lighting etc. Due to this market share, a shift in public demand towards electricity from renewable (RES-E) or lower-emission sources can send a signal to the market that investing in these technologies is a good long-term prospect. This shift also helps to promote energy security and reduce dependence on volatile and high prices of energy generated from fossil fuels.

Investment in energy-efficiency measures and, where possible, in efficient local energy generation is equally important to reduce impacts. Many public sector organisations also benefit from reduced energy bills due to the development of renewable or high-efficiency generation on site, for example from biomass boilers, combined heat and power units, solar panels or other installations. In other cases an external energy services company (ESCO) may be engaged in the form of an energy performance contract for a building or group of buildings. Under this model, the ESCO pays for and manages upgrades and is reimbursed through the savings realised on energy costs over a number of years.

As there is currently considerable oversupply of RES-E in comparison to the demand from consumers for such electricity, there is a certain danger that when public authorities demand RES-E does not actually lead to the commissioning of additional RES-E production capacity. There are certain potential models for addressing this “additionality” issue (for example including specifications and award criteria relating to the age of the plants, or requirements on a certain proportion of the profit to be directed to the creation of new RES-E generation capacity), however there are differing opinions on the implementation of these approaches under the EU Public Procurement Directives.

## Sustainable procurement approaches

Procurement Stage	Examples of PP criteria
Selection	<ul style="list-style-type: none"><li>• Previous experience and technical capacity to deliver electricity from renewable sources (where appropriate and to the levels required)</li></ul>
Technical specification	<ul style="list-style-type: none"><li>• Provision of a minimum percentage of electricity from renewable sources</li></ul>

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<sup>1</sup> „Additionality“ means that demand for RES-E by consumers should provide an incentive for the installation of new RES-E generation capacity, not simply the reallocation of existing supply.

	<ul style="list-style-type: none"> <li>• Minimum efficiency levels for energy installations such as combined heat and power or cogeneration</li> <li>• Ability to feed locally generated electricity (e.g. from solar panels) into grid (where appropriate)</li> <li>• Provision of additional energy audit/advice services</li> </ul>
Award criteria	<ul style="list-style-type: none"> <li>• Provision of a higher percentage of electricity from renewable sources</li> <li>• Efficiency levels for energy installations which exceed the minimum specified</li> <li>• Discount or credits for energy fed into grid from local installations</li> </ul>
Contract performance	<ul style="list-style-type: none"> <li>• Verification of proportion of electricity from renewable or low-emission sources using Guarantee of Origin certificates</li> <li>• Reporting on energy consumption and advice on energy-efficiency measures</li> </ul>

## Available criteria and guidance

- [EU GPP background report and criteria for electricity and combined heat and power \(All EU languages\)](#) (currently under revision)
- [Austrian GPP criteria for electricity](#) (DE)
- [Basque Environment Agency criteria for electricity](#) (EU,ES)
- [Belgian Guide to Sustainable Procurement](#) including criteria for electricity, heat pumps, wood pellets, solar panels etc. (FR, NL)
- [Dutch criteria for electricity](#) (NL, EN)
- [German Environment Ministry criteria for electricity](#). (DE)
- [Swedish Environmental Management Council \(SEMCo\) criteria for electricity and lighting](#) (SE, EN)

## GPP 2020 examples

### Supply of electricity from renewable sources, Central Procurement Office, Croatia

- Supply of 100% electricity from renewable sources to all Croatian central government ministries and agencies, in over 350 locations
- 438,300,000 kWh estimated consumption
- Minimum specification of 50% renewable electricity, with award criteria for higher percentage – resulted in a supplier offering 100%. Verification through Guarantee of Origin certificates

**Savings:** 126,230 tCO<sub>2</sub> eq

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### Supplying electricity guaranteed to come from renewable energy sources and from high-efficiency cogeneration, Department of Resources, Barcelona City Council

- Supply of 100% electricity from renewable sources or high efficiency co-generation plants to all Barcelona city council locations and associated organisations (including public lighting)
- 100% set as minimum specification. Verification through Guarantee of Origin certificates for each consumption point (over 3,000)
- Market engagement prior to tendering confirmed the possibility of requesting 100%
- Additional cost from previous 15% only 0.3%

**Savings:** 75,100 tCO<sub>2</sub> eq

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### Purchase of electricity from 100 % renewable energy sources, Municipality of Ljubljana, Slovenia

- Joint tender for 107 public entities led by the Municipality of Ljubljana (1,100 measurement points)
- Minimum requirement: 100% electricity from renewable sources. Guarantee of Origin required as verification
- Cost savings also achieved

**Savings:** 45,536 tCO<sub>2</sub> eq

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**Supply of electricity from renewable and high efficiency cogeneration sources, Department of Economy and Knowledge, Government of Catalonia**

- Supply of minimum 30 % electricity from renewable sources or high efficiency co-generation plants to all Barcelona city council locations and associated organisations (including public lighting)
- Percentage required doubled from previous contract (15%)
- Estimated annual consumption of 316.4 million kWh

**Savings:** 66,701 tCO<sub>2</sub> eq

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**Supply of electricity from renewable sources or high efficiency cogeneration, Republic of Slovenia, Ministry of Finance**

- Framework contract covering 210 contracting authorities and nearly 3,000 sites
- Minimum specification of 40% electricity from renewable sources or high efficiency cogeneration, with award criteria for higher percentage – resulted in a supplier offering 80%. Verification through Guarantee of Origin certificates

**Savings:** 15,277 tCO<sub>2</sub> eq

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**Supply of electricity from renewable sources, Metropolitan City of Rome, Italy**

- Purchase of 100% certified green electricity for fish incubators
- Verification through Guarantee of Origin certificates
- 42,000 kWh annually purchased through a national framework contract let by Consip

**Savings:** 16.3 tCO<sub>2</sub> eq

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**Low carbon tender for energy audit services, Federal procurement Agency, Austria**

- Framework contract for the delivery of different types of energy audit services to municipalities
- 4 lots – a) buildings, b) buildings and processes, c) buildings, processes and mobility, d) data centres
- Award criteria for experience, the number of qualified auditors, and the time required
- Dialogue with potential suppliers prior to tendering proved highly useful

**Savings:** 1,150 tCO<sub>2</sub> eq

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**Supply of electricity from renewable energy sources, Student Centre of the University and the Polytechnic College Rijeka, Croatia**

- Minimum specification of 30% electricity from renewable sources for the student centre
- 2,471,000 kWh estimated consumption
- No additional cost on previous electricity supply contract

**Savings:** 214 tCO<sub>2</sub> eq

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**Supply of electricity from renewable sources, Municipality of Župa Dubrovačka, Croatia**

- Minimum specification of 30% electricity from renewable sources
- 2,471,000 kWh estimated consumption

**Savings:** 80 tCO<sub>2</sub> eq

Read the full [tender implementation model](#)

## 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 CO<sub>2</sub> savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – [www.gpp2020.eu](http://www.gpp2020.eu)



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