

**The International Energy Agency
Solar Heating and Cooling Programme**

**TASK 24
Solar Procurement**

TASK STATUS REPORT

October 1999

**Swedish Council for Building Research
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TASK 24: SOLAR PROCUREMENT - TASK STATUS REPORT

1. TASK DESCRIPTION

1.1 Duration and participation

Task 24 “*Solar Procurement*” officially began 1 April 1998 and will be completed 31 March 2003. Four countries joined the Task from the beginning - Canada, Denmark, The Netherlands and Sweden - and Switzerland joined in September 1999. More countries are welcome to join. Countries with some interest include Austria, Germany, United Kingdom and United States.

1.2 Objectives

The main objective of Task 24 *is to create a sustainable, enlarged market for active solar water heating systems (mainly domestic systems).*

This will be fulfilled through major cost and price reductions for all cost elements, including marketing and installation, as well as performance improvements and joint national and international purchasing.

1.3 Subtasks

Task 24 is divided into *two* Subtasks:

Subtask A: Procurement and Marketing

The objectives of Subtask A are:

- to raise general interest in active solar thermal solutions, and
- to form buyer groups to purchase state-of-the-art and innovative systems.

The procurement activities will consist of Two Rounds: the first with small projects and a low degree of joint international collaboration, and the second with larger projects and a higher degree of collaboration.

Subtask A Lead Country: *The Netherlands.*

Subtask B: Creation of Tools

The objectives of Subtask B are:

- to collect, analyse and summarise experience
- to create tools to facilitate the creation of buyer groups and the realisation of projects and procurements. The tools will be included in a manual: “Book of Tools”.
- to define a process for prototype testing and evaluation using existing methods.

Subtask B Lead Country: *Denmark.*

2. TIMETABLE AND MILESTONES

See Appendices 1 and 2.

3. NEW DEVELOPMENTS SINCE MAY 1999

An *international Buyer Group Workshop* took place in Eindhoven, The Netherlands, on 6-7 May, with participation of representatives from several potential buyer groups from Canada, Denmark, The Netherlands and Sweden. These groups represented utilities, housing corporations, construction companies and municipalities. In connection with the Workshop, there were study tours to solar thermal sites of interest.

A *Meeting with Suppliers* was held in Amsterdam, The Netherlands, on 26 May. Before the meeting, several contacts had been taken with the supplier organisations ASTIG and ESIF, and invitation letters had been sent to both organisations. Unfortunately, only representatives of ASTIG were present at the meeting.

One *Experts Meeting* has been held during the last six-month period – 30 September – 1 October in Vejle, Denmark.

The work on the manual "*Book of Tools*" has proceeded. The countries have provided case studies, and 10 cases have been included. A draft version of the first half of the book has been drawn up. It was proposed by the Subtask B Leader, and approved by all Experts, that the "*Book of Tools*" be produced as a CD-rom and a website instead of being printed in a binder. For the time being, the "*Book of Tools*" is produced as a working document on a closed website, to which only the Task Experts have access in order to give their comments during the work.

A *summary of "lessons learned"* in a number of procurement projects within the energy efficiency area has been produced by the Operating Agent.

Work on identifying potential buyer groups has proceeded and several national meetings with buyers have been held in the participating countries. Buyer groups, consisting of representatives of municipalities, utilities, housing companies, real estate developers, NGOs and other organisations, have been created in all the countries. Work is now going on to get the buyer groups to take the step from interest to actually becoming buyers of solar heating plants.

Brochures, articles and other information material have been produced and published in the participating countries to raise interest in Task 24. The Task 24 official home page (www.IEAtask24.org) has been updated by Canada.

Several contacts and meetings with representatives from different organisations in Germany and Austria have taken place in order to get them involved in Task 24. These contacts will continue.

4. WORK PLANNED FOR THE NEXT 6-MONTH PERIOD

The First Round with smaller national projects will proceed. Creation of national buyer groups will continue. It is essential to keep their interest alive during the preparations for the coming procurements.

Further contacts will be taken with the supplier organisations ASTIG and ESIF in order to give them the possibility of influencing the framework of the coming tender documents and informing about the ongoing preparation of national tenders. The Experts agree that it is important to include all interest groups in the work – manufacturers, installers, retailers, architects and planners.

All the National Coordinators will work further with the different buyer groups and projects mentioned below.

In *Canada*, Peterborough Green-Up (an NGO) has tendered for nine systems and will install them this autumn. The experience from the specifications used in this tender will be used for future tenders. A parallel project has begun in Toronto with another NGO being the project managers; the first round of systems are expected to be installed in February 2000. The earlier identified potential buyer Toronto Hydro shall be involved in this project but will not administer it due to challenges from ongoing deregulation. It is expected that both buyers shall form a buyer group next year for Phase 1 tendering under Task 24.

Four potential buyers have been identified in *Denmark*: an electric utility company: Thy Højspændingsværk; a private company: Rookwool International; two housing developers: KFS & HKS Houses; and a private organisation: Thyholm RE-area. Task A has been divided into two steps in Denmark: Step 1: Preparation of information material and meetings, and Step 2: More technical details.

In *The Netherlands*, a project for 300 medium-sized systems through the umbrella organisation of housing associations called 'Aedes' is planned. There are concrete plans with the Utility EDON and the province of Groningen aiming at the housing associations in the province. Together with EDON also a campaign aiming at installing at least 1,000 SWHs in new housing developments in their complete supply area is planned for 1999 and 2000. EDON is also planning to commercialise their activities in the solar water heating field, starting with medium-sized systems. A national solar installation company is set up, in which 50 installers participate. This company aims at national-wide SWH projects, the first one in collaboration with the World Wildlife Fund with the aim of realising 2,500 SWHs in 2000. A Dutch bank is also planning a SWH campaign aiming at all existing and new clients. Special loans and saving arrangements will be developed.

Sweden will be focusing on both small and large systems, with two separate buyer groups. Interested participants include the two largest contractors: Skanska AB and NCC AB; counties: Dalarna and Värmland; utilities: Sydkraft, Vattenfall and Birka Energi (Stockholm); and housing companies: AB Svenska Bostäder and Uppsalahem AB. Competition documentation, including specifications, will be ready during the autumn and a tender is planned to be announced in December 1999 with delivery expected to start in early 2001.

Projects have been identified in *Switzerland* and the planning of the work will now start together with the following buyer groups: Wasserwerke Zug, Service Industriel in the city of Lausanne, and electricity works in the region of Basel. Information and promotion activities have been prepared using a flyer "Gratis Sonnenwärme im Alltag", and with presentations of the activities in the SSES Magazine and Swissolar Newsletter. Switzerland will draw experience from a special roof installation programme in Basel, where 100 installations were completed in 1997 and 222 installations accomplished in 1998.

Since in all countries many 'solar water heater campaigns' are in preparation at this moment, there will be an effort in Subtask A to create as much synergy as possible between the various campaigns. Synergy can be achieved in many phases such as tendering, preparation of publicity and evaluation.

The work on the "*Book of Tools*" will continue, and a first draft will be ready by the end of the year. A Newsletter about the Task 24 work will be published on the Task 24 official home page. Additional sources for funding the important information activities will be investigated. An application to the EU ALTENER Programme will be sent in by 30 November.

Contacts with interested organisations will continue in Germany and Austria and be started in Belgium, United Kingdom and United States.

An Experts Meeting will be held in Canada 28 February – 1 March 2000.

5. ISSUES FOR THE EXECUTIVE COMMITTEE

5.1 Issues for the whole ExCo

Issue 1: Procedure for approval of reports produced on the web

A report is being drawn up and produced as a working document on a website, first as drafts and then revisions will follow. A natural way of procedure would be to have the website closed during this work, and with access to the website only by the Task Experts, who would use a password to enter the site. There are several advantages with such a procedure: It is easy to make revisions and updates, it is cost-efficient, and it is a much quicker way of working.

When a first official draft of the report is ready, it would be submitted to a ballot procedure, involving only the Executive Committee members of the Task participating countries. These members would be given a password to enter the site to read the draft report, after which they would send a ballot to the Operating Agent by e-mail or fax.

After the approval of this first official draft, the work on the report would proceed with updates, amendments and revisions which would only involve the Task Experts. No further ballots would be necessary, until the work is ready and there is a final report. Then the final report would be submitted to a ballot from the Executive Committee members of the Task participating countries.

Recommendations for resolution

The ExCo to approve the above suggested procedure.

Issue 2: An "IEA SH&C Solar Award of Excellence"

On the way towards large procurements, there will be competitions and promotions. An "IEA SH&C Award of Excellence" could be used as a prestigious recognition for good performance. This Award would mainly be used for the Second Round of the Task 24 procurements.

Recommendations for resolution

The ExCo to approve the above suggested "IEA SH&C Award of Excellence".

TASK 24 "SOLAR PROCUREMENT" TASK STATUS REPORT OCTOBER 1999 - APPENDIX 1

MILESTONES TABLE 1

Project	Project Title	Responsibility	1999				2000				2001				2002				2003				2004						
			Quarter:	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
Subtask A	Procurement and marketing	NL				∇ ¹	∇ ²		∇ ³	∇ ⁴					∇ ⁵				∇ ⁶			∇ ⁷							
						▲ ¹																							
Subtask B	Creation of Tools	DK		∇ ¹			∇ ²			∇ ³	∇ ⁴								∇ ⁵							∇ ⁶			
					▲ ¹																								

Subtask A: Procurement and marketing

1. Buyer groups formation/goals – *October 1999*
2. Distribution of invitation for tenders 1st Round - *January 2000*
- 3-4 Delivery start 1st Round – *August – December 2000*
5. Distribution of invitation for tenders 2nd Round - *October 2001*
- 6-7 Delivery start 2nd Round – *November 2002 – April 2003*

Subtask B: Creation of Tools

1. Book of Tools - content, 1st draft Chapt. 1-3/outline Chapt. 4 - *May 1999*
2. Book of Tools - 1st edition - *January 2000*
3. Book of Tools - Updated 2nd edition in draft - *December 2000*
4. Evaluation of 1st Round – *February 2001*
5. Book of Tools - 3rd edition in draft - *July 2002*
6. Evaluation of 2nd Round - *July 2003*

TASK 24 "SOLAR PROCUREMENT" TASK STATUS REPORT OCTOBER 1999 - APPENDIX 2

MILESTONES TABLE 2

Activity	Resp.	Milestones achieved Last 6 months	Milestones not achieved				Milestones next 6 months
			Milestone	Comment	Recommendation	Impact	
Procurement & Marketing	NL	A1 In all countries, buyer groups have been formed. In Canada the deregulation has delayed some decisions.					A2
Creation of Tools	DK	B1					B2

Hans Westling, 22 October 1999