

**International Energy Agency
Solar Heating & Cooling Programme**

**Task 24
Solar Procurement**

EXPERTS MEETING

**Utrecht, The Netherlands
10-11 September 1998**

MINUTES OF MEETING

**Hans Westling
Promandat AB
Operating Agent**

International Energy Agency
Solar Heating & Cooling Programme

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TASK 24 SOLAR PROCUREMENT

Minutes of Experts Meeting, 10-11 September 1998, Utrecht, The Netherlands

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Hans Westling
25 September 1998

**MINUTES OF EXPERTS MEETING, UTRECHT, THE NETHERLANDS,
10-11 SEPTEMBER 1998**

1. INTRODUCTION AND PRESENTATION

1.1 Introduction

Hans Westling welcomed the participants to the Task 24 “Solar Procurement” Experts Meeting. Peter Out welcomed the participants to The Netherlands and Utrecht and informed that the meeting of the first day would be in the present place (Polman’s House) and that the meeting of the following day would be in the new offices of Ecofys.

1.2. Presentation of persons present

The participants, who are listed below, gave a short presentation of their background. For further details and addresses, see the List of Participants, Appendix 1. Hans Westling particularly welcomed Mr Christian Völlmin from Sopra, Solarpraxis AG in Switzerland, as observer to evaluate the Swiss interest in taking part in the future Task 24 project.

Klaus Ellehauge	Michael Noble
Torben Esbensen	Peter Out
Maaïke Fernhout	Bengt Ridell
Lisbet Holst	Gerald Van Decker
Hans Isaksson	Christian Völlmin, Sopra, Switzerland (Observer)
Trine Jacobsen	Hans Westling

2. AGENDA

The Preliminary Agenda, updated 7 September 1998, was approved, Appendix 2. A draft Agenda had first been sent out to the Subtask Leaders and then to all Task 24 Experts.

3. MINUTES OF EXPERTS MEETING IN STOCKHOLM 6-7 APRIL 1998

The minutes of the April Stockholm meeting, now officially an Experts Meeting, had been sent out to the participants of that meeting. No requests for changes or clarifications were made.

4. PURPOSE AND STATUS OF TASK 24 "SOLAR PROCUREMENT"

The Executive Committee had approved an Annex start date of 1 April 1998. Discussions and decisions from the Executive Committee Meeting 28-29 May 1998 can be seen in [Appendix 3](#). The purpose of the Task is shown in the enclosed Concept Paper, [Appendix 4](#), which had been approved by the participating countries and the ExCo. The Annex text, as approved in ballot, is included in a booklet which had been sent out earlier. These first documents are part of the legal text which is under work in the IEA Legal Office. The Work Plan and Information Plan can be subject to clarifications and changes suggested by the Experts Meeting and approved by the Executive Committee.

The participating countries expressed that it is now important to go from "single enthusiasts and idealists to developing a sustainable market". The energy price has different levels in different countries, and this may be a challenge in the collaborative work. It will be important, anyhow, to have an openness and to share the experiences already in the First Round.

5. PARTICIPATION PLANS: COUNTRIES, SUBTASK LEADERS, NATIONAL COORDINATORS, EXPERTS

The Lead Country for Subtask A is The Netherlands through Ecofys and Peter Out. The Lead Country for Subtask B is Denmark through DTI and Klaus Ellehauge. Coordinators are: for Denmark Torben Esbensen; for The Netherlands Peter Out; for Canada Gerald Van Decker; and for Sweden Hans Isaksson.

A formal letter has been sent in by Denmark (Jens Windeleff), and reminders to send in their Participation Plans have been sent to the other three countries. A copy of a model for a Participation Plan was also handed over to the Swiss observer, together with copies of the documents for Concept Paper, draft Annex, Work Plan, Information Plan and Task Status Report from April 1998. The formal Participation Letters are most welcome in good time for the next Executive Committee Meeting, which will be in the first half of November 1998.

Hans Westling had sent special invitations to take part as observers in this Experts Meeting to France, Greece, United Kingdom, United States, Austria and

Switzerland, and had received letters of excuse from most of them. It will be important during this first year to have follow-up contacts with these, or other countries, which have, or may express, an interest. As for most of the countries, the money is allocated, for formal reasons, through the yearly budget of the different fiscal years, and therefore allocated year by year to the Experts.

It was also stressed the importance of trying to include *Austria*, with all its self-building activities, and also *Germany* in Task 24.

6. TASK 24 ACTIVITIES: SUBTASK A “PROCUREMENT AND MARKETING”

6.1 The Netherlands

Peter Out informed about the ongoing work with the identification of buyer groups among utilities and housing associations (see copy of transparencies, [Appendix 5](#)). He also circulated brochures of some interesting projects and especially stressed the concept of working through leasing of solar collectors and systems, as shown in the enclosed brochure (in Dutch), [Appendix 6](#). He also informed that there may be a technical potential in hotel chains.

6.2 Denmark

Torben Esbensen informed about the identification of buyers and buyer groups in Denmark, see the document enclosed, [Appendix 7](#). This includes both housing manufacturing companies, housing associations, holiday centres and utilities.

6.3 Sweden

Hans Isaksson informed about the activities for Subtask A which have just been started, see [Appendix 8](#). Work is going on to prepare a tentative list of participants in the Swedish purchaser group with utilities, municipalities, county councils, government-owned premises, construction companies, cooperative building organisations, but also chain stores and hotels. He also referred to a paper on the buyer group STR, the Swedish organisation of wood housing industries, [Appendix 9](#).

6.4 Canada

Gerald Van Decker and Michael Noble informed that initially they had been working on the website (see below) but also started the work on buyers in electric utilities, but also gas utilities, such as Union Gas and BC Gas, and also

the Toronto Renewal Energy Cooperative and perhaps Toronto Hydro. Also builders' organisations, as the Nova Scotia Builder Organisation, have expressed interest. A market research will now be started which can also be used by other countries.

6.5 Discussion

Work also on financing and sale-lease-back was stressed in many of the presentations. Franchising, in particular to handle the work with "the green image" was also mentioned. Also the Green Key hotel organisation may be of value, where it could be a requirement for an award to have introduced some sort of solar.

In the Netherlands, a technical potential is also seen in hotels.

It was discussed what the image should be like and how to clearly express what we should offer to the buyers. This depends of course on the economy, but the image, the service and the whole concept are very important.

It was here expressed an interest in producing cheap energy meters.

In Denmark, information meetings are planned with buyers, when also specialists from Ecofys will take part. The combination of solar with biomass, or solar with gas, can be of interest. In some areas, the result has been up to 70% of all who have preliminary signed up in countryside districts. In Sweden, the challenge is to change from direct electricity to other solutions including some sort of district heating, and the combination with solar will then be a particular challenge. For the future, comparisons should also be made as regards subsidies, rebates, or financial incentives of different kinds which can be used.

6.6 Procurement principles within Subtask A

Hans Westling informed about the memo "Solar Procurement - Comments to Time Schedule Procurement Details" which was presented at the meeting and had been sent before the meeting to the Subtask Leaders for their preparation, Appendix 10. A correction should be made in Alternative 2 in the time schedule: it should be the "2nd Round" (and not the 1st Round). Hans Westling stressed that, for this project "Solar Procurement", we are working with systems with a higher complexity, and referred to Appendix 3 in the memo as concerns multiple systems, which create additional challenges for the international cooperative work. The time schedule shows two alternatives with a shorter or a longer time available. From experience of many other projects with the purpose of inspiring refinement of solutions and development, the time periods shown in both the alternatives are relatively short.

In Alternative 1, which is the First Round for the first years, a fairly shorter time is illustrated for preparation of tender documents and examination of tenders, and then refining until delivery. In Alternative 2, which is planned for the Second Round, more time is used for the period from starting the preparation of tender documents until contract and award. In Alternative 1 this period is 8 months, and in Alternative 2 it is 13 months. But this period is anyhow shorter than the 16-18 months which had been planned for and experienced in other development projects. One of the reasons for having shorter time periods is partly to fit the programme into the available time period of 5 years.

At the bottom of the time schedule, there are examples of activities needed in order to comply with public procurement rules, either the European Commission Directives, or the World Trade Organisation Government Procurement Agreement. It is important to give *all suppliers equal treatment* so that they can prepare for and take part in informative meetings before the tendering. They should also have an equal treatment during the preparation of tenders and at the evaluation. Under some circumstances, an evaluation report also has to be prepared. The illustrated time periods are, anyhow, well fulfilling the *required minimum time* according to public procurement rules.

Hans Westling also stressed that it is possible to use *different levels* - mandatory and desired - *in the formulation of criteria*. Hans Isaksson stressed the importance of trying to *involve important buyers in taking a large part of the management* in the future. It has certainly been anticipated to be possible for the Swedish programme to involve at least one interested "anchor buyer".

The Experts expressed the opinion that the illustrated time is sufficient. The important thing is to send out clear signals.

The Experts decided:

- to approve in principle the time schedule shown for the procurement as guidance for the national projects;
- that further comments about details should be sent in to the Operating Agent before 25 September 1998;
- to change the time schedule so that there will be one additional activity this year, around 1 October 1998, for contacts with suppliers, and to amend the printing error in Alternative 2 to be "2nd Round" instead.

7. INFORMATION ABOUT THE GREENPEACE SOLARIS PROJECT FOR PVs

Didrik Samson, Greenpeace, Holland, gave enthusiastic information about the

ongoing project to collect buying signals from a sufficient number of interested buyers of small PVs. This is an important thing for creating a sustainable market and inspire suppliers to create more efficient production and distribution solutions. It is important here to create a pool of demands and then apply for tenders. A sort of “ordering form” in quotations is used. The timing is very crucial as a sort of market campaign. There is now an interest among the early adopters, and the cost is 1,000 NLG. The items stressed here are “to give an image of a new technology”, “clean”, “taking part of something very big”. This is very risky and too big for many commercial companies. Greenpeace creates this independently and with direct action. They challenge not only the manufacturers but also the ministries. The World Wildlife Foundation too, could be involved in the future. It is important to go beyond the early adopters.

Information was also given that in Switzerland there are already sales in major department stores.

8. DIALOGUE WITH SUPPLIERS

The planning of a dialogue with suppliers, including manufacturers, installers, retailers and distributors, is important, as was also stressed at the ExCo Meeting. Hans Westling had prepared a memo “Supplier Involvement” which was handed out at the meeting, see [Appendix 11](#);

The Experts decided:

- to work out, through Peter Out and Gerald Van Decker, a draft model letter to be used in contacts with suppliers;
- that the model letter should be ready already by 20 September, 1998;
- to initiate contacts with industry in the different countries well before the next ExCo Meeting;
- to take up contacts with the manufacturers through their organisations, of which there are two in Europe, also perhaps through other parallel organisations of interest, like the ASHRAY, and in connection with coming fairs.
- that the suggested steps 1-3 be fulfilled by the National Coordinators;
- to start the initiation of these contacts before 1 October 1998, and report to the Operating Agent, Hans Westling, before 5 October 1998;
- to schedule meetings with these different suppliers and their organisations;

- to have the meetings if possible before the upcoming ExCo Meeting in November, and also to report after these meetings to the Operating Agent;
- to further discuss on e-mail as a result of the contacts, a supplier meeting in connection with the “World Sustainable Energy Trade Fair” in The Netherlands 25-27 May 1999, and a similar project in North America, which can be ARSUN.

If a conference is taken up with a number of manufacturers internationally, it could be one meeting in Europe and another in North America, perhaps connected with a teleconference. It is of value to include the suppliers, especially in matters concerning general conditions and formulation of requirements for quality.

It could also be of interest to contact the organisation of water heater manufacturers in Canada.

It could be a problem if the activities of Task 24 will be regarded by the suppliers as a threat to the balance of the market. One way is to formulate a sort of minimum agreement with the local market forces, and this can be some kind of standard for supplier contacts. In order to give the same information, a model letter will be formulated, as seen above. The letter can have the same letterhead as that included on the website. The paper from Ecofys of May 1998 to approach the buyers “Marketing Solar Water Heaters for Potential Buyer Groups”, [Appendix 12](#), can form one part of the background for the model letter.

9. TASK 24 ACTIVITIES: SUBTASK B “BOOK OF TOOLS”

The Experts presented the planned and ongoing work with the case studies.

9.1 Denmark

Klaus Ellehauge gave a presentation, see [Appendix 13](#). The projects include the Solar National Gas Systems, Sun & Wood combinations for private house owners, Sun and Bioenergy in Rural Areas with Sparse Population, and Solar SDHW Systems sold by a Local Electricity Company.

9.2 The Netherlands

From The Netherlands a number of projects have already been identified and are very well described. They include the Solar Water Heater Campaigns in Leiden and Utrecht, the “Apeldoorn Solar Project”, the Solar Energy Campaign Swimming Pools, and the Solar Leasing Campaign, see [Appendix 14](#).

9.3 Sweden

For Sweden one case study was presented, the NCC/Partillebo, see [Appendix 15](#). Other possible case studies are being investigated.

9.4 Canada

Gerald Van Decker gave a summary of the Canadian strategy, see [Appendix 16](#). He stressed that it is very important that the procured products are part of a *profit centre* within a company, and *not part of a cost centre*. The goal is a market of about 500,000 residential hot-water systems within the two rounds - first a small number of systems and then at least one thousand systems.

A paper was handed out at the meeting: “The Renewables Portfolio Standard: How It Works and Why It’s Needed”, by Nancy Rader, Renewable Energy Policy Consultant, Berkeley, California, see [Appendix 17](#).

The Experts decided:

- that the case studies and sales material should be delivered to Klaus Ellehauge as soon as possible, by 30 October 1998, at the latest, and that they should then be analysed;
- that the Book of Tools, chapters 1-3 and part of chapter 4, should be available in a draft version by 31 December 1998.

Additional cases will also be identified, especially in Sweden and Canada. It is important to stress that there is a need for many different tools and procedures to be included in the Book of Tools.

10. TASK 24 INFORMATION ACTIVITIES

10.1 Hans Westling informed about the memo “Update of Information Activities”, [Appendix 18](#). Following the discussions at this meeting, an updated information programme will be forwarded to the ExCo for their next meeting, which will be in *Austria 10-12 November 1998*.

- 10.2** Michael Noble informed about the ongoing work on market research in Canada, which can be of help also to the other countries, see [Appendix 19](#).
- 10.3** It was said that subsidies campaigns may help to develop the market, but a combination of short-term, very focussed, highly subsidised campaigns with long-term, somewhat lower subsidies is needed. It is also important to use awards and to show “nice” solar systems.
- 10.4** Klaus Ellehauge informed about the ALTENER application for funding through the European Commission. He also informed that the Book of Tools will be distributed to the buyers when they join, or have joined, a national buyer group.
- 10.5** Of importance is still to investigate other sources for financing, including CADDET later on. It was decided not to approach CADDET for additional funding before the result of the ALTENER application had been received, which will be at the beginning of 1999.
- 10.6** The printing of the first parts of the “Book of Tools” is planned to take place in Denmark, and later on there could be a collaboration with CADDET.
- 10.7** Hans Westling will also write a short information memo, about 30 lines, to the CADDET Newsletter.
- 10.8** The new Task 24 website was shown and demonstrated by Michael Noble, see [Appendix 20](#). Certain parts of the site will have to be supplied with more information, including some of the illustrations used by Hans Westling about general procurement and innovation projects. The website will have an unofficial opening between 15 and 30 September for the Experts to make comments. The intention is to have the site approved by the ExCo if possible before 25 October. This approval is needed for the official opening of the website.
- 10.9** As expressed in page 2 of the “Update of Information Activities” by Hans Westling, the website can include, as a vision, video contributions by important persons like Al Gore, Maurice Strong, Sven Auken, Anna Lindh, Gro Harlem Brundtland, and the Minister of the Environment in The Netherlands. Also the European Commission, DG XVII Energy with the Greek Commissioner, could contribute.
- 10.10** We will work on the development of good e-mail communications for most of the material in the future. This means that some illustrations may have to be sent separately. Procedures for a receipt that the material has arrived in good order must be worked out.

- 10.11** It was also decided to see to it that, in order to facilitate the e-mail and Internet communication, all documents attached are to be stored in Windows 95 and corresponding Office 95 programmes.
- 10.12** A paper had been accepted for the EuroSun 98 Congress, in Portoroz in Slovenia, 14-17 September 1998. This will be presented by Jan-Olof Dalenbäck in a poster presentation, Appendix 21, and also on document, Appendix 22.
- 10.13** A full background report is in its final stage. Through lack of contact, it was just when leaving Canada that Michael Noble got the final draft for his comments. He will send them to CADDET as soon as he comes back from this meeting. This has somewhat held back the procedure. The report will then be sent out for approval by the CADDET members.
- 10.14** If the Experts need more copies of the 4-page CADDET brochure “Large Scale Solar Purchasing - A Business Opportunity”, please contact the Operating Agent.

11. OTHER MATTERS

- 11.1** A draft calendar for coming conferences is enclosed, Appendix 23. All the Experts are requested to send information to Maaïke Fernhout about important conferences so that this calendar can be updated.
- 11.2** The preparation for future meetings should also include some sort of team-building activities, which for the national participants are of great importance.
- 11.3** Further work on a formulation of the vision for the Task 24 projects has to be done.
- 11.4** The testing standards through the CEN will be simplified in coming versions, which will be of interest.

12. SCHEDULE FOR FUTURE TASK 24 EXPERTS MEETINGS

The Experts decided

- to change the date for next meeting, which is now planned to be held *20-23 April 1999 in The Netherlands*, with 22 and 23 April planned for a meeting with the buyer groups and demonstration of real projects. It is important then to include enthusiastic and knowledgeable representatives of buyers, like the Apeldoorn Utility, Dr Goedmakers, and others.

Denmark also intends to have a separate study tour on Jutland with interested buyers.

The following Experts Meeting is planned to be in *Canada 16-18 August 1999*, right after the “North Sun Conference” in Edmonton.

13. CONCLUSIONS AND THANKS

On behalf of all the Experts present, Hans Westling expressed his thanks to Ecofys for the very good arrangements for the meeting. He also expressed that all the participating countries had shown impressive efforts to smoothly start the joint work.

APPENDICES:

1. List of Participants, updated 25 September 1998.
2. Preliminary Agenda, updated 7 September 1998.
3. “Task 24: Solar Procurement”, Extracts of Minutes of the 43rd IEA SHC Executive Committee Meeting, May 1998, St. Albans, U.K.
4. “Solar Procurement Task 24 Concept Paper”, Hans Westling, 26 January 1998.
5. Copies of transparencies about formation of buyer groups in The Netherlands presented by Peter Out, Ecofys, at the meeting.
6. “Energie besparen zonder investering! Zonnelease”, brochure (in Dutch) on leasing of solar collectors.
7. “IEA Task 24 - Solar Procurement, Subtask A: Identification of Buyers and Buyer Groups in Denmark”, Torben Esbensen, 08.09.1998.
8. “IEA SHC, Task 24 “Solar Procurement” Subtask A, Sweden. Information on the early “starting up” activities for Subtask A in Sweden”, Hans Isaksson, 1998-09-09.
9. “IEA SHC, Task 24 “Solar Procurement”, STR - Possible Swedish buyer group”, introduction by Jan-Olof Dalenbäck.
10. “Solar Procurement - Comments to Time Schedule - Procurement Details”, memo by Hans Westling, updated 25 September 1998.

11. “Solar Procurement - Supplier Involvement”, memo by Hans Westling, draft August 24, 1998.
12. “Marketing Solar Water Heaters for Potential Buyer Groups”, Concept Info Sheet, Ecofys, May 1998.
13. Copy of transparencies concerning different Danish Solar Procurement Projects presented by Klaus Ellehauge, DTI, at the meeting.
14. Presentation of different Dutch Solar Procurement Projects, Ecofys 11/08/98.
15. “Case Study - NCC/Partillebo”, draft project description within IEA SHC Task 24 “Solar Procurement”, STB, by Jan-Olof Dalenbäck, Chalmers, and Anders Niklasson, NCC Teknik, Göteborg.
16. “IEA Task 24 ‘Canadian Strategy’, Gerald van Decker, September 11, 1998.
17. “The Renewables Portfolio Standard: How It Works and Why It’s Needed”, by Nancy Rader, Renewable Energy Policy Consultant, Berkeley, California, June 1998.
18. “Solar Procurement - Update of Information Activities”, memo by Hans Westling, draft August 24, 1998.
19. “Market Research”, transparency concerning work in Canada presented by Michael Noble at the meeting.
20. “Active Solar Procurement”, copies of transparencies concerning the Task 24 website presented by Michael Noble at the meeting.
21. “Solar Procurement - Collaborative Buyer Actions for Efficient Distribution”, poster by Hans Westling for the EuroSun 98 Congress in Portoroz, Slovenia, 14-17 September 1998.
22. “Solar Procurement - Collaborative Buyer Actions for Efficient Distribution”, paper by Hans Westling, Jan-Olof Dalenbäck and Heimo Zinko for the EuroSun 98 Congress in Portoroz, Slovenia, 14-17 September 1998.
23. “Calendar for coming conferences”, Maaïke Fernhout.
24. Task 24 Solar Procurement Distribution List, updated 25 September 1998.

DISTRIBUTION

These minutes are distributed to all persons on the Task 24 Distribution List, Appendix 24.