

**International Energy Agency
Solar Heating & Cooling Programme
Task 24
Active Solar Procurement**

**WORKSHOP
Vejle, Denmark
15-16 May 1997**

SUMMARY OF MEETING

**Hans Westling
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Task Organiser**

International Energy Agency
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ACTIVE SOLAR PROCUREMENT

SUMMARY FROM WORKSHOP 15-16 MAY 1997, VEJLE, DENMARK

1. WELCOME AND PRESENTATION

1.1 Welcome

Torben Esbensen welcomed all the participants to the Working Group Meeting in Vejle. This Workshop Meeting was held in connection with the Third International Conference on "Solar Energy & Utilities" in Vejle on 12-14 May, 1997. The proposed Active Solar Procurement project was presented at the conference by Hans Westling, see [Appendix 1](#), and some of the other Working Group members.

1.2 Presentation of persons present

All the participants, who are listed below, gave a short presentation of their background.

Roy Blower	Peter Out
Teun Bokhoven	Peter Raftery
Emanuel Brender	Bengt Ridell
Klaus Ellehauge	Jos Warmerdam
Torben Esbensen	Jens Windeleff
Lisbet Holst	Heimo Zinko
Dirk Mangold (present 16 May)	Cees Wiezer
Philip Mann	Hans Westling
Michael Noble	

As to organisation and address particulars of the participants, see the Active Solar Procurement Distribution List, [Appendix 2](#).

2. DECISION ON AGENDA

A Preliminary Agenda, [Appendix 3](#), had been distributed to the participants before the meeting. According to suggestions from The Netherlands, it was decided to ascertain that there would be enough time for the discussions

about the principles of the Task Text. It was therefore decided to bring up this issue earlier on the Agenda, before the detailed presentations of the different Background Reports.

The Task Organiser, Hans Westling, stressed that the principles are the most important issue to discuss at this meeting. Further preparations would then be possible in order to draw up an additional draft document to be sent out in good time before the upcoming, new workshop in September.

3. PRINCIPLES FOR A NEW TASK TEXT

A short summary with suggested formulations about objective, scope, methods and expected results, worked out by The Netherlands, was distributed. It was agreed to discuss the scope - small, medium-sized and large systems - more on the second day of the Workshop, when also the German representative, Dirk Mangold, would be present, since he had expressed concern about excluding the large systems.

Roy Blower, one of the UK representatives, stated that it is important to keep up a *good quality* and also to include arrangements for *maintenance, information and education*.

Teun Bokhoven explained by means of an overhead transparency, Appendix 4, that the hardware only represents 30 to 40 per cent of the total cost. Of the remaining part of the total costs, which is the largest part, marketing accounts for approximately one half, and distribution and installation for one third each. This means that it is important to work for *more efficient solutions for all parts of the total costs*.

Many of the Workshop members pointed out the importance of being aware of keeping up a *good quality*. It is not only the price that is important. It is always *the performance and the price* which should matter. It is also understood - and this had also been included in the Task Text (draft dated April 17, 1997, which had been distributed prior to the workshop) - that emphasis should be put on the *refining and adapting of solutions* (incremental development) among the suppliers and distributors, and not primarily on early large breakthrough developments. It was confirmed that the market should now go from smaller, individual, ten to twenty systems, over hundreds and up to a thousand systems.

Another question was how large the joint efforts should be. Hans Westling replied that this would very much be influenced by the actually identified buyers. It is anyhow understood that the project should not be just one

isolated effort, but the aim is also to *create an increasing, large market for Active Solar Systems*. It was pointed out that the cost reduction is more of a tool and not an objective in itself. The objective should be a steady and large market. It was stressed that involvement of large organisations, housing companies and utilities increases credibility and acceptance of Solar Systems among individual users. The utilities and housing companies can act either as direct buyers, or intermediate organisations facilitating the creation of groups of buyers.

Michael Noble stressed that *end-service* at the delivery is important. It is also important to *formulate a vision*, and that the Solar Systems will become price-competitive compared to other energy solutions. Hans Westling pointed out that we should try to create a win-win situation, stress the total costs and point out the opportunities with *different combinations of methods*, not only procurement, but also other *promotion activities*. It is also important to raise the awareness among many of the important actors, such as home-developers, to think of Solar Systems as always being an interesting solution.

Different financial arrangements were also pointed out, for instance using *leasing*, which could be a means of facilitation by reducing the risks. Jens Windeleff pointed out the way of using *neighbourhood tendering*, and to choose the *right timing*, for instance when changes in a house are being planned anyhow. And, according to Bengt Ridell, it is important to cut costs, which does not always mean that you have to cut the profit. It can sometimes be the opposite with *more bulk-purchasing*.

Peter Out pointed also at the upcoming experiences from *regional projects* as presented in the paper “Realising 10,000 Solar Water Heaters by the ‘Project Approach’: lower cost, higher quality”, [Appendix 5](#), submitted at the “Solar Energy & Utilities” conference mentioned above.

Emanuel Brender pointed at the importance of finding *better ways of working together with different organisations*, like low-cost or no-cost installation of Solar solutions for certain community houses, see [Appendix 6](#). Peter Raftery stressed that it would be of importance to use *flexible tendering* and also to take into account the *different market segments*.

Hans Westling suggested that many of the principles, shown in the document from The Netherlands, could easily, after refinement at this meeting, be included in a coming draft of the Task Text.

Roy Blower stated that the *reasons for utilities to be involved* should be more stressed, and also mentioned parted financing. From Sweden it was

mentioned that it would be of interest to include *combined systems*, not only hot water systems, but also sometimes systems for heating.

It was decided to work out and print a new version, including objectives, scope, methods and expected results, to be further discussed on the second day of the workshop.

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During the second day of the Workshop, especially the scope - small, medium-sized or large systems - was discussed. Dirk Mangold showed an overhead presentation, Appendix 7. It is important to stress the small systems in particular. But it is equally important not to exclude larger systems - this in order to attract interest among the German utilities, as the prices today, especially in Germany, are quite high for individual systems compared to larger systems, which are more cost-efficient and effective. It was also pointed out that it is important that the coming buyers have a great influence on the formulation of the scope and concrete activities. The larger systems however, are very much custom-made solutions that will always be more efficient. It is also important to point out that utilities are not "the market" today, but they will perhaps be later. They are not accustomed to buying different components and selling them, but there could also be leasing arrangements. It is important to develop a new market, which would certainly include property developers, but could also include utilities and organisations for creating regional buyer groups.

It is important not to exclude some organisations. Local authorities could also be buyer groups.

After discussions it was agreed to include the formulations according to Appendix 8.

4. REPORTS AND BROCHURES

4.1 Summary Brochure (technologies and opportunities)

Philip Mann, CADDET, had worked out a First Draft (dated 7 May 1997) of the Report Summary, "Opportunities for Large-scale Purchase of Active Solar Systems 1997", Appendix 9. Philip Mann informed that in order to facilitate the drawing up of some kind of background document - a "Summary Brochure"- before the autumn, shorter summaries of all the planned background reports could be included, also of the two longer versions.

After discussions it was agreed to include a Summary Brochure, which could be a good material when approaching possible buyers or intermediating in

groups of buyers, like utilities and home developers. This decision was included in the Timescale drawn up by Philip Mann, [Appendix 10](#), where also the dates for the complete reporting of all the four areas are shown.

The importance of including illustrations was stressed. All workshop participants were asked to *send illustrations, photos and other items of interest to Philip Mann* for inclusion in the Summary Brochure. The business opportunities for coming buyers and other utilities should be stressed.

4.2 Brochure/pamphlet (“selling the idea”)

A first draft of a small brochure/pamphlet for “selling the idea” had been drawn up by Michael Rantil, [Appendix 11](#). All the members were asked to send their comments to Michael Rantil. If no comments were received, the brochure would be worked out to the end of June. Philip Mann will consider a possible main title and sub-title, both for the Summary Brochure and the brochure/pamphlet drawn up by Michael Rantil.

4.3 The individual background reports (technologies and opportunities)

Brief information was given by the different authors about their material. Below is a summary.

As regards the *motives for utilities and housing companies*, some additional material should be included in the full report. At least *one case study from each country* should be sent to Michael Noble, see the Timescale, [Appendix 10](#). Michael Noble stressed that especially electrical utilities that are being de-regulated, or moving in that direction, would be of special interest. Roy Blower will also send a “green paper” from the European Union to Michael Noble.

Another motive mentioned was the agreement on reducing CO₂, taken on a high level in the European Union. It will be a total decrease of 15 per cent, 10 per cent of which are to be distributed among the different countries, and 5 per cent to be a matter for joint collaborative acting, which could then include major Solar activities.

A second preliminary draft from Klaus Ellehauge and Jan Erik Nielsen, dated 14 May 1997, was reported. Klaus Ellehauge pointed out the position concerning small systems, large solar heating systems, other systems and then examples from four countries, and showed market conditions and systems.

As to Heimo Zinko’s report it was stressed that Chapter 7 “Strategies” could be excluded in this case, since this is more a political matter and for future work.

All comments should be sent by e-mail and using Microsoft Word.

It should later be discussed whether to have the brochures and reports also in other languages. Now all of them will be produced in English.

5. DIFFERENT TYPES OF BUYERS

A special discussion took place here. Mention was made of the UK Energy Clubs and the Dutch Ecoteams for bulk-purchasing, which could be compared with the Swedish “Miljöteam” (Environment Teams), for instance in the towns of Nacka and Sundbyberg in the Greater Stockholm area. The different institutional situations in the different countries have to be considered. The use of hotel chains was also mentioned, and, as in the report from The Netherlands, groups consisting of individual house owners and different types of utilities.

Jens Windeleff stated that it could be of interest to form a subtask in order to come up with a Manual or “Book of Tools” on how to organise buyer groups and work with promotion activities.

It is important to deeply involve interested buyers in the future Task work with the specifications.

The contacts with the manufacturers could be taken in a special subtask, separated from the detailed work on the formulation of the requirements for future tenders.

It is important to work in accordance with the spirit of the procurement laws and ethics, giving equal opportunities to all countries that are members of the European Union or World Trade Organisation.

The possibility for buyers to use regional, co-operative arrangements was also mentioned.

6. FUTURE WORK

It was also decided to work out a more detailed Work Plan, showing the principles, but not the solutions. Before next meeting, Hans Westling will send out revised documents (Work Plan and Task Text) for comments.

7. TESTING

Summaries of papers on testing had been made earlier. In the Work Plan and

the Task Text it should only be mentioned that use shall be made of the testing methods already developed, including the major CEN Standards criteria. A short summary, one page, will be drawn up by Germany.

8. SUMMARY OF DECISIONS

A summary of the decisions from the meeting is given below:

1. As to objectives, scope and methods, see Appendix 8.
2. A flexible Work Plan showing principles will be worked out by the Task Organiser in line with Appendix 8.
3. Next Workshop will take place on September 17-19, 1997, in Stockholm.
4. Before next Workshop, a draft Work Plan and a revised Task Text will be distributed to the participants for comments.
5. The background reports will be finalised:
 - only summaries of reports (brochure) and illustrations early (with 1 /short/ case study per country
 - full documents later
Both items above according to the Timescale, Appendix 10.
 - PR-brochure/pamphlet (M. Rantil) will be drawn up in English in June
 - model letter (M. Rantil, H. Westling, J. Windeleff, P. Raftery) will be drawn up in English in June.
6. Interested countries are requested to start identifying buyer groups.
7. Testing summary, 1 page, will be produced by Germany.
8. A subtask, or working element, would be suggested in the Work Plan for a Manual or "Book of Tools" for the participating countries' work with buyer group identification, procurement and promotion activities.
9. Exact procedures for collaborative purchasing should be decided when interested buyers have been identified.
10. Cost-sharing and task-sharing efforts will be discussed after the Oslo ExCo

meeting (including funding of Operating Agent).

11. The exact cost-reduction opportunity for Solar Systems may vary much between the countries. The Netherlands is already under way with some larger projects.

Addendum:

At the Executive Committee Meeting in Oslo on May 20-23, 1997, there were no major new decisions concerning the suggested new Task 24 “Active Solar Procurement”.

9. NEXT MEETING

As earlier planned, it was decided to have the next meeting on *September 17-19 1997*, preliminary in Stockholm.

APPENDICES

- Appendix 1 “Solar Thermal Procurement”, paper presented by Hans Westling, Sweden, at the International Conference on “Solar Energy & Utilities”, Vejle, Denmark, 12-14 May 1997.
- Appendix 2 Active Solar Procurement Distribution List, updated 19 May 1997.
- Appendix 3 Preliminary Agenda for the meeting, draft dated April 21, 1997.
- Appendix 4 “Marktinstrumentarium”. Overhead presentation by Teun Bokhoven, The Netherlands.
- Appendix 5 “Realising 10,000 Solar Water Heaters by the ‘Project Approach’: lower cost, higher quality”, paper presented by P.G. Out and C.J. van der Leun, The Netherlands, at the International Conference on “Solar Energy & Utilities”, Vejle, Denmark, 12-14 May 1997.
- Appendix 6 Danish newspaper article “Fabrikant tilbyder gratis solvarme” (Manufacturer supplies solar heating free of charge) regarding Batec Solvarme.
- Appendix 7 “Comparison of Small- and Large-scale Solar Systems. Energy saving and CO₂-reduction”, overhead presentation by Dirk Mangold, Germany.

Appendix 8 “Proposed Task 24 Active Solar Procurement”, memo after discussion at the Solar Procurement Workshop in Vejle, Denmark, May 15-16, 1997, noted down by Hans Westling, 1997-05-16.

Appendix 9 “Opportunities for Large-scale Purchase of Active Solar Systems 1997”. A report for a Collaborative Task between IEA Solar Heating and Cooling Task 24 - Active Solar Procurement and IEA CADDET Renewable Energy Technologies. First Draft - 7 May 1997. Compiled by Philip Mann, United Kingdom.

Appendix 10 Timescales “Summary Brochure Timescale” and “Report Timescale”, Philip Mann, United Kingdom, 16 May 1997.

Appendix 11 “Large-Scale Solar Purchasing. Opportunities for future-oriented organizations to speed up solar development”, first draft of a brochure/pamphlet drawn up by Michael Rantil, Sweden.

DISTRIBUTION

These Minutes are distributed to the persons included on the Active Solar Procurement Distribution List, [Appendix 2](#).