



ELENA Project Factsheet
KaposGrid Smart Urban Energy Project
(KaposGrid)

Location	The investment programme will be implemented in the Transdanubian region in the west of Hungary.
Beneficiary	The applicant is the Municipality of Kaposvár.
CoM signatory	The Municipality of Kaposvár is a member of the Covenant of Mayors since December 2015.
Sector	Energy efficiency in buildings and street lighting, building integrated PV, storage and a smart grid system.
Total PDS cost	EUR 3 419 292
ELENA contribution	EUR 3 077 363
Project Development Services (PDS) financed by ELENA	<p>A consortium of 6 municipalities has been formed for the KaposGrid Smart Urban Energy Project (KaposGrid). This includes Kaposvár, as the leader of the consortium and the municipalities of Dunaújváros, Szombathely, Tatabánya, Veszprém, and Zalaegerszeg. ELENA is mainly requested to provide the support necessary for the preparation of a public procurement process for a Service Provider Company that will install and manage all of the components in the KaposGrid project.</p> <p>A Project Co-ordination and Management company (PCM) will be set up. The following 5 work packages request ELENA support:</p> <ul style="list-style-type: none"> • Tendering for the hiring of the external experts • A detailed feasibility study - the preparation of the detailed feasibility study involves a series of activities that detail every aspect of the project (e.g., data for the business plan, governance structure, the operational working structure of the project, detailed technical specifications, financial modelling etc.) • A detailed business plan • Public procurement documentation for the implementation phase, so that the Service Company can be procured • Preparation of the contracts between the Service Provider Company and the municipalities and the financing contract <p>These tasks will require part-time experts for:</p> <ul style="list-style-type: none"> • Legal services • Public procurement services • Quality and Assurance services • Technical expertise services • Economic and financial expertise services • Other related expertise services
PDS Timeframe	From January 2019-December 2021

Investment programme description	<p>The investment programme incorporates a Smart Grid Centre along with energy efficiency measures for public buildings and street lighting, building integrated PV and batteries for storage. KaposGrid will join the generation, storage and demand units in what is called a Balancing Group. The main objective of the KaposGrid project is for the participating municipalities to use energy more efficiently in order to reduce municipal energy costs.</p> <p>The aims of the KaposGrid smart grid project are to:</p> <ul style="list-style-type: none"> • Retrofit up to 68 municipal buildings, including an upgrade of the lighting stock • Install 32 MW of building integrated solar PV • Upgrade over 23 000 public lighting lampposts in 4 of the Municipalities • Install 6 Storage units totalling 22MW/55MWh storage
Investment to be mobilized	The total amount of investment is estimated at EUR 182m
Description of the approach to implement the Investment Programme	The 6 Municipalities that are involved have signed a Consortium Agreement committing to the investment programme. With input from the other 5 Municipalities, Kaposvár Municipality plans to use ELENA to prepare the detailed specifications to tender for a Service Provider company to carry out the works on behalf of them all.
Expected results	<p>The expected contributions to 2020 and 2030 energy objectives are:</p> <ul style="list-style-type: none"> ▪ Energy Efficiency –12 GWh (about 90% from gas savings) ▪ Renewable Energy –34.2 GWh ▪ CO2 reductions –15 300 CO2 eq t.
Leverage factor (Minimum 20)	The expected leverage factor is 59
Market replication potential	This project will involve a group of 6 Municipalities working together. The project team hopes it will be a role model for other Hungarian and European municipalities, in particular for showing how municipalities can work together and for how storage can be integrated into a system. However, there is a strong coordination aspect to this project, and the model could only be replicated if this could be managed effectively. This is why a lead Municipal leader and Project Manager is important.
Status	Contract signed on 27/12/2018
Contact person at Beneficiary	Ms. Katalin Kovács, kovacs-katalin@kaposmenti.hu