



**BUILD\_ME Training:** Basics of climate-friendly buildings and the BEP Tool





and Nuclear Safety



## Agenda

#### **Setting the scene**



Welcome



Introducing the BEP tool



Introduction to BUILD\_ME Project



**BEP Tool next steps** 



Introduction to climate-friendly buildings and the corresponding policy instruments



Wrap-up/closing



Climate-friendly buildings from a technology perspective



Climate-friendly buildings from a financing perspective









## Objectives of the training session

For project developers, architects and engineers



- Enable the utilisation of the BEP tool
- Increase awareness of the importance and financial attractiveness of investing in EE measures
- Transfer general technical understanding of holistic assessment of EE building projects
- 4 Provide an overview of the big picture







## Overview about the project

**Fund** 

Scope





IKI International Climate Initiative, German Federal Ministry of Environment

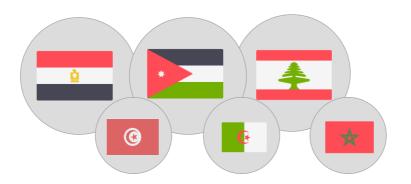
#### Supported by:



Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

based on a decision of the German Bundestag







1st Phase: 2016 - 2018

2<sup>nd</sup> Phase: 2019 - 2021



























## BUILD\_ME scope

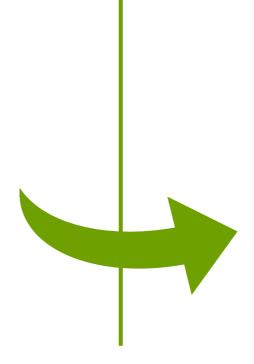
### Approach



#### **Original project**

2016 - 2018

- Extensive analysis and research
- Identification of barriers
- Recommendations





#### **Project extension**

2019 - 2021

- Implementation of recommendations
- Dissemination of results
- Upscaling





## **Key insights from Phase I**

## Approach



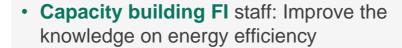
#### **Project developers**

- Low cost packages in average can already save 30% of energy costs.
- Investments of "nZEB variants" only 10-15% higher than baseline
- End users are often responsible for purchasing HVAC technologies, separately from apartment



#### **Financial institutes (FI)**

 Funds are available but instruments are missing to prove eligibility. Process too complex for rather small building projects



- Facilitate process to check fulfilment of eligibility criteria
- Merchandise financing option for building EE measures and incorporate in your portfolio



#### **Policy and decision makers**

- Update/develop building codes and improve their enforcement
- Formulate benchmarks and develop a classification scheme
- Lack of quantified (GHG) saving potentials for the building sector in policy strategies





## Structure and objectives of Phase II

### Approach

#### **Objectives and Goals**

- Facilitate & increase access to financing & funding opportunities for EE building projects.
- Support the reform & transitions of political frameworks towards improving energy efficiency in the building sector.
- Focus on supporting the implementation of energy efficiency measures in pilot projects

WP1 Preparatory Steps

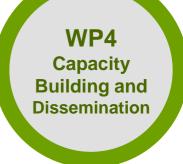
- Software tool: energy performance & cost-effectiveness
- Building Typology
- Buildings specifications & reference values

WP2 Support Pilot Projects

- Technical support
- Collect insights on the ground as input for WP3
- Testing EE classification scheme
- Support financing applications

WP3
Framework
Conditions

- Voluntary EE classification scheme
- Facilitate & increase access to financing
- Building codes
- Support national strategies (NEEAPs & NDCs)



 Website, workshops, trainings, database for best practice buildings, webinars, newsletters, brochures, etc.





## Easier access to financing for energy efficient buildings

## Approach

How to design and finance an energy efficient project?









- ✓ [25]% energy saving in comparison with baseline
- ✓ Financing available at local bank

Intermediating bank grants credit based on trusted classification scheme

Project is realised as energy efficient building





## Support the reform & transitions of political frameworks



National strategies NDC NEEAPs



Regulations: EEBC Standards



**Voluntary Classification Scheme** 



EE

towards improving energy efficiency in the building sector





# Focus on supporting the implementation of energy efficiency measures in pilot projects

#### **Technical support for pilot projects**





#### **Policy work**

To connect the challenges and lessons learnt with the policy frameworks activities



#### Test the tool

To test and improve the BEP tool with real-life examples



#### Test the classification scheme

The national classification scheme will allow for better access to the available green finance programs



#### **Facilitating finance**

Support the PP in their application (if any).



#### **Capacity building**

Provide training on EE and RE







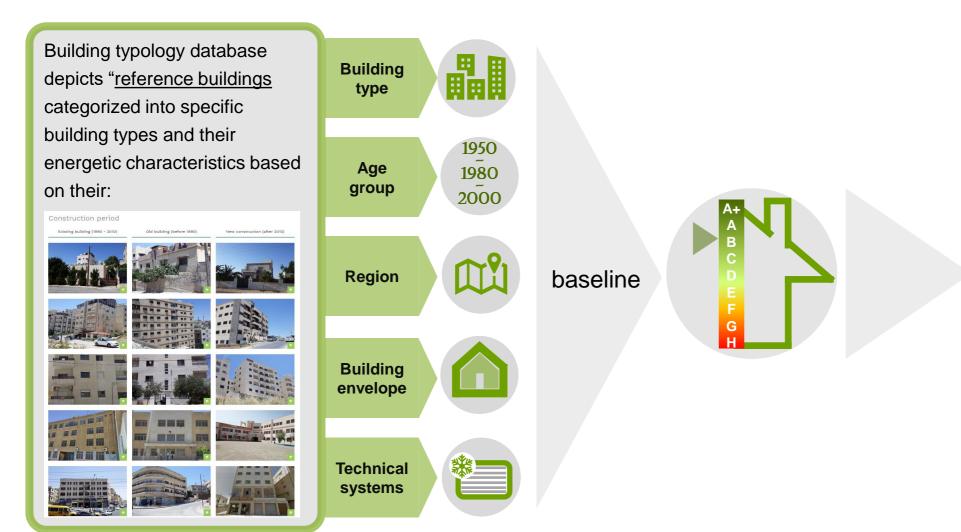
# **Zoom into Building Typology**





## **Building Typology**

What is meant with building typology and why it is needed?









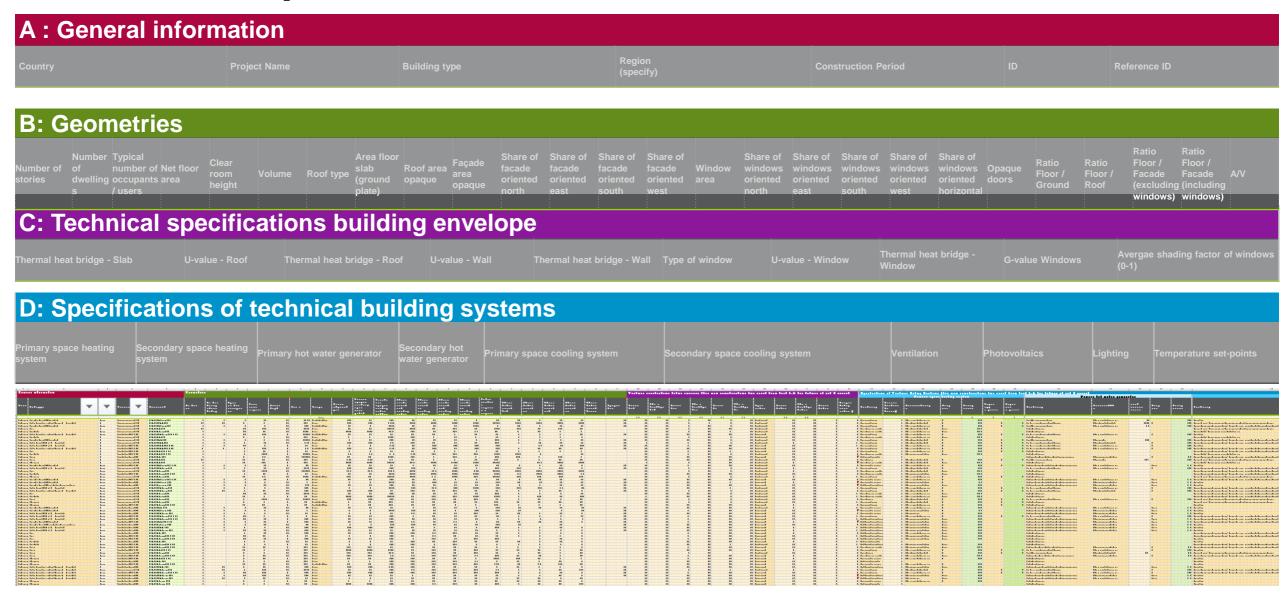
## Approach of development of building typology

Four main working steps 2019 2020 Oct. Nov. Dec. Jan. Feb. Mar. Apr. May. Jun. Jul. Aug. Sep. **Template formulation** prepared by Guidehouse **Data collection** National partners collect data from literature, databases and stakeholder interviews **Data validation** by Guidehouse and National partners Reporting > upload on the website





## Results, template main sections







## **Building Typology | Lebanon**

#### Results



#### **Building type**

- Multi-family house (MFH) -Small (≤ 1000m²) – detached
- Single-family house (SFH) detached
- Education
- Retail/Trade
- Office
- Hospital
- Multi-family house / Apartment block - Large (> 1000m²) - detached

1950 1980 2000

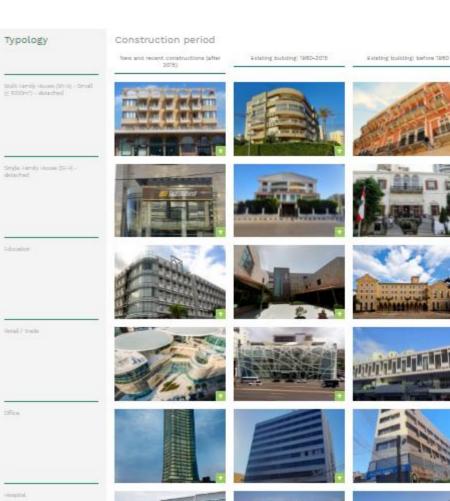
#### Age group

- New and recent constructions (after 2015)
- Existing building: 1980-2015
- Existing building: before 1980



#### **Regions**

- City
- Town
- Village



Link to the typology on BUILD\_ME website







## **Zoom into Baseline**



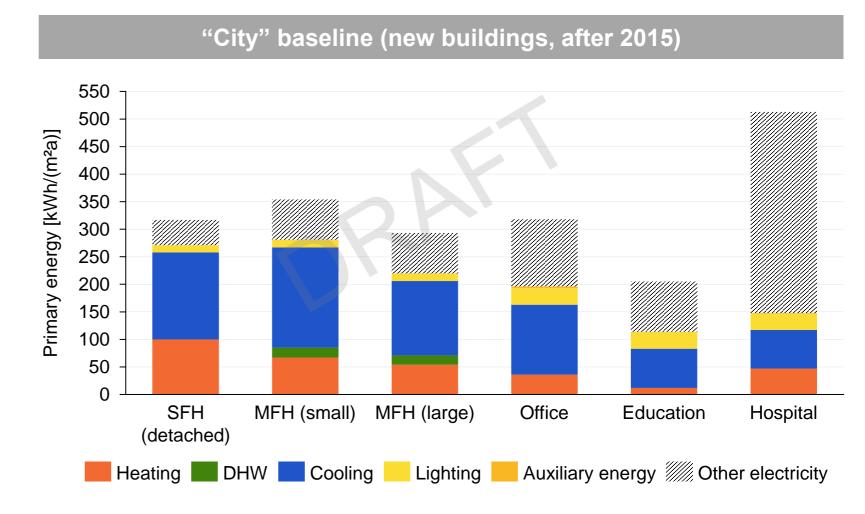


## **Baseline | Lebanon**

## Illustrating energy intensity of select Lebanese building types

#### Key takeaways

- Specific primary energy demand ranges between 200 – 500 kWh/(m²a) for buildings constructed over the past years
- Space cooling accounts for largest primary energy demand (due to electricity as energy carrier)
- Note: Other electricity stands for plug-loads (e.g. fridge, TV, etc.) and is informational.







## **Baseline | Lebanon**

#### Illustrating energy intensity: Multi-family house (large)

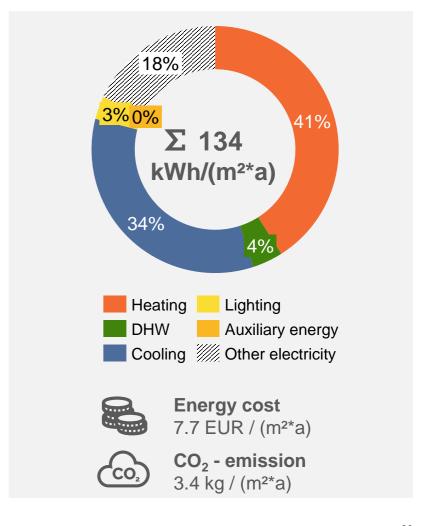
#### **Building standard**

- New building in city (constructed after 2015)
- Thermal insulation is used in roof and wall

#### Final energy demand

- 134 kWh/m²/a
   (110 kWh/m²a for HVAC and lighting)
- Energy consumption for heating largest share

Parameters	Baseline
Roof insulation (U-Value)	0.4 W/m²K
Wall insulation (U-Value)	0.6 W/m²K
Floor insulation (U-Value)	2.2 W/m²K
Windows (U-Value; G- Value)	5.7 W/m²K; 0.85
Window fraction	Ø 45%
Shading	Fixed shading
Air tightness	0.25 1/h
Heat supply	Oil (non-condensing)
Cold supply	Single split (EER: 2.9)
Hot water	Direct electric
Ventilation systems	Free ventilation
Lighting systems	LED
Renewable energy	No
Set temperature cooling/heating	22°C / 21°C













## **Market insights**

#### Lebanon



Yearly construction permits for residential:
 ~22,000 units



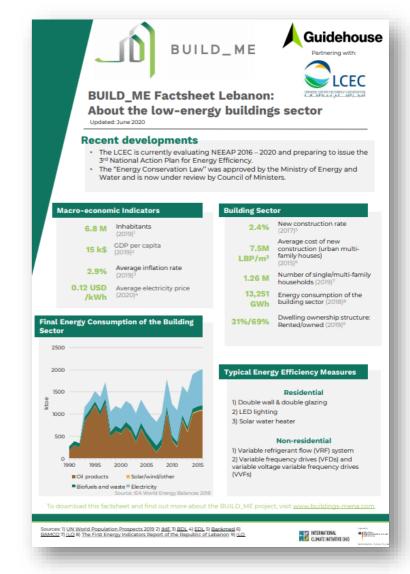
- One electricity utility (EDL)=> financial deficit due to subsidies and losses
- Shortage in supply => Private Generators



- Sustainable Building code under preparation
- General Budget law 2019 (↑investment factors up to 25%)
- Available voluntary standards (TSBL 2005) and criteria



 Ministry of Energy and Water, LCEC, Ministry of Public Works, Urban Planning Directorate, Municipalities......

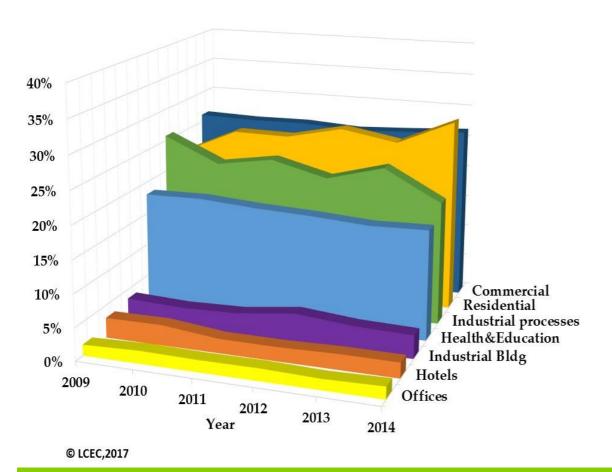






## **Lebanon: Energy Demand**

- In 2015, Residential Sector ~70% of the total built area
- In 2015, Health and Education ~11% of the total built area
- In 2015, Commercial ~8% of the total built area



#### Main Usages

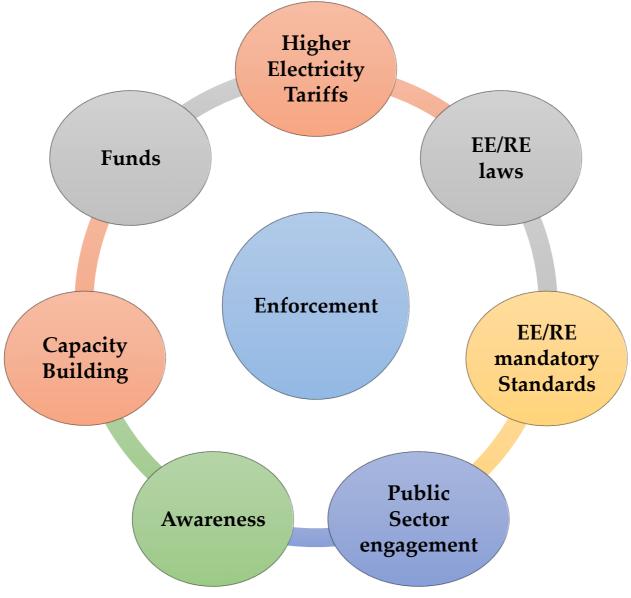
- Cooling and dehumidification constituted 29% of the total electricity demand in 2009, and reached 40% in 2014. The cooling share:
  - residential sector 19%
  - commercial sector 11%,
  - health and education sector 8%
- <u>Lighting</u>, the second highest-consuming usage in the building sector~31% of total Lebanese electricity demand in 2013.
  - commercial sector share of 16%,
  - residential sector share of 5%

Share in overall electricity demand 2009-2014





## Lebanon: Challenges and Must-Haves







#### **Lessons learned**

### Key recommendations to accelerate EE in the building sector









# Facilitating Finance

- NEEREA, LEEREFF, GEFF
- Home appliances programme (Italian products)
- Incentives (Grant) for heat pumps
- Decrease taxes on EE equipment
- The cost effectiveness is the key driver for clients to invest in EE
- · Increase electricity tariffs

# Update Regulation

- Create a labelling scheme for existing building
- · MEPS and labels for equipment
- Energy Conservation law
- Sustainable/Green Building code
- Develop proper implementation monitoring and inspection scheme of energy efficiency measures

# **Technical Solutions**

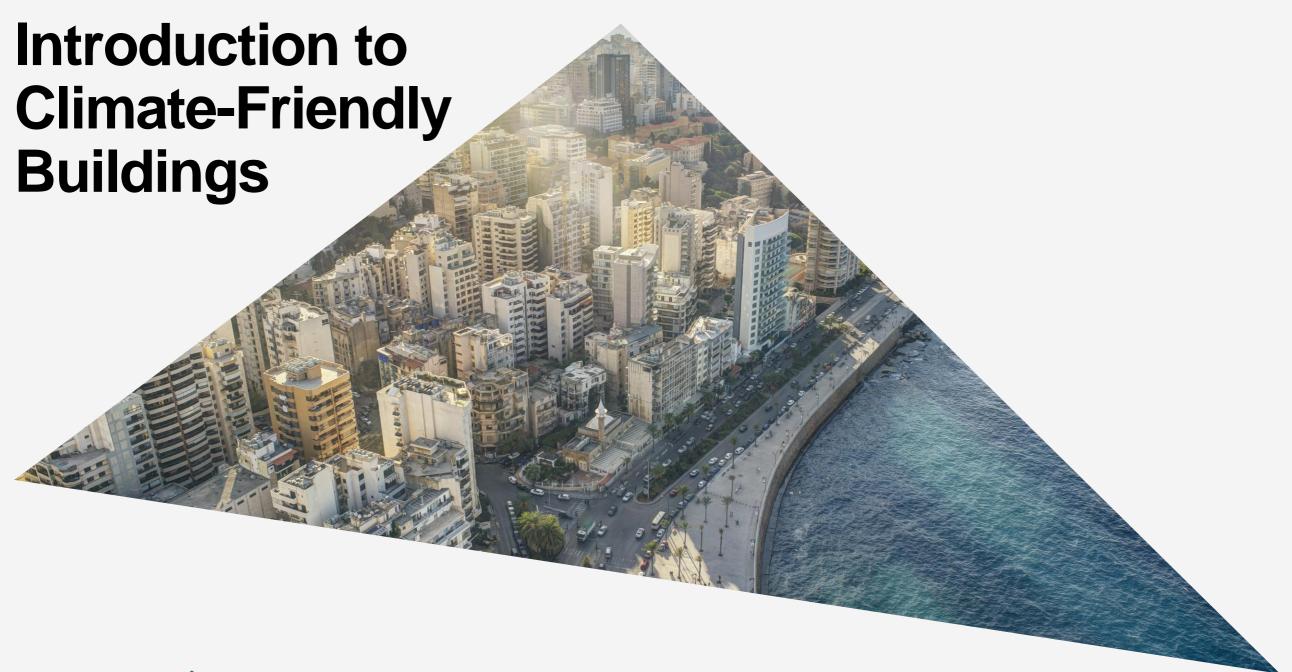
- EE solutions already available in the market
- Capacity building: Train inspectors to verify the different measures installation at different construction phases;
- Create a checklist with minimum requirement for permits, and for implementation and verification;
- Support the local energy efficiency industry.

# Raising awareness

- Include standards and energy efficiency courses in the universities program;
- Tackle all the persons involved in the building sector: architects, engineers, owners, technicians, etc.;
- Educate the end-user through campaigns
- Tackle municipalities as part of the awareness raising process
- Home appliances programme in the way











## **Key learnings**

Understand the big picture



Improve familiarity with common definitions and terminology

Introduce Building Energy Levels and Sustainable Certifications







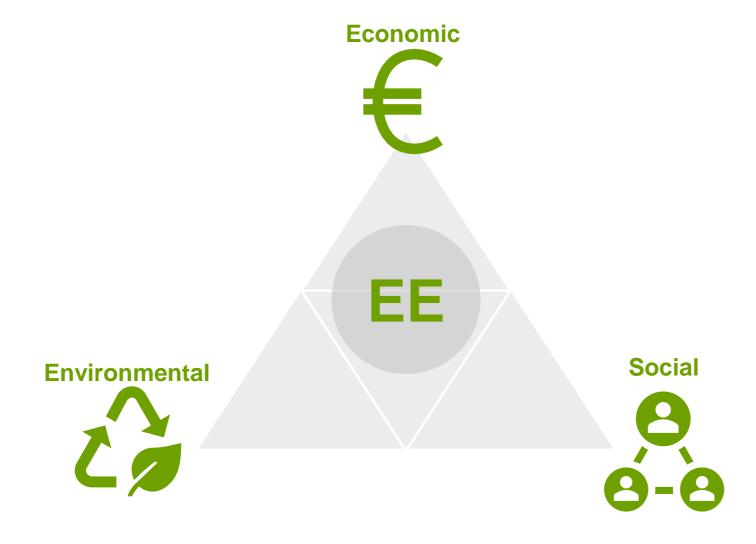
# The big picture





## Setting the scene – the relevance of low energy buildings

The Sustainability Triangle or three Pillars of Sustainability







#### **Economic reasons**

### Some selected examples



Cost-efficient abatement



**Energy** security



Energy price development





#### **Environmental reasons**

## Some selected examples





Rising temperatures



Sea level rise







#### Social reasons

### Some selected examples



Job creation



Removal of subsidies



Public health and productivity







# Definitions, terminology, boundary conditions





## Definitions, standards and technical terms

Knowledge of standard terminology required to understand EE projects



A couple of concepts and definitions are essential in order to embark on energy efficiency projects:

- Climate parameters
- 2 Energy units/levels
- Building energy standards



## **Climate parameters**



## Cooling Degree Days (CDD)

- CDD = (Tm- 21°C) if Tm is higher than or equal to 21°C
- CDD = 0 if is lower than 21°C
   Tm
- Tm is the mean ((Tmin + Tmax)/ 2) outdoor temperature over a period of 1 day



## **Heating Degree Days** (HDD)

- HDD = (18°C Tm) if Tm is lower than or equal to 18°C (heating threshold)
- HDD = 0 if Tm is higher than 18°C
- Tm is the mean ((Tmin + Tmax)/ 2) outdoor temperature over a period of 1 day



#### Solar Irradiation in W/m<sup>2</sup>

- Irradiance may be measured in space or at the Earth's surface after atmospheric absorption and scattering.
- Solar irradiance is often integrated over a given time period in order to report the radiant energy emitted into the surrounding environment (kWh per square metre) during that time period.



#### **Humidity in %**

- An air conditioner consumes energy at a rate that is determined by both the outdoor temperature and relative humidity.
- The higher the relative humidity in the air, the more energy is needed to cool down the air (latent energy).





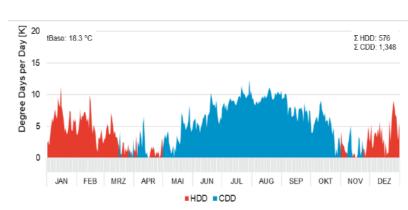
## Climate analysis I Beirut

#### **Outdoor temperature**



The climate at the project site primarily warm and humid. External temperatures range from 5°C above 0°C to 34°C, with average temperatures around 20°C

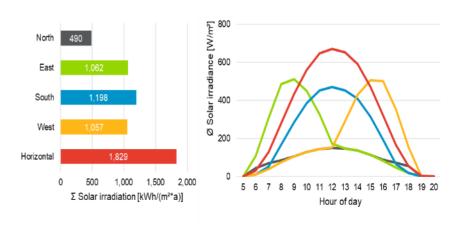
#### **Heating and Cooling Degree Days**



The demand for cooling prevails against heating demand as the high number of >1,300 CDDs.

The cooling degree days are 2 times higher than the HDDs. The monthly average relative humidity is above 65% but may also reach >70% in the summer months.

#### **Solar Irradiation**



The site experiences a horizontal irradiation of >1,800 kWh/(m²\*a) and >1,000 kWh/(m²\*a) for each East, South, and West orientations. The horizontal solar radiation promises a high potential for the utilization of solar energy.

\* Calculated according to ASHRAE 2001 methodology

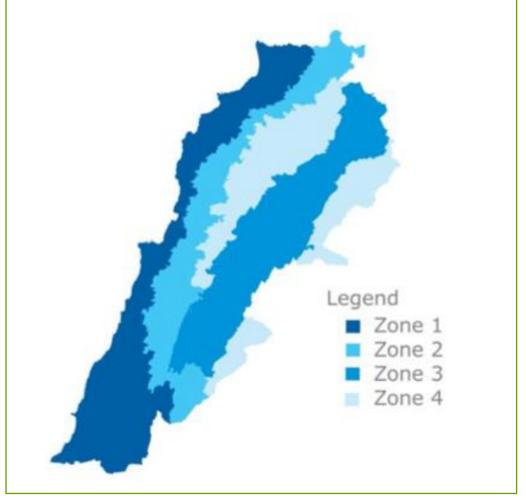




### **Climate zones**

#### Lebanon

Instrument	Approximate Altitude Range	Approximate HDD(18) Inland CDD(21) Thresholds
Zone 1: Coastal	0 – 700m	300 < HDD < 1200 120 < CDD < 1050
Zone 2: Western Mid-Mountain	700-1400m	1200 < HDD < 2000 0 < CDD < 120
Zone 3: Inland Plateau	700-1150	1200 < HDD < 1800 120 < CDD < 600
Zone 4: High Mountain	Littoral Side +1400m Inland Side +1150m	HDD > 2000   CDD = 0 HDD > 1800   0 < CDD < 120

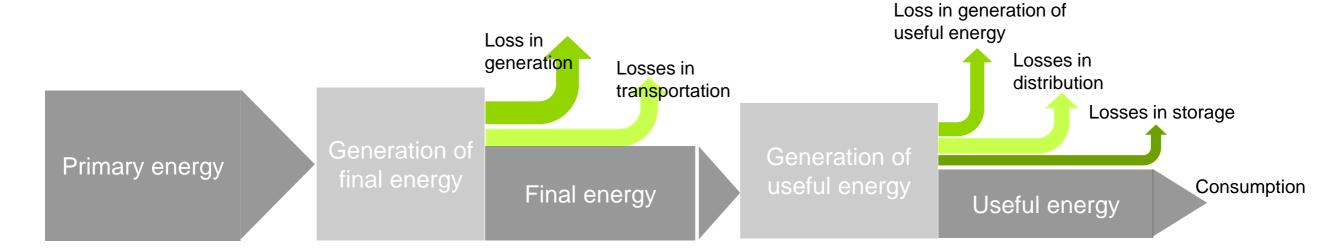








### **Energy unit/level definitions**



- Primary Energy refers to energy sources as found in their natural state.
- Refers to the quantity of fuels which are extracted or produced, calculated after any operation for removal of inert matter.

- Final Energy refers to energy consumption based on the calculation of heating, ventilation, cooling, lighting, domestic hot water, and auxiliary energy consumption (e.g. pumps).
- Considers all on-site systems including local energy generation and renewable energy systems with all their on-site losses and efficiencies.

- Useful Energy is comparable with thermal energy demand.
- Based on the calculation of cooling and heating demand (including transmission and ventilation losses plus solar and internal gains).



### Primary energy and CO<sub>2</sub> factor

	Primary Energy Factor [kWh <sub>PE</sub> /kWh <sub>ele</sub> ]	CO <sub>2</sub> Factor [gCO <sub>2</sub> /kWh]
Electricity (Egypt)	2.6	444
Electricity (Jordan)	2.4	635
Electricity (Lebanon)	2.39	664
Diesel (Lebanon)	1.1 kWh <sub>PE</sub> /kWh <sub>diesel</sub>	689





### **Efficiency Definitions**

#### **EER**

- Efficiency Ratio (EER) is a term generally used to define cooling efficiencies
- The efficiency is determined at a single rated condition specified by an appropriate equipment standard and is defined as the ratio of net cooling capacity - or heat removed in Btu/h - to the total input rate of electric power applied - in Watts. The units of EER are Btu/Wh.
- Higher EER = more efficient system

#### **SEER**

- Seasonal Energy Efficiency Ratio (SEER) is used to define the average annual cooling efficiency of an air-conditioning or heat pump system.
- The term SEER is similar to the term EER but is related to a typical (hypothetical) season rather than for a single rated condition.

#### COP

- Coefficient of Performance (COP) is the ratio of cooling or heating to electricity consumption.
- A refrigerator with a COP of 2 transforms 2 Watts of heat using one Watt of electricity.
- An air conditioner with a COP of 4 transforms 4 Watts of heat using one Watt of electricity.







# Building energy levels and sustainable certification schemes





## Buildings energy levels Net Zero Energy Buildings (NZEB)

- Total amount of energy used by the building on an annual basis is equal to the amount of renewable energy created on-site
- Need to consider country-specific climate conditions, primary energy factors, ambition levels, calculation methodologies and building traditions
- Existing NZEB definitions can differ significantly (e.g. regarding the definition of energy, which can be either final or primary energy)

#### Comparison of Building Types by Energy Consumption 250 Energy Consumption (kWh/m²a) 200 100 50 Existing New **Passive** Net Zero Plus Energy Building **Buildings** House Energy Building -50 Stock Standard Building





### **Green building certificates**

#### **Definition**

- Used to assess and recognise buildings that meet certain green building requirements or standards
- Recognise and reward companies and organisations who build and operate greener buildings
- Encourage and incentivise companies to push the boundaries on sustainability
- World Green Building Council sets Quality Standards for rating tools around the world









### **Green building certificates**

#### International most relevant schemes

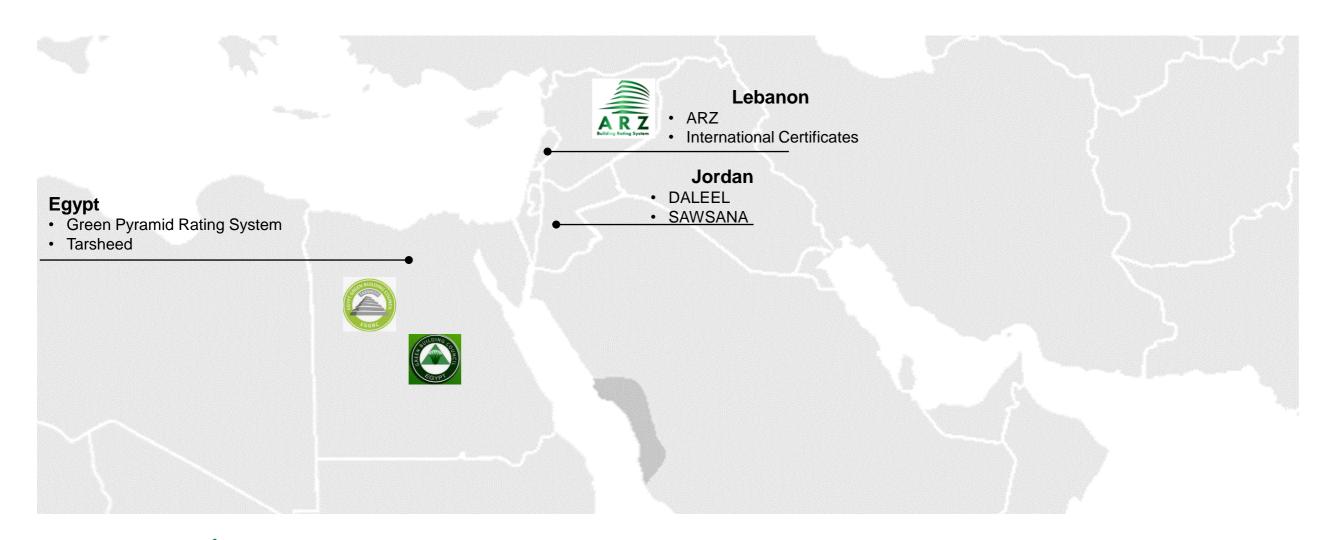






### **Green building certificates**

### Regional schemes







#### Conclusion



#### **Understand the big picture**

- Global Warming is causing tremendous environmental stress
- EE/RE huge economic and social potential



### Familiarity with common definitions and terminology

 Boundary conditions like climate and economic parameters (energy costs, CAPEX) influences the feasibility of low energy buildings



## Introduce building energy levels and sustainable certifications

 Several international sustainable certification schemes exist, but all BUILD\_ME countries have as well national schemes in operation









Photo by <u>Lukas Blazek</u> on <u>Unsplash</u>

### **Key take-aways 2 – Policy instruments session**







Diversity of possible instruments



Several indicators to measure success





### **Carrot, Stick and Tambourine Principle**







### Different types of policy instruments







**Carrot = Incentives** 

Subsidy programs
Investment grants
Tax rebates

Stick = Regulations
EEBC
Performance standards Solar
energy ordinance

**Tambourine = Information** 

Awareness programs
Trainings
Labels





#### **Carrot = Incentives**

Instrument	Features and characteristics	
Soft loans	<ul> <li>Soft loans are loans offered at subsidised interest rates (i.e. lower than the market rate) to consumers who invest in energy efficient technologies</li> <li>Implemented by banking institutions</li> </ul>	
Investment grants	<ul> <li>A financial award to facilitate a goal or incentivise performance</li> <li>Do not have to be paid back under most conditions</li> <li>Some have waiting periods before the grantee can take full ownership of the financial reward</li> </ul>	
Tax rebates	<ul> <li>Amount of money that project developers can subtract directly from the income taxes that they owe</li> <li>Tax credits are more favourable than tax deductions because they actually reduce the tax due, not just the amount of taxable income</li> <li>Three basic types of tax credits: non-refundable, refundable, and partially refundable</li> </ul>	





#### **Carrot = Incentives**

#### Example Lebanon: NEEREA

#### Prepare Technical Report

- LCEC template
- Full feasibility study (technical+financi al analysis
- Include amount of requested loan

#### Pick commercial bank (CB)

- a.< 20,000USD, report sent diretly to LCEC
- b. > 20,000USD, approval of technical proposal by BDL before sent to LCEC

#### LCEC approval

 Once technical verification done by LCEC, re-sent to the CB or to BDL to review and send the results to the CB

#### Loan accepted/rejected

- Process takes ca.
   3 months
- Disciplinary action if final execution diverges from original plan

#### **NEEREA RESULTS**

- By June 2020, 1,000+ projects approved by NEEREA financing mechanism with a total amount of USD 600M+.
- Ca. 76% of the projects for solar PV
- 42% of loans amount for green buildings.
- Projects all together contribute to an annual saving of USD 73M+.
- To date NEEREA has achieved a reduction in annual energy consumption of 260 GWh and 281 ktonnes CO<sub>2</sub>





### Stick = Regulations

Instrument	Features and characteristics
Energy Efficiency Building Codes	Building standards can be classified in four categories:  1. Maximum heat transfer through individual building components (e.g. walls, roof, windows)  2. Limit on the overall heat transfer through the building envelope  3. Limitation of heating/cooling demand (taking into account the contribution from ventilation losses, passive solar gains and internal heat sources (maximum demand per m3 or m2).  4. Energy performance standards
Minimum energy performance standards	These standards consider the whole building as a system and also include building equipment such as heating and air conditioning systems, ventilation, water heaters, and in some countries even pumps and elevators e.g. maximum energy consumption per m³ or m² per year
Solar Thermal Ordinance	Regulate the incorporation of solar thermal energy and its use for the production of sanitary hot water in the city's buildings  Many of existing STOs are related to national or regional energy laws and implemented through municipal building codes





### **Tambourine = Information**

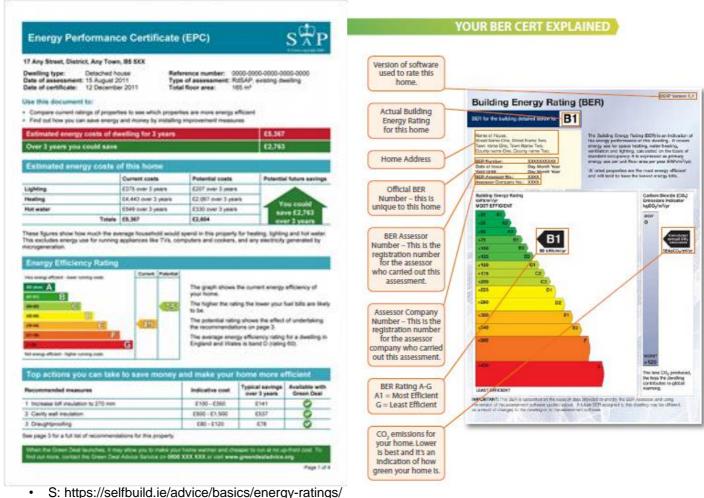
Instrument	Features and characteristics	
Awareness raising programmes	<ul> <li>Methods for monitoring energy consumption and possible energy savings</li> <li>Demonstrate that there are proven technologies, methods and services that can substantially and cost-effectively reduce energy consumption</li> </ul>	
Building energy certificates	<ul> <li>Mandatory / Voluntary</li> <li>Enable the buyer to obtain information about the energy consumption of the dwelling they are going to buy or rent</li> </ul>	
Trainings	<ul> <li>Capacity building programs, training courses</li> <li>Develop culture of literacy in energy efficiency</li> </ul>	





#### Tambourine= Information

### **Energy Performance Certificate Example**







#### **Success factors**

There is no such thing as an 'optimal' policy instrument...but rather typical circumstances for applying different types of instruments.

Generic characteristics that determine success or failure can be identified.





### Important indicators for policy evaluation

Effectiveness and cost-effectiveness/efficiency



#### **Impact effectiveness**

The extent to which a policy instrument made/makes a difference



#### Target effectiveness

To what extent do/did a policy instrument contribute to achieving the targets?



#### **Cost-efficiency:**

Could targets have been reached at lower costs?





#### Recommendations for the choice of instruments

- Consider the whole implementation process
- Set "SMART" objectives for the (new) policies (specific, measurable, ambitious, realistic and time-bound)
- Organise workshops to discuss the envisaged policy with involved stakeholders and market actors
- Set boundaries and preliminary objectives for each instrument





#### Recommendations for the choice of instruments

- Identify the need for a combination of different policy instruments
- 6 Perform an ex-ante evaluation of the expected outcome
- Analyse the relationship and possible overlap with other instruments (already) in place
- 8 Identify the crucial indicators that must be monitored





#### Conclusion



### Principles of policy instrument formulation

Carrot, Stick and Tambourine principle



### Diversity of possible instruments

Selection requires national/regional adaptation



### Several indicators to measure success

Need "SMART", holistic and transparent planning and implementation









### **Key Learnings**



Principles of a holistic planning



Measures to reduce energy consumption



Renewable energy measures



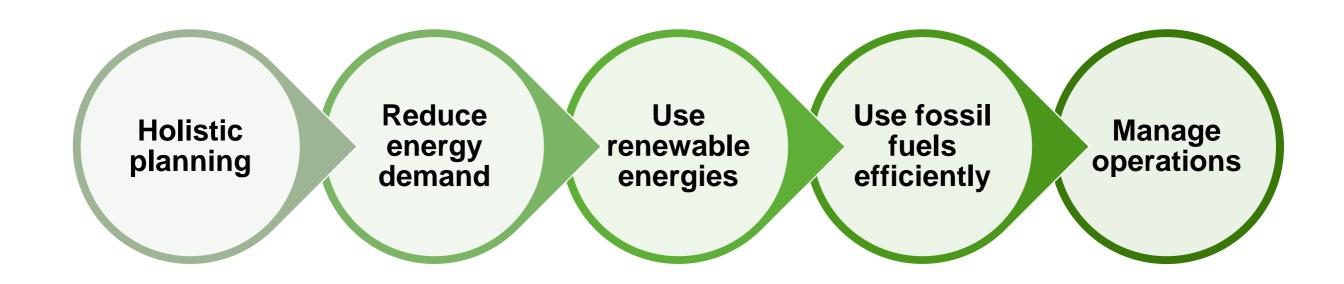
Cost efficiency measures





### General principles to conceive a low energy building

Embed Trias energetica, "The most sustainable energy is saved energy"







### Legend allowing a quick assessment of the measures

Energy performance		Investment		Payback period	
Small energy savings		Small investment	€	Less than 5 years	
Moderate energy savings	22	Moderate investment	€€	5 to 15 years	QQ
High energy savings	222	High investment	€€€	More than 15 years	000





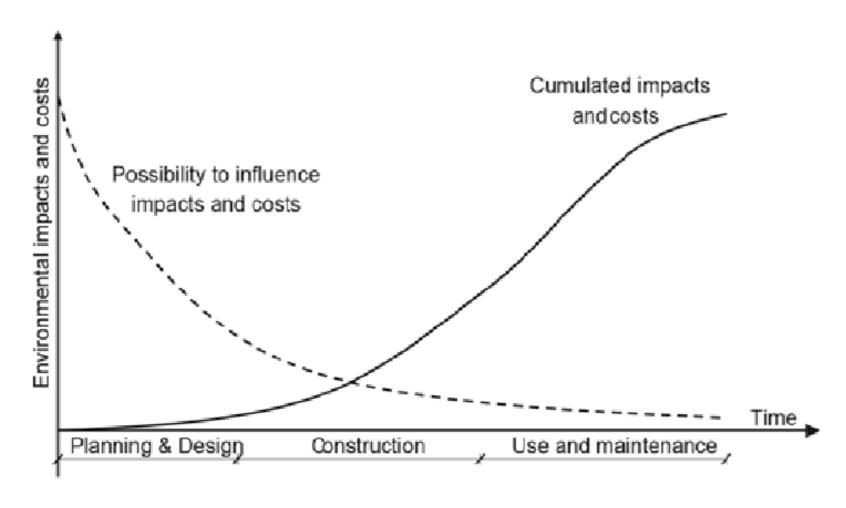


### Step 1: Holistic planning





## Influence of design decisions on life cycle impacts and costs









### Step 2: Reduce energy demand





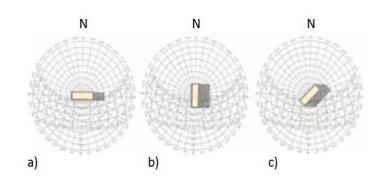
### "Smart Planning"











Orientation on the east-west axis to reduce cooling load a)



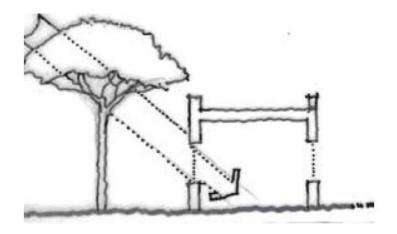
Envelope =  $63m^2$ S/V = 1.2



Envelope =  $71m^2$ S/V = 1.35



Envelope = 81.5m<sup>2</sup> S/V = 1.55



Use vegetation for a better microclimate, shading, thermal mass

Compact building form has a lower surface/volume ratio (S/V)





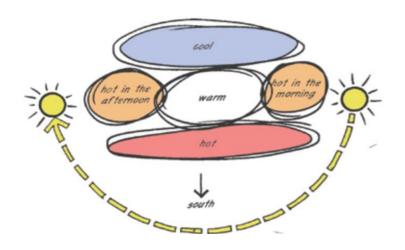
### "Smart Planning"

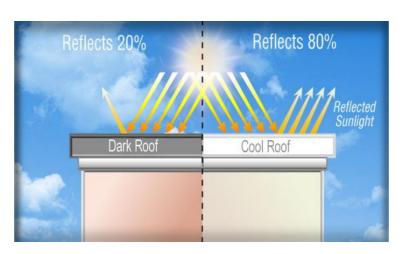


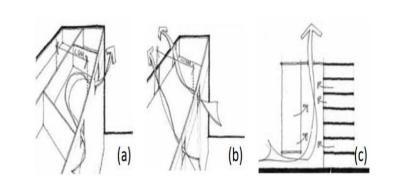












Organise space according to time of use and sun exposure

The lighter the colour, the higher/lower the reflection/absorption

Strategies: single-sided (a), cross (b), stack ventilation (c)

Source: <a href="http://www.comfortfutures.com/urban-heat-island-effect">http://www.comfortfutures.com/urban-heat-island-effect</a>





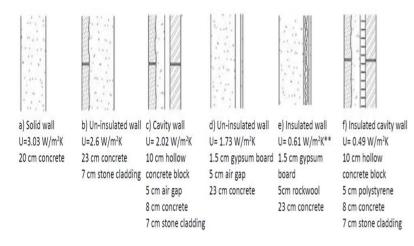
### Material selection Building Shell Quality

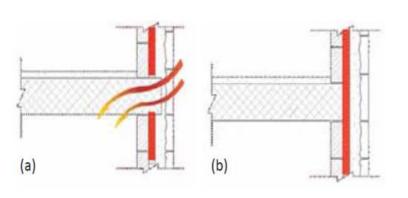


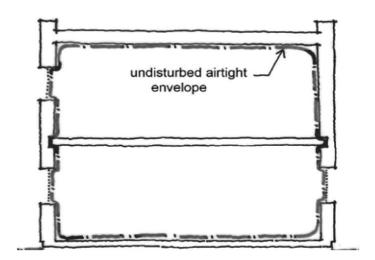
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The lower the U-Value, the more energy can be saved

Avoid an interruption of the thermal insulation layer

Avoid leakages





#### **Material selection**

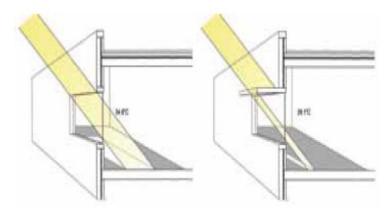


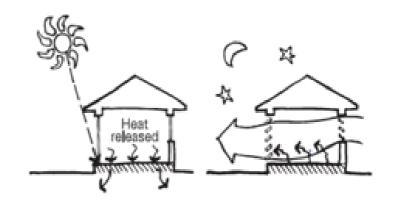












Reduction of solar heat gain due to reduced openings
Lower U-values, reduce the transmission losses

Reduction of solar heat gain due to window shading

Use night ventilation to maximize buffer

Source: http://www.yourhome.gov.au/passive-design/thermal-mass

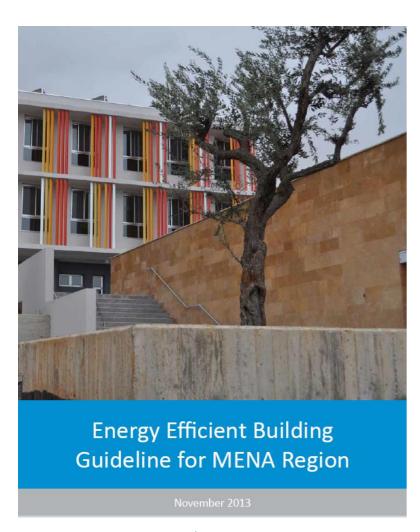




### Further reading: Climate Responsive Strategies



MED-ENEC Brochure 2013, EE Building Guideline for MENA Region

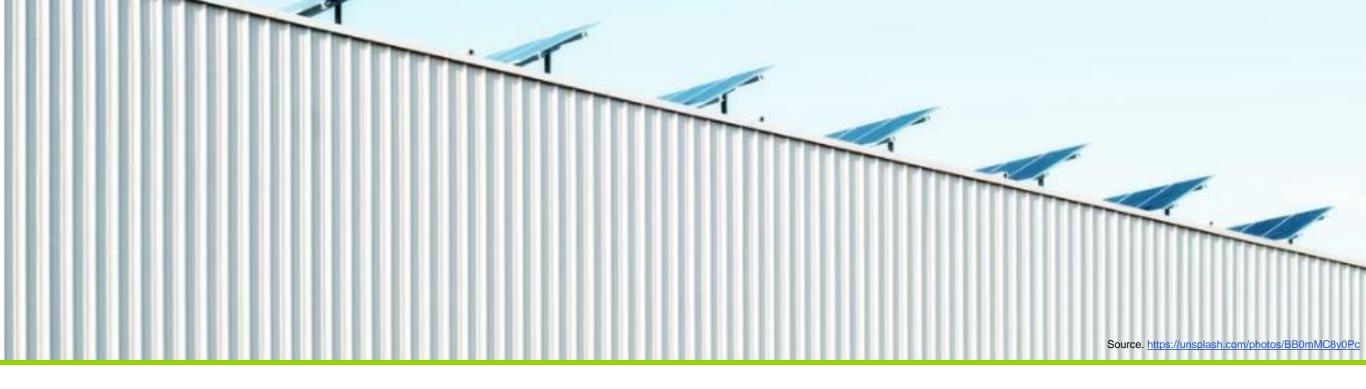


- 1. Orientation
- 2. Natural ventilation
- 3. Thermal zoning
- 4. Building form and typology Compactness, WWR
- 5. Shading
- Material selection
   Insulation, thermal bridges, air tightness, thermal mass
- 7. Landscape design

Source: https://www.climamed.eu/wp-content/uploads/files/Energy-Efficient-Building\_Guideline-for-MENA-Region-NOV2014.pdf







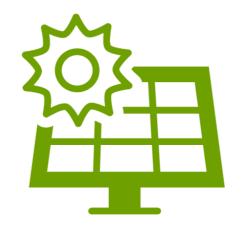
# Step 3: Integrate renewable energies





# Scope of training







Solar thermal systems

**Photovoltaics** 

Heat pumps







# Overview of selected systems

# 

- Converting solar radiation to thermal energy used for hot water or heating purposes
- Thermosiphon (most common in MENA) or Pumped Systems available
- Solar yield: 400 800 kWh/m² (collector surface)

Photovoltaics			
222	€€€	000	

- Converting solar radiation to electricity
- Grid-connected or stand-alone systems
- Different cells available: Mono Crystalline, Poly Crystalline and Thin Films
- Solar yield: 1,500 2,000 kWh/kWp (MENA region)

Heat pumps				
	$\in$ $\in$	000		

- Using different sources temperature (air, earth or water) and convert it into thermal energy
- Air to Air most common type (also known as Split Unit)
- COP mainly depending from delta of source and room temperature, varying from 2 – 10







# Discussion of selected systems

#### **Solar thermal systems**

#### Advantage

- High solar radiation in the MENA region
- Visible technology also supports marketing of the building asset

#### Disadvantage

- Maintenance needed to ensure proper operation
- Costs are still moderate/high

#### **Photovoltaics**

#### Advantage

- High solar radiation in the MENA region
- Sharp cost decrease makesPV cost efficient
- Visible technology also supports marketing of the building asset

#### Disadvantage

 Maintenance needed to ensure proper operation

#### **Heat pumps**

#### Advantage

- Low operational costs
- Heating and cooling possible
- Key technology in combination with PV to decarbonise heating and cooling supply

#### Disadvantage

- High investment costs
- Limited availability in the national market
- Lack of experts / craftsmen





#### Conclusion



Solar Thermal Systems (ST) already mature technology in the MENA region.

In some MENA countries **specific incentive programs needed** to accelerate the deployment of ST.



Photovoltaics have experienced a sharp decrease in system costs.

And in major parts of the MENA region **regulative frameworks are in place**. So PV is currently experiencing a big push in the MENA region.



Heat pumps are **still rare** in the MENA region (besides air/air). Main reasons are the **high investment costs** and the lack of experienced craftsmen. Best practices can be drawn from **Lebanon HP stimulus programme** comprised of awareness raising measures, training, and financial support.







# Step 4: Use high efficiency HVAC appliances





# **HVAC**

# Overview of selected systems



#### Heating

- Gas non-condensing
- Gas condensing
- Oil non-condensing
- Oil condensing
- Portable LPG (gas) heater
- Portable kerosene heater
- Heat pumps (already covered)



#### **Hot Water**

- Combined with heating system
- Dedicated gas heater
- Dedicated electric heater
- Solar Thermal (already covered)



#### **AC (Air-Conditioning)**

- Movable system
- Mounted single split or window air conditioner
- Centralised multi-split system
- VRF centralised multi-split
- Central systems



#### **Ventilation**

- Natural ventilation
- Mechanical ventilation
- Mechanical ventilation incl. heat/cold recovery





# Heating

# Overview of qualitative assessment

Heating System	Energy performance	Investment	Payback period
Gas non-condensing	<b>2 2 2</b>	€€€	000
Gas condensing		€€€	000
Oil non-condensing	<b>2</b> 2 2	€€€	000
Portable LPG (gas) heater	000	€€€	000
Portable kerosene heater	222	€€€	000
Air source heat pump	222	€€€	000
Ground source heat pump	222	€€€	000
Air-air heat pump		€€€	000





### Hot water





- Efficiency depends on heating system and additional transmission (and storage) losses
- Centrally placed in basement or in the apartment





- High efficiency: no transmission losses as decentrally installed
- Needs decentral gas connection



Dedicated electric heater			
	$\in$		

- High efficiency: no transmission losses as decentrally installed, CO<sub>2</sub> emissions depend on grid
- Needs high power electric connection



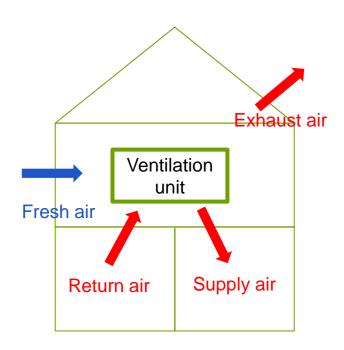


# **Ventilation**

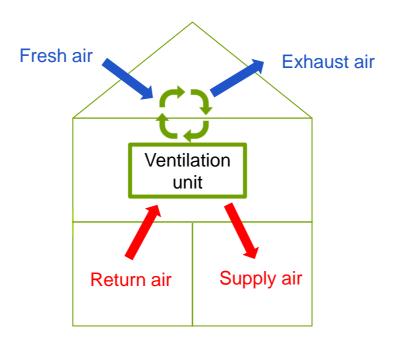




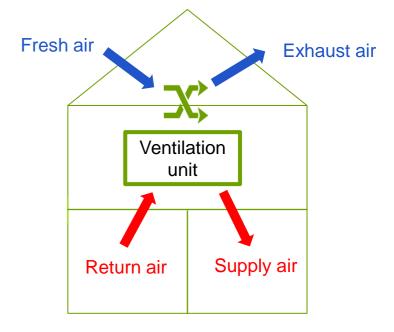




No recovery included



Moderate/high efficiency (up to 70%)



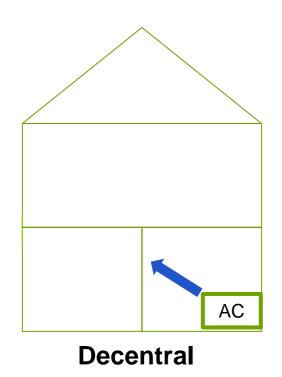
High efficiency (up to 90%)





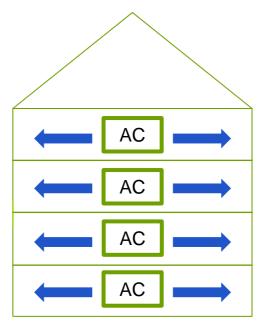
# Air conditioning

# Main technologies



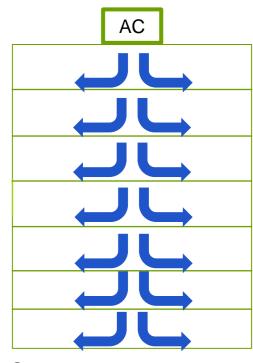
One AC per room

(e.g. window or split units)



Central - small scale

One AC for a group of rooms (e.g. VRF or multi-split units)



**Central – large scale** 

One AC per building

(e.g. chiller serving VAV, fan coil units or chilled beams or ceilings)



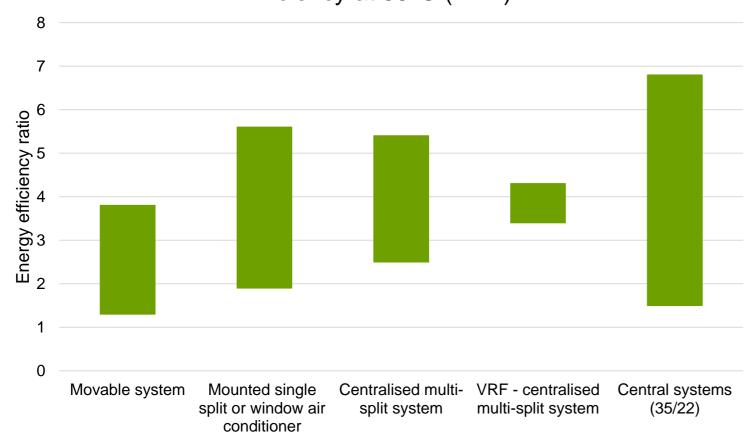


# Air conditioning

#### 畾

#### Overview of efficiencies





- Large variety of systems on the market
- Use of labels (A,B,C...) as orientation to select top performers, commonly used also in the BUILD\_ME countries
- Water-based systems are the most efficient
- Efficiency highly dependent on delta of air temperature and room temperature





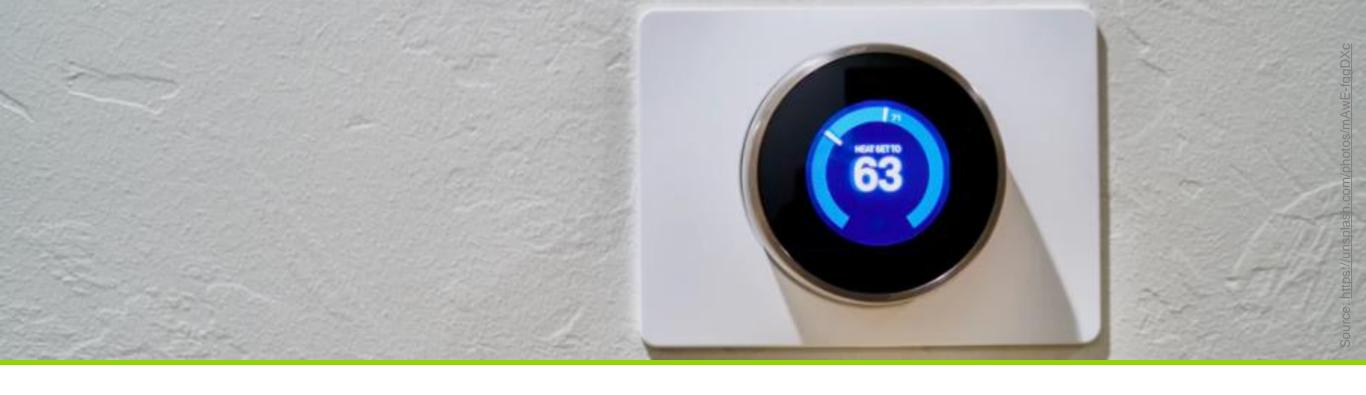
# Air conditioning

# Overview of qualitative assessment

AC system	Energy performance	Investment	Payback period
Movable system	222	€€€	000
Mounted single split or window air conditioner		€€€	<b>77</b>
Centralised multi-split system		€€€	QQQ
VRF-centralised multi- split system		€€€	QQQ
Central systems		€€€	<b>77</b>







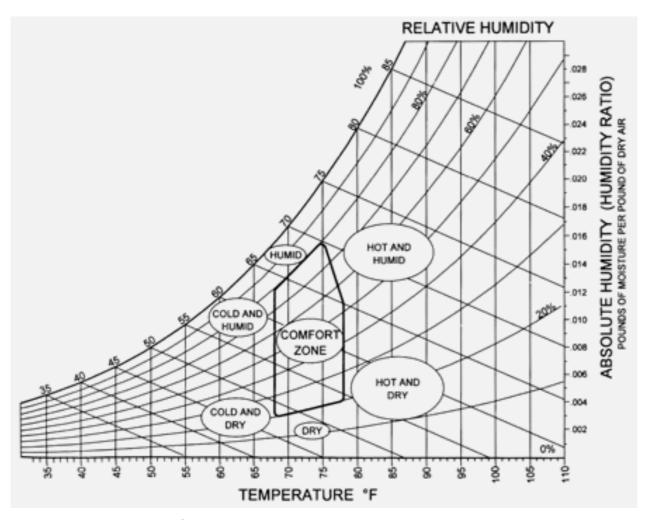
# **Step 5: Operation**





# **Basics of thermal comfort**





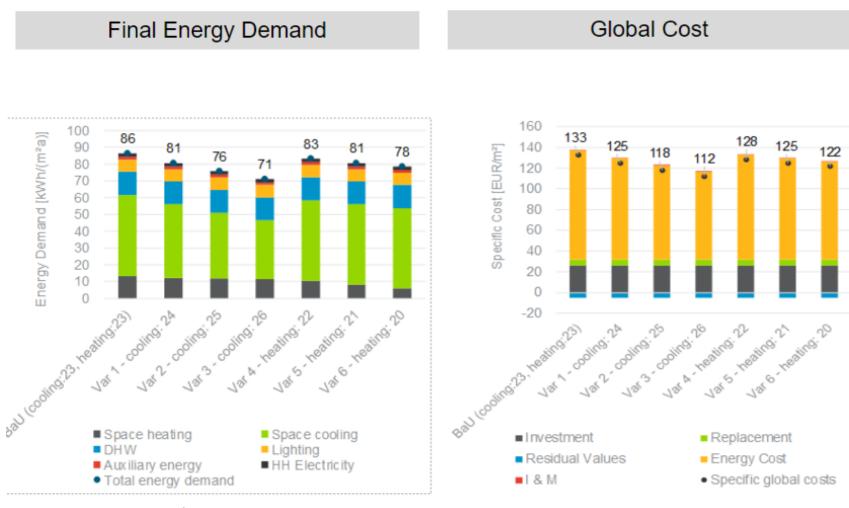
Example of temperature ranges				
Use/function		Winter	Summer	
Residential	Living room	20-22°C	24-26°C	
	Sleeping room	18-20°C	24-26 °C	
	Bathroom	22-24°C	24-26°C	
Office		20-22°C	24-26°C	
School (classroom)		20-22°C	24-26°C	
Shops		18-20°C	22-25°C	





# Cost effectiveness of setting temperatures

# Example of an Egyptian MFH



Selecting the appropriate setting temperature is a no cost measure, which is able to save significant energy

- Cooling: 1K higher can save around 5–7% final energy
- Heating: 1K lower can save around 3–5% final energy



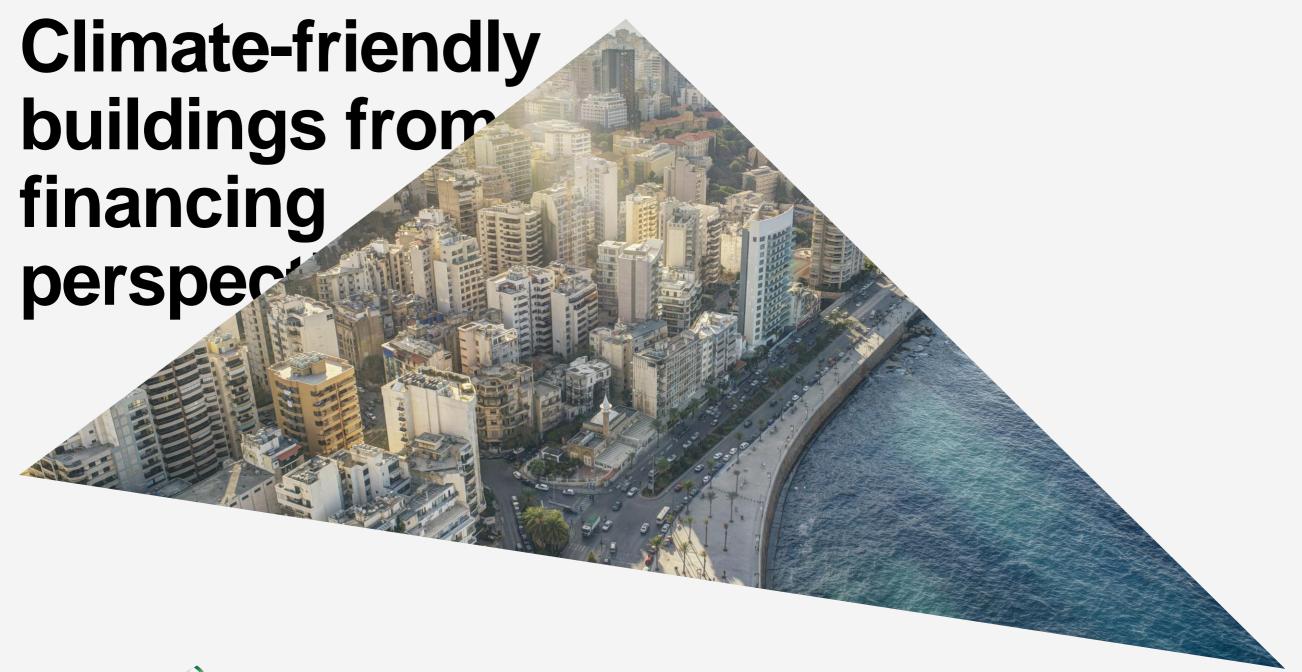


# **Conclusion**

Theme	Key Lessons
Holistic planning	<ul> <li>Integrate sustainable measures in your planning, the sooner - the more cost-efficient they become</li> </ul>
Passive EE measures	<ul> <li>Consider passive EE measures as they are highly cost attractive with no or only limited upfront capital costs, but significant saving potential</li> <li>Utilize thermal insulation, shading measures as they do not only save energy, but also improve thermal comfort</li> </ul>
Renewable energies (RE)	<ul> <li>Incorporate RE as they are relevant measures to decarbonise the energy supply for the building</li> <li>Increasingly cost attractive (learning curve)</li> </ul>
Active EE measures	<ul> <li>Look always for top performers in the market: higher upfront costs generally compensated by increased savings over lifetime</li> <li>Check best practice and consider labels (A,B,C) as orientation to select top performers, commonly used also in the BUILD_ME countries</li> </ul>
Operation	<ul> <li>Use always appropriate temperature setting</li> <li>Too low temperatures (for ACs in summer) or too high temperatures (for heating appliances in winter) can have a significant impact on the energy demand, ranging between 5-10% for 1 K</li> </ul>











# **Key learnings**



**Terminology** 



**Global Costs** 

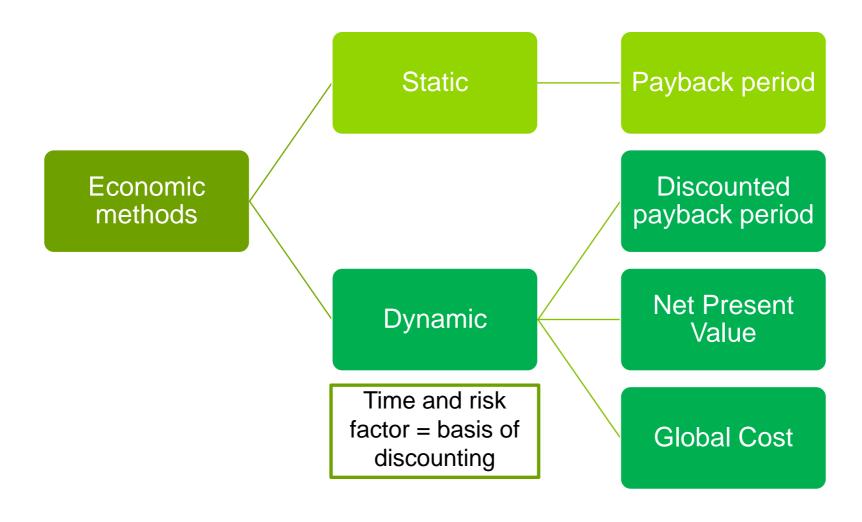


**Case Studies** 





# Overview of economic evaluation methods







# Payback period

#### **Definition**

- The amount of time it takes to recover the cost of an investment, meaning to reach break-even point
- Calculated by dividing the amount of the investment by the annual cash flow.
- The desirability of an investment is directly related to its payback period. Shorter paybacks mean more attractive investments.



#### **Advantages**

- Simple to calculate and compare options
- Useful for 'back of the envelope' calculations



#### **Disadvantages**

- Disregards time value of money
- Ignores overall profitability of investment

Source: Investopedia





# **Discounted Payback Period**

#### **Definition**

- A discounted payback period provides the number of years it takes to break even from the initial expenditure, by discounting future cash flows and recognising the time value of money.
- Shows how long it will take to recoup an investment based on observing the present value of the project's projected cash flows
- The shorter a discounted payback period is, the sooner a project or investment will generate cash flows to cover the initial cost.



#### **Advantages**

More accurate picture than simple payback period



#### **Disadvantages**

- Highly sensitive to discount rate
- Challenging to arrive at discount rate that accurately represents investment's true risk premium

Source: Investopedia





# **Net Present Value**

#### **Definition**

- Difference between the present value of cash inflows and the present value of cash outflows over a period of time
- NPV is the result of calculations used to find today's value of a future stream of payments.
- To calculate NPV you need to estimate future cash flows for each period and determine the correct **discount rate.**

$$NPV = \sum_{t=1}^{n} \frac{R_t}{(1+i)^t}$$

 $Rt = Net \ cash \ inflow-outflows \ during \ a \ single \ period \ t$ 

*i*=Discount rate or return that could be earned in alternative investments

t=Number of timer periods



#### **Advantages**

Indicates the profitability of future cash



#### **Disadvantages**

- Highly sensitive to discount rate
- Challenging to arrive at discount rate that accurately represents investment's true risk premium

Source: Investopedia





#### **Definition**

- All cost elements are considered: Operational and investment cost incurred over a relevant time period
- The different types of costs incurred each year, respectively, are summed by using the NPV methodology, in order to express them in terms of value in the first year.

#### Cost elements:

- Initial investment cost
- Annual cost
  - Replacement of systems
  - Running cost (energy, maintenance & operation)



#### **Advantages**

- All costs incurred over a relevant period are considered
- Costs are comparable because their value is calculated back to the same base year > ideal to identify cost-optimal solution
- Lifetime of the elements is explicitly considered



#### **Disadvantages**

- Sensitivities of NPV (described before)
- Sensitive to assumed cost and price increase





#### **Details**

One-time cost

Annual cost

#### Initial Investment

Replacement

Residual



Sum of all investment costs in the first year, incl. envelope insulation, HVAC systems, lighting, etc. If the lifetime of an element or system is lower than the considered time period, it must be replaced. The costs are the investment cost of the specific system (plus potential cost increase).

At the end of the considered time period, most elements have a remaining lifetime. This is credited (negative) to the overall cost\*.

# 333

#### **Energy**

Cost for energy carriers that are used every year to meet the final energy demand. Annual price in- or decrease for energy carrier can be considered.

# Inspection & Maintenance

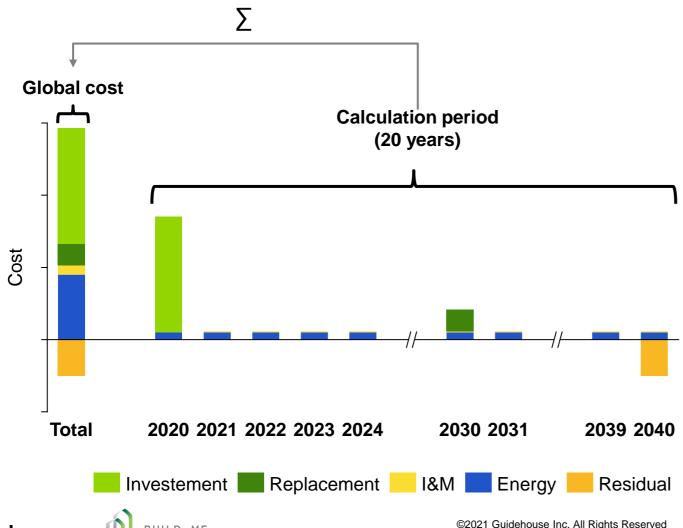
A certain percentage (0.5 - 2%) of the initial investment cost are considered to reflect the cost for inspection and maintenance of each system.



The discounted sum of each year (NPV) over the calculation period – for all the five cost elements – results in in the Global Cost.



# Example case – without discount rate and price increase

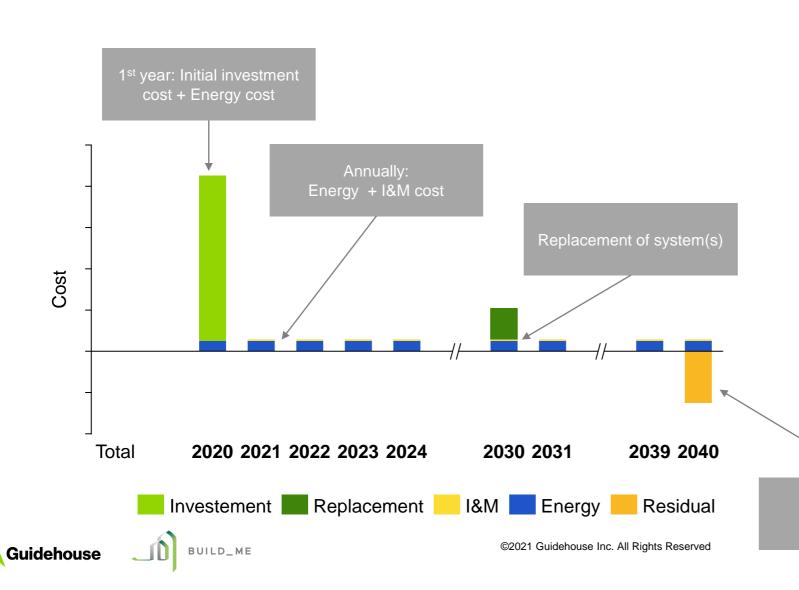


 The global cost represent the sum of all cost and values that occur over the considered calculation period





# Example case – without discount rate and price increase



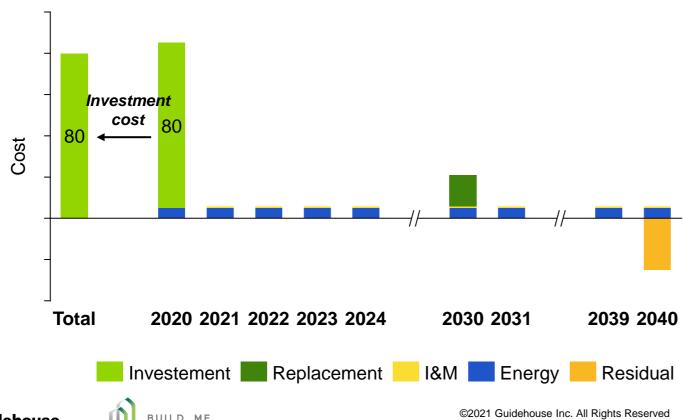
- Year 1: The initial investment cost are paid
- Annually the cost for energy and inspection and maintenance (I&M) are payed
- If systems have a lifetime of less than the calculation period (<20 years) the invest incurred again after the lifetime is over
- In the last year, the residual value of the systems that will still function in future years is considered a negative value on the global cost

Residual value of components after calculation period

Example case – without discount rate and price increase

#### How to get to the total global cost?

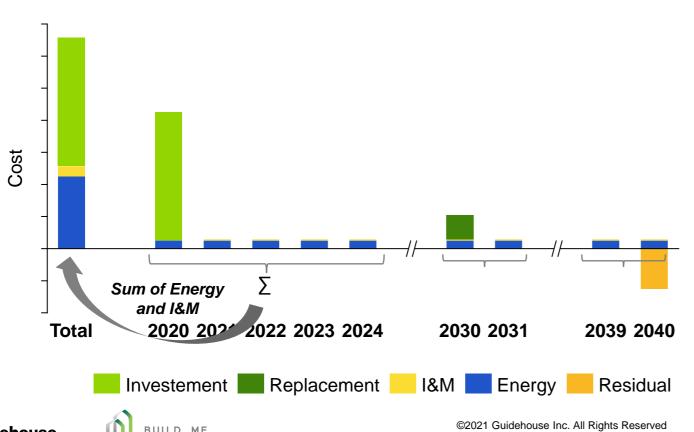
Investment cost from first year





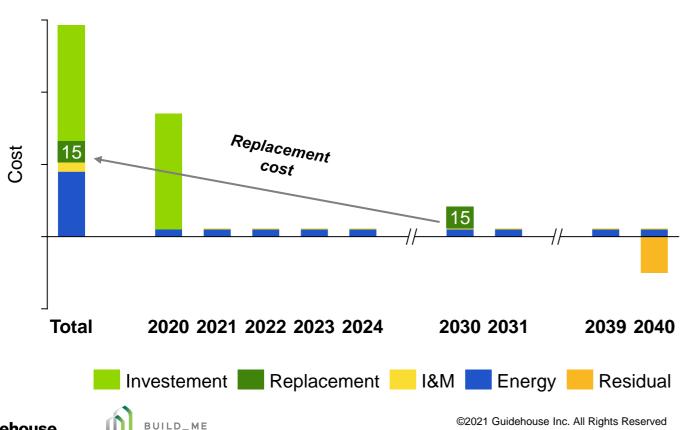


# Example case – without discount rate and price increase



- Investment cost from first year
- Sum of energy and I&M cost of all years

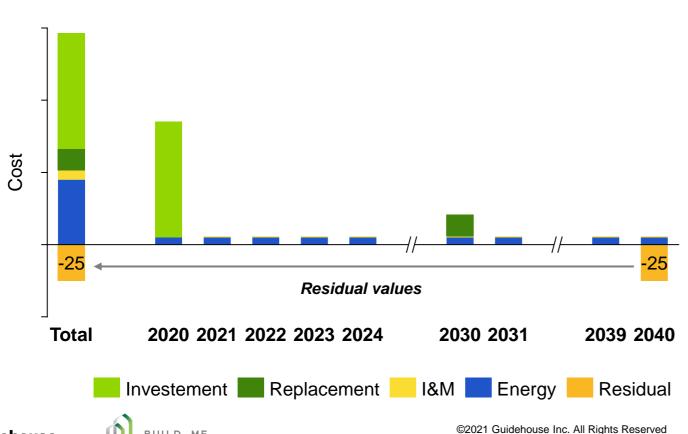
# Example case – without discount rate and price increase



- Investment cost from first year
- Sum of energy and I&M cost of all years
- Replacement cost of systems



# Example case – without discount rate and price increase

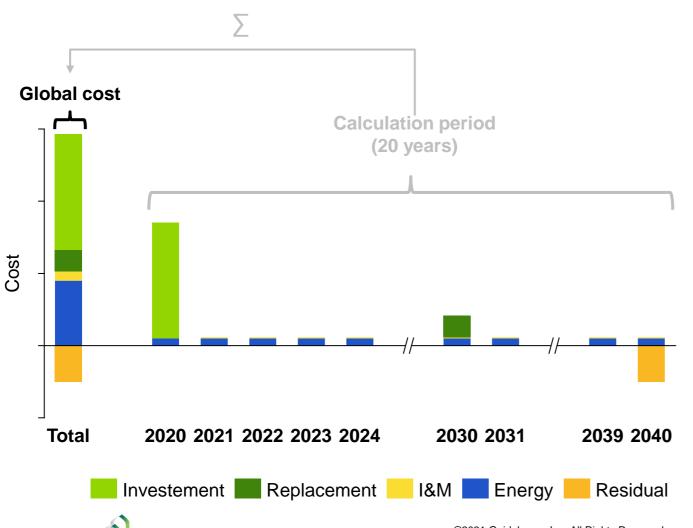


- Investment cost from first year
- Sum of energy and I&M cost of all years
- Replacement cost of systems
- Residual value of the systems with remaining life time is subtracted





# Example case – without discount rate and price increase



- Investment cost from 1<sup>st</sup> year
- Sum of energy and I&M cost of all years
- Replacement cost of systems
- Residual value of the systems with remaining life time is subtracted
- Global cost are complete





# Lebanon





# Lebanon | Investment cost and lifetime

# Envelope elements

Туре	Measure	Investment cost	Unit	Lifetime in years
Thermal insulation	External walls	3	EUR/cm/m <sup>2</sup>	40
	Roof			40
	Floor			50
Windows	Single glazing (5.7)	114	EUR/m <sup>2</sup> <sub>Window</sub>	30
	Double glazing (2.9)	136	EUR/m <sup>2</sup> <sub>Window</sub>	
	Double glazing (2.0)	150	EUR/m <sup>2</sup> Window	
	Double glazing (1.1)	164	EUR/m <sup>2</sup> <sub>Window</sub>	
	Triple glazing (0.9)	182	EUR/m <sup>2</sup> <sub>Window</sub>	
	+ solar glazing	30	EUR/m <sup>2</sup> <sub>Window</sub>	





# Lebanon | Investment cost and lifetime

# Envelope elements

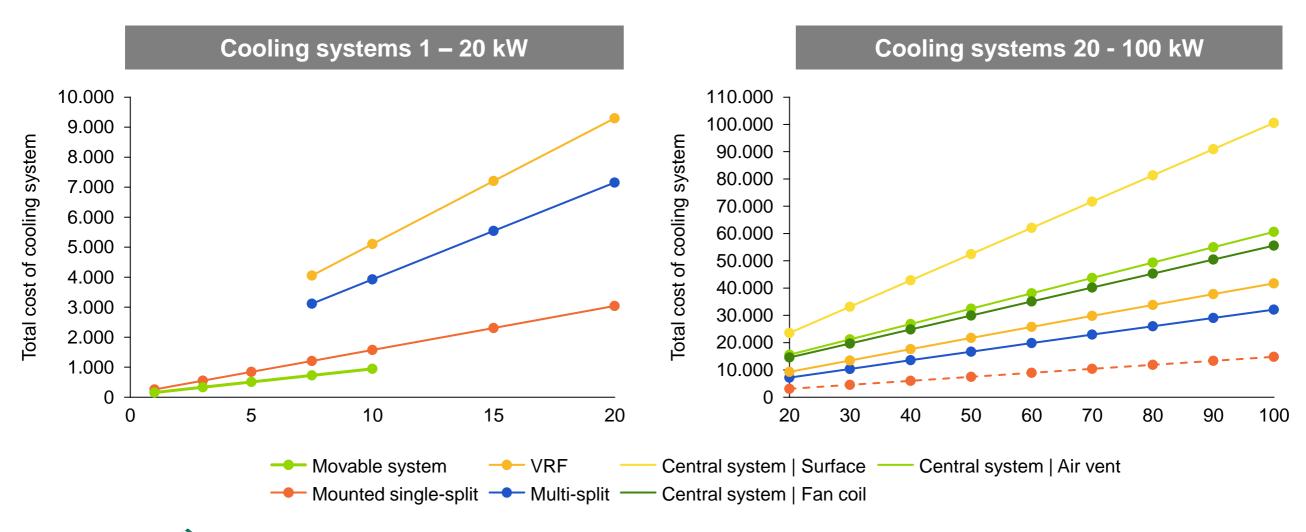
Type	Measure	Investment Cost	Unit	Lifetime in years
Shading elements	Fixed shading	80	EUR/m²	20
	Manual shading	100	EUR/m²	20
	Automatic shading	250	EUR/m²	20





# Lebanon | Investment cost and lifetime

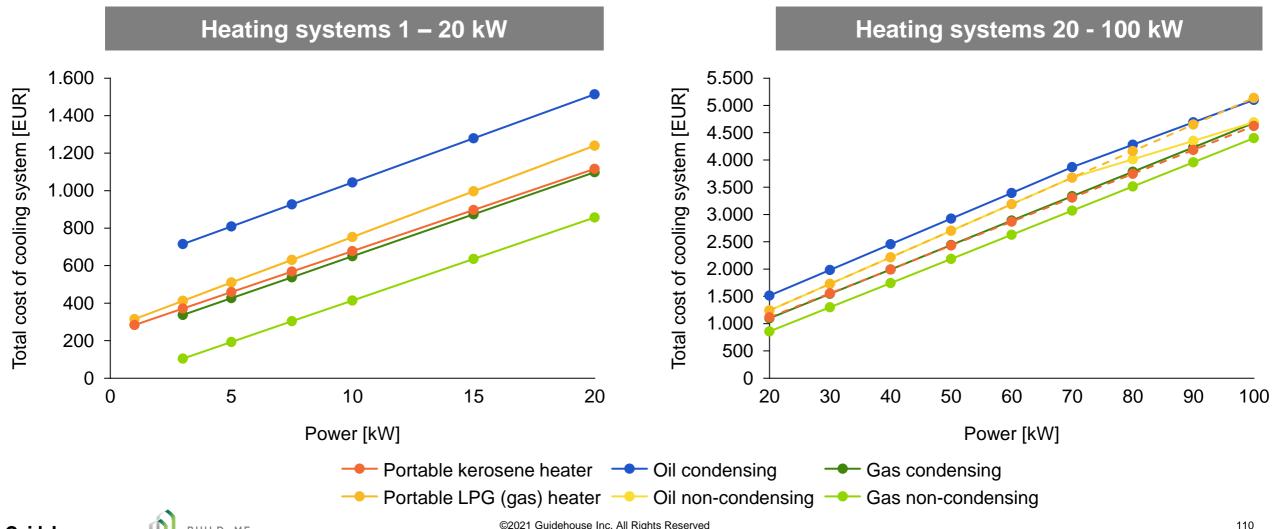
# HVAC systems - cooling







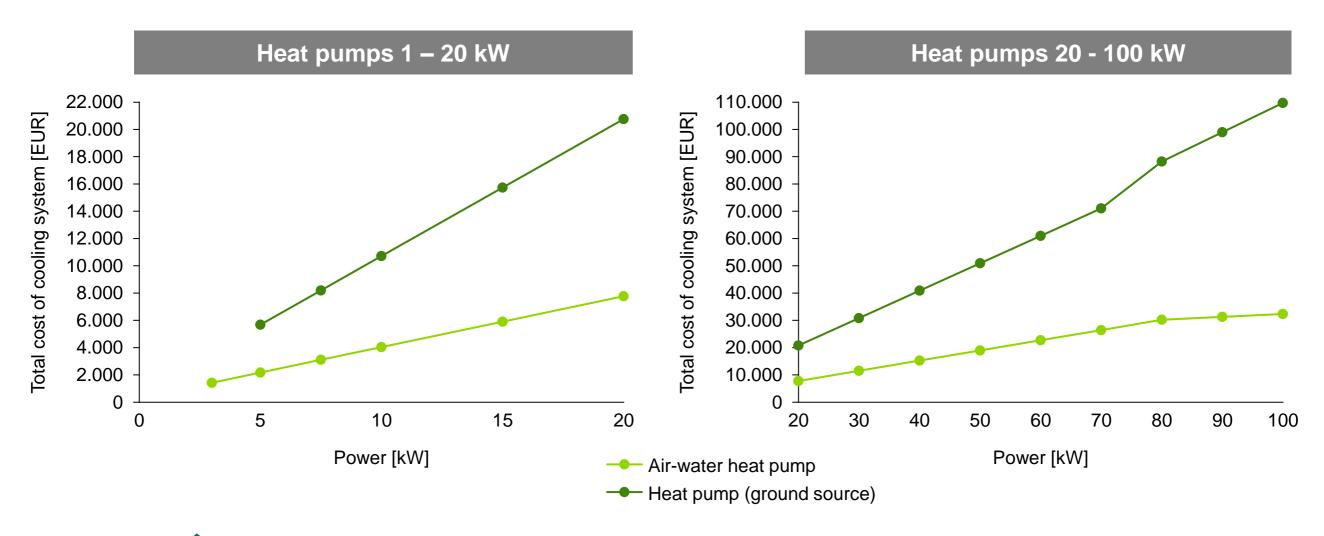
### HVAC systems – heating







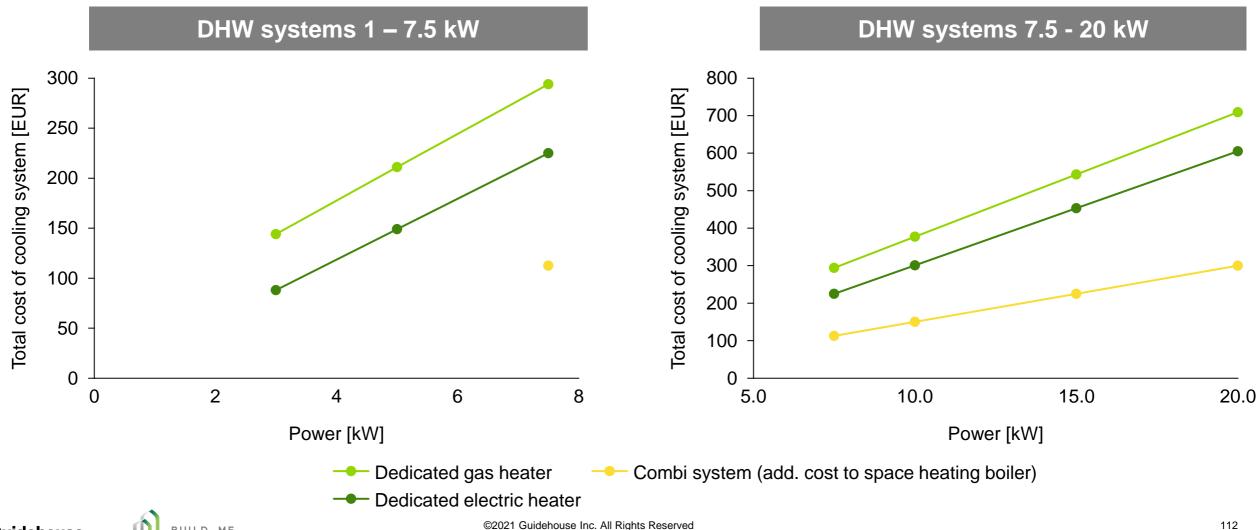
HVAC systems – heating: heat pumps







### HVAC systems – hot water







### Renewable energies

Туре	Measure	Investment Cost	Unit	Lifetime in years
Solar for hot water	Tube collector	280	EUR/m <sup>2</sup> <sub>collector</sub>	20
Thermo syphon	Flat collector	324	EUR/m <sup>2</sup> <sub>collector</sub>	20
system	Upfront installation	50	EUR/system	30
Solar for hot water	Tube collector	1,171	EUR/m <sup>2</sup> collector	20
<ul><li>Pumped System</li></ul>	Flat collector	1,061	EUR/m <sup>2</sup> <sub>collector</sub>	20
	Upfront installation	100	EUR/system	30
Photovoltaic	PV (< 30 kWp)	998	EUR/kWp	20
	PV (> 30 kWp)	832	EUR/kWp	20
	Upfront installation	100	EUR/system	30





# Lebanon | Investment cost and lifetime Lighting

Type	Measure	Investment cost	Unit	Lifetime in years
Lighting	Linear fluorescent (LFL)	0.9	EUR/bulb	10
	Compact fluorescent (CFL)	2.4	EUR/bulb	10
	Halogen lamps	1.4	EUR/bulb	3
	Incandescent lamps	0.6	EUR/bulb	1
	Light emitting diode (LED)	3.3	EUR/bulb	30





# Case Study Lebanon I Multi-family house in Beirut

### Roof insulation | Analysis of energy and global cost savings

#### Var 1

U-Value = 3.2 W/m<sup>2</sup>K (no insulation)

### Var 2

U-Value = 2.0 W/m<sup>2</sup>K (no insulation)

### Var 3

U-Value = 0.95 W/m<sup>2</sup>K (3 cm insulation)

### BaU

U-Value =  $0.6 \text{ W/m}^2\text{K}$  (5 cm insulation)

### Current

U-Value = 0.48 W/m<sup>2</sup>K (8 cm insulation)

### Var 4

U-Value = 0.35 W/m<sup>2</sup>K (10 cm insulation)

### Var 5

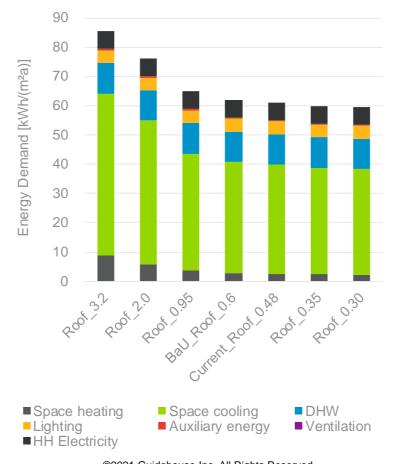
U-Value = 0.30 W/m<sup>2</sup>K (12 cm insulation)

**Result: Var 5** is the most cost effective measure.

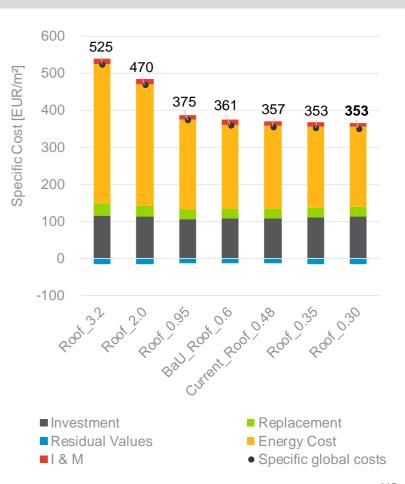




### Final energy demand



### Global cost



# Case Study Lebanon I Multi-family house in Beirut

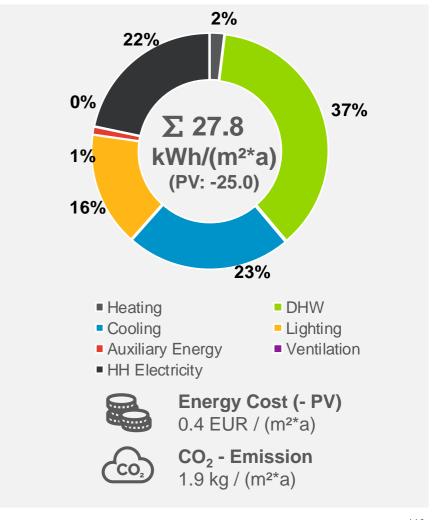
### Results of an optimised solution

The key components of the energy concept are illustrated in this table. It shows that the building envelope is significantly enhanced compared to BaU.

Special attention is given to the use of renewable energy sources, particularly PV (for electricity) and solar collectors (for hot water).

This leads to energy savings and emissions reductions.

Parameters	Optimised
Roof insulation (U-Value)	0.3 W/m <sup>2</sup> K (light color)
Wall insulation (U-Value)	0.4 W/m <sup>2</sup> K
Floor insulation (U-Value)	1.78 W/m²K
Windows (U-Value; G- Value)	0.9 W/m²K; 0.3 (solar glazing)
Window fraction	Ø 15%
Shading	solar glazing
Air infiltration through leakages	0.20 1/h
Heat supply	reversible unit - COP 5
Cold supply	reversible unit - COP 5
Hot water	electric instantaneous
Ventilation systems	No
Lighting systems	LED
Renewable energy	17.5 kWp (PV, maximum)
Set temperature cooling/heating	26°C / 20°C







# Case Study Lebanon I Multi-family house in Beirut

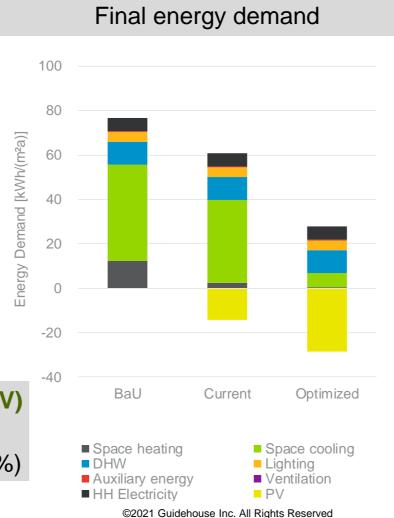
### Comparative overview of BaU vs. current vs. optimised

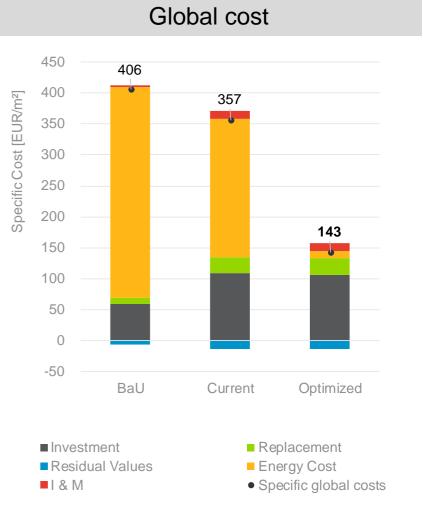
### **Conclusion**

- The suggested measures and the current situation lead to a significant decrease in energy demand
- The optimised solution, detected the most cost effective efficiency measures

### Savings BaU to Optimised (incl. PV)

- Energy: **77** ▶ **3** kWh/m²a (-95%)
- E-Cost: **10.1 ▶ 0.4** EUR/m²a (-95%)













# Logic of the BEP tool (1)

### Customisable, transparent, adapted to the MENA region



# Performance of energy efficiency measures & RE

- Calculate energy demand of building
- Compare it to the country's baseline buildings or other personal projects
- Determine the energy savings of single or multiple efficiency measures and the use of renewable energies



# Calculation of monetary savings

- Identify cost savings resulting from the energy efficiency measures and get the costoptimal case
- Local market data is already available for Egypt, Jordan and Lebanon (investment cost, energy prices) ...
- ...or enter the real investment cost and energy prices of the specific project (not in beta)



### Free web application

- Tool is free to use as browser application
- Optimized for mobile devices
- Provides default input values for faster application, but also advanced mode for experienced user



### **Proven methodology**

- Energy calculation is based on the international norm for modelling thermal building performance (EN ISO 52016)
- The BEP-Tool was already successfully applied in various projects and countries
- Full transparency with a detailed user manual, incl. all calculation steps and internal assumptions.





# **Calculation methodology**

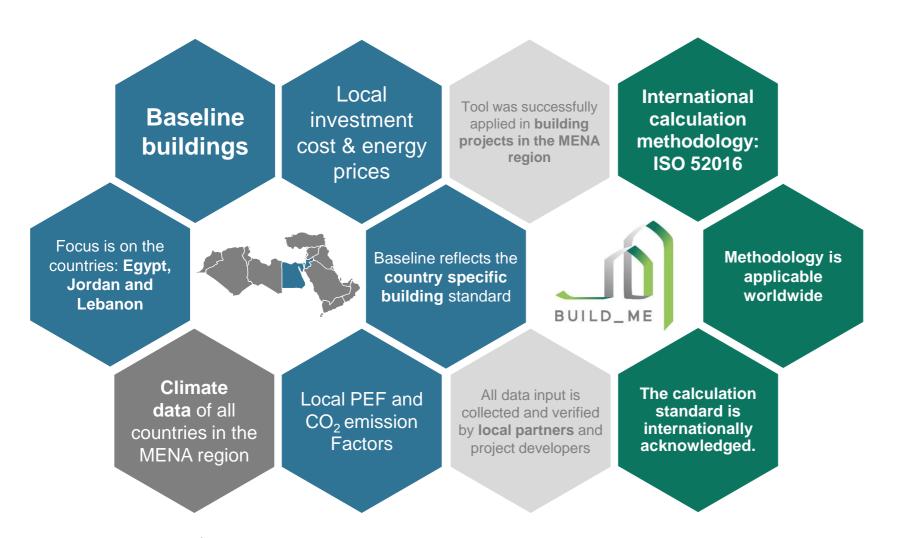
Calculation engine Input Output **User input Energy & Emission Energy** Final energy demand Building Useful energy demand Final & primary energy HVAC Tool • ISO 52016 demand... • Geometry Envelope • per en ergy carrier (e.g. • OP gas) • Climate • per energy use Sizing HVAC & RE (e.g. cooling) Primary energy demand systems specific (kWh/m²) and HVAC and HVAC Tool RE systems total **GHG Emissions GHG Emissions** • CO<sub>2</sub> equivalent Internal database **Global Cost Financial Financial** Investment cost Global cost Other cost • Envelope (e.g. • Specific cost Investment Inspection and insulation) Energy Energy cost maintenance • HVAC and RE HVAC systems Inspection and Replacement systems • Renewable energies maintenance • Type and age Replacement Country **Energy cost** • Energy carrier (e.g. gas) ▲ Guidehouse Energy prices





### Developed for the MENA region

### Database from local partners & international calculation methodology





Internal market data is collected from local partners for Egypt, Jordan and Lebanon.



International energy calculation methodology.

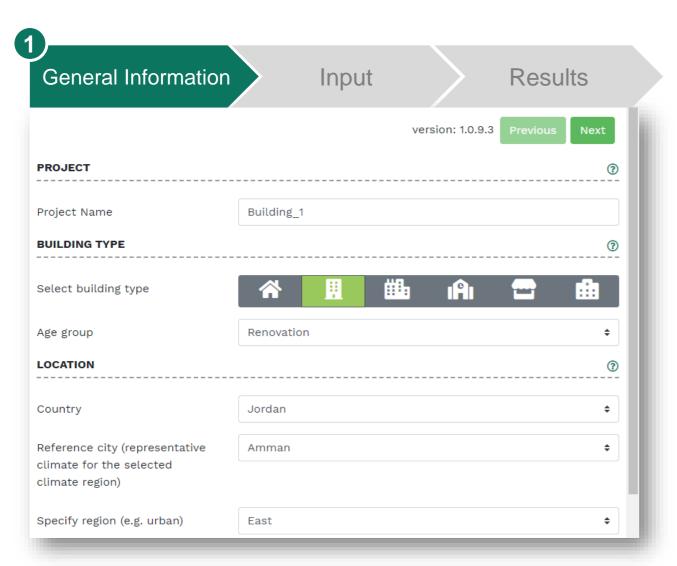


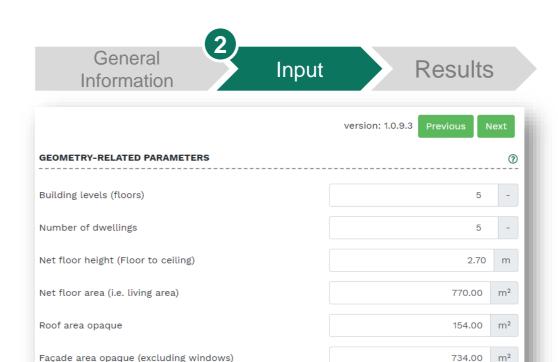
**Country specific climate** data, incl. multiple climate zones within each country.





# **Online Web App - Input**





No

Single wall

Window area (Total = transparent + frame)

Area floor slap (ground plate)

WALL

Wall renovation

Type (material)

U-value (wall)





225.00

154.00 m<sup>2</sup>

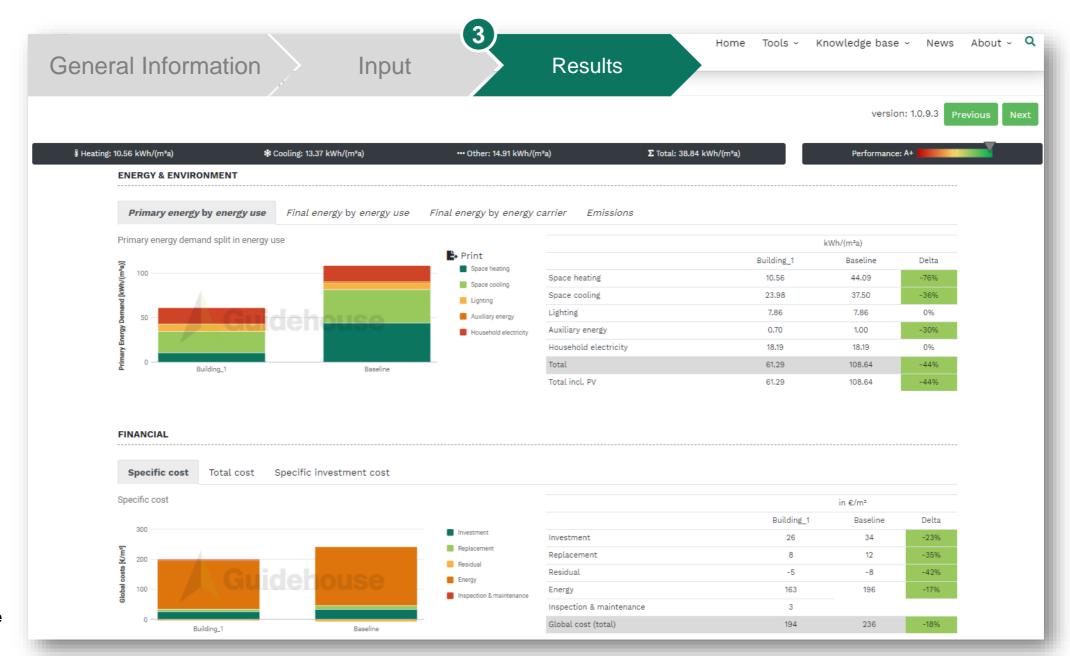
m<sup>2</sup>

?

**-**

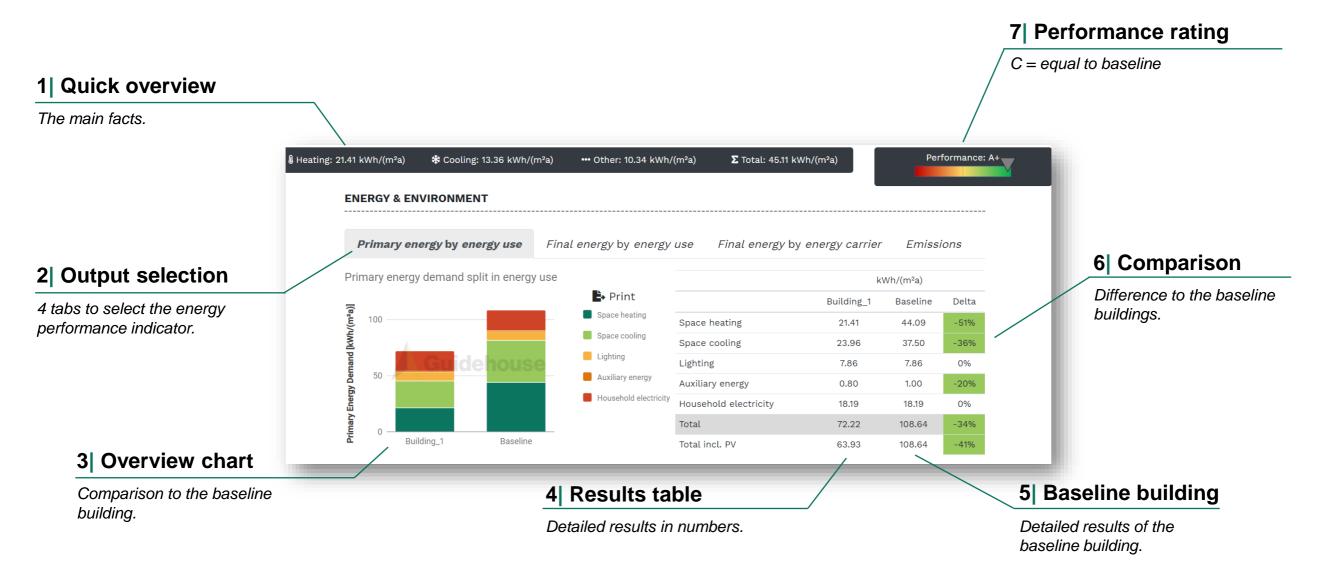
 $W/(m^2K)$ 

# Online Web App – Results





# Online Web App – Results detail







# **BEP tool Example**Office Building X- BaU

Project info		
Construction phase	New construction	
Building type	Non-residential building	
Detailed building type	Office	
Net floor area	19200 m2	
Land plot size	2738 m2	
Stories	11 stories	
Construction type	Concrete	

	Building Envelope
External walls	
Description of construction	Mineral wool insulation
U-Value	1.4 W/(m <sup>2*</sup> K)
Roof	
Roof type	Flat roof
Description of construction	XPS insulation
U-Value	0.7 W/(m <sup>2*</sup> K)
Openings and windows	
Glazing type	Double glazed
U-Value glass	2.5 W/(m <sup>2*</sup> K)
G-Value glass	0.74
Frame material / description	Aluminum
Overall u-value window	2.57 W/(m <sup>2</sup> *K)
Description of construction	Low e double glazing 8/16/10
Basement floor	
Description of construction	Concrete Slab
<u>U-Value</u>	2.4W/(m <sup>2</sup> *K)





# **BEP tool Example**

# Office Building X- BaU

Technical Building Systems		
Ventilation system		
Type of ventilation	Free ventilation (windows)	
Description		
Space cooling system		
Primary space cooling system	Centralized multi-split system Consisting of one outdoor unit (e.g. located on the rooftop) supplying several indoor units  Good newbuild standard	
Description	Good Newbolid Standard	
Space heating system		
Primary Space heating system	Air-conditioning system (reversible for heating; air-air heat pump)	
Description	Good newbuild standard	
Water heater system		
Primary water heater system Lighting system	Dedicated electric heater (dedicated = just hot water generation)	
Primary lighting system	LED (Light emitting diode lamps)	
Efficiency		100
Description		
Photovoltaics		
Capacity	NA	
Total module area	0	





# BEP tool Example

# Office Building X

Project info		
Construction phase	New construction	
Building type	Non-residential building	
Detailed building type	Office	
Net floor area	19200 m2	
Land plot size	2738 m2	
Stories	11 stories	
Construction type	Concrete	

	Building Envelope
External walls	
Description of construction	Mineral wool insulation
<mark>U-Value</mark>	0.67 W/(m <sup>2</sup> *K)
Roof	
Roof type	Flat roof
Description of construction	XPS insulation
<mark>U-Value</mark>	0.26 W/(m <sup>2*</sup> K)
Openings and windows	
Glazing type	Double glazed
U-Value glass	1.8 W/(m <sup>2*</sup> K)
G-Value glass	0.5
Frame material / description	Aluminum
Overall u-value window	1.8 W/(m <sup>2*</sup> K)
Description of construction	Low e double glazing 8/16/10
Basement floor	
Description of construction	Concrete Slab
<u>U-Value</u>	2.7 W/(m <sup>2</sup> *K)





# **BEP tool Example**

# Office Building X

	Technical Building Systems	
Ventilation system		
Type of ventilation	Mechanical ventilation system with heat recovery	
Description	Wheel heat exchanger on fresh air	
Space cooling system		
Primary space cooling system	Centralised multi-split system   Consisting of one outdoor unit (e.g. located on the rooftop) supplying several indoor units	
Description	VRV system	
Space heating system		
Primary Space heating system	Air-conditioning system (reversible for heating; air-air heat pump)	
Description	VRV system	
Water heater system		
Primary water heater system	Dedicated electric heater (dedicated = just hot water generation)	
Lighting system		
Primary lighting system	LED (Light emitting diode lamps)	
Efficiency		100
Description	With lighting controls and dimming	
Photovoltaics		
Capacity	40 kWp	
Total module area	242 m <sup>2</sup>	











### Conclusion

Offered a customisable, transparent tool adapted to the MENA region



Performance of energy efficiency measures & RE



Calculation of monetary savings



Free web application



**Proven methodology** 

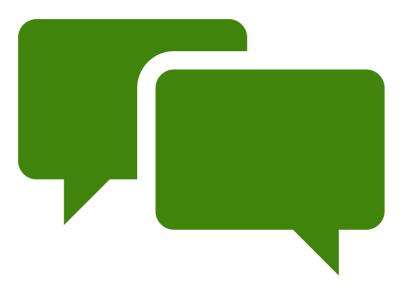




### **Final discussions**

X

Collecting feedback and ideas per country and target group:







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