



Energy efficiency in medical centers – the Israeli case

The Company

- Zephyro is an Italian Company, that recently changed its name from Prima Vera after being listed at the Italian Stock Exchange's Multilateral trading Facility (AIM) on 23/12/2015. By late spring, the company should pass to the fully regulated Italian Stock Exchange.
- Zephyro main shareholders are, besides Domenico Catanese that used to be Prima Vera's sole shareholder and that widely controls also Zephyro, large and established Italian financial group such as the De Agostini group
- Prima Vera was established in 2000, having the scope of providing integrated technological services in the field of energy, biomedical, public lighting, sanitation systems and facility management
 - Established TPV, 50-50% Joint-Venture with the Tadiran Group
- Awarded, together with Tadiran, all clusters (2+1) in the tender for Implementation of Energy Efficiency Measures in the Governmental Medical Centers (Barzilai, Wolfson, Assaf Harofé, Ichilov, Sheeba, Hillel Yaffè, Rambam, Bnei Zion, Naharya, Poria, Ziv-Zfat)

Energy sale

➤ Israel: excluded (Europe normally included, UK/USA excluded)

Weak points:

- low turnover
- complicated lending procedures (highly capital intensive)
- lower competition
- Improvement on service seldom considered

Strong points:

- isolate energy efficiency effect (especially products/new technologies)
- avoid energy price change risk, important in the long run (not necessarily complicated adjustment mechanism)

Measurement and consultants

➤ Israel: IPMVP protocol with simple procedures, measurement costs and tools included, supervision by a third party i.e. Econoler (less crucial when energy sale included)

Weak points:

- Strong focus on products (option b) and not on insulations
- No quality control on measurement tools
- Long negotiations with consultants and little in-house/practical knowledge on critical issue

Strong points:

- Strong know-how in the critical initial phase
- Well known international protocol

Maintenance

➤ Israel: run by medical center's staff (Europe: often part of the contract, UK: depends)

Weak points:

- Lower investments (risk avoidance)
- Higher control cost by ESCO
- Lower know how in maintenance
- No energy efficiency in this phase

Strong points:

- Personnel easier to involve (possible also if employed by ESCO)
- Strong know how on existing machinery
- No need for special agreements between 2 maintenance staff in systems only partially modified by ESCO

Central Purchase Unit vs. hospitals

➤ Israel: tender organised and run by Ministries, and contracts signed by medical centers (Europe: often CPUs, but not necessarily)

Weak points:

- Difficult involvement especially for richer and larger medical centers/regions and more complicated relationship
- Two level negotiations (hospitals, CPUs)
- Discrepancies between initial project and execution
- Medical center needs overlooked

Strong points:

- High level tendering process
- Lower risk for corruption/grey process

Products (and services)

➤ Israel: practically only products

Weak points:

- Lower investments and turnover
- Difficult upgrade on control system
- Weaker stress on training

Strong points:

- Service efficiency difficult to measure
- Lower know-how/investment needed

Length

➤ Israel: very long – 17 years (Europe, normally under 10 years)

Weak points:

- Stronger risk of changes in price/working conditions (wars etc.)
- Less involvement by staff not participating at the first phase

Strong points:

- Investments on technologies with longer ROI/new technologies
- ESCO to be used also for smaller/new efficiency measures
- Higher overall turnover and easier banking access
- Easier to involve top-tier ESCO companies and increase local know-how