



## Energy Contracting / Lighting as a Service

A number of schools have contracted a third party to supply energy measures (commonly lighting) in schools, with zero capital cost. The school would be required to make a regular payment to this supplier (supported by energy savings) rather than making the investment themselves. Sometimes described as 'lighting as a service', there are a number of suppliers who offer this (including energy suppliers) with a variety of contract structures. This can range from a simple lease arrangement (i.e. a fixed fee per annum over 10 years) to a 'pay as you save' arrangement (i.e. the school pays a % of demonstrated savings for a number of years).

These contract structures may be beneficial for the school as they do not have to find the funding to deliver the projects, but schools should be cautious of the contract conditions and understand what they will ultimately pay for the project, which will normally be more than if they paid upfront. Schools also need to understand what happens if there are any issues with the installed systems during the contract term.

The school should ensure that the existing lighting running costs and the hours of lighting use detailed in the proposal are accurate and not assumed or guessed, as an under or over estimate of these factors can distort the paybacks grossly. Remember the lights may not even be on all the time during the schools timetabled hours.

The School should also ensure that the lighting service provider confirms and demonstrates that the proposed light fittings comply with the Departments TGD 033 with regard to quality, specification and light performance.

Please contact SEAI at [publicsector@seai.ie](mailto:publicsector@seai.ie) for advice if you are considering this type of arrangement.