

## **IMPLEMENTATION OF THE EU PROJECT FOR ENHANCING ENERGY EFFICIENCY OF „BI VILLAGE” HOLIDAY CENTRE IN FAŽANA BY INVESTING IN RENEWABLE ENERGY SOURCES**

The company INDUSTRIAL PROJECTS d.o.o. from Fažana applied to the **Public Call of the Ministry of Environment and Energy “Increasing energy efficiency and use of renewable energy sources in the service sector (tourism, trade)”**, code **KK.04.1.2.01** in the month of September 2018 with a project that aims to increase the energy efficiency of the Bi Village holiday centre by investing in renewable energy sources.

**The company INDUSTRIAL PROJECTS d.o.o., established in 1994**, decided to apply with a project aimed at reducing the high consumption of existing energy sources in the holiday centre and increasing the energy efficiency of the centre, since the last construction investment made in 2004 did not fully take into account energy efficiency measures and the use of renewable energy sources.

The project application has passed all the stages of evaluation and in February of this year a Grant Agreement was signed between INDUSTRIAL PROJECTS doo, the **Ministry of Environment and Energy as the Intermediate Body level 1 and the Environmental protection and energy efficiency Fund as the Intermediate Body level 2**, i.e. **4,633,876.79 kuna were granted** to increase the energy efficiency of the holiday centre. The Managing Authority for the Operational Program Competitiveness and Cohesion 2014-2020 is the Ministry of Regional Development and EU Funds.

The “Bi Village” holiday centre consists of a campsite, tourist apartments, mobile homes, villas and rooms, toilets, hospitality and other facilities. The holiday centre has a capacity of **1,682 accommodation units or approximately 6,000 guests**. The company that manages the resort is in **100% ownership by the Italian company Biasuzzi S.p.A.** established to develop tourism and new projects in the tourism segment. With the establishment of the company, a greenfield investment project was initiated in the Municipality of Fažana. By virtue of this project, the Bi Village holiday centre was built in several stages of development, and was fully realized in 2004. The holiday centre opened in 2000 and **in 2013 was proclaimed the best tourist resort by the Ministry of Tourism**. The centre is active on average during the season, from March to October.

The **overall objective of the project** is to increase the energy efficiency of the tourism service sector in the Municipality of Fažana in the Istria County. The **specific objectives of the project** are the following: reducing the consumption of delivered energy in the holiday centre in the Municipality of Fažana by investing in measures of renewable energy sources, increasing the quality of the guests’ stay in the holiday centre, promoting energy efficiency and renewable energy sources in the Municipality of Fažana and Istria, and reducing CO2 emissions in the tourism service sector in the Municipality of Fažana.

The **target group of the project** is, first of all, Industrial projects d.o.o. and guests staying in the holiday centre, while the end user is the tourism sector in the Istria County and the local community.

Shortcomings in the existing holiday centre’s business occur in the form of more energy needed for its operation, which results in high operational costs, which goes in favour of justifying the investment in question and the need to increase the holiday centre's energy efficiency by

investing in renewable energy sources. **The energy requirements for the operation of the “Bi Village” holiday centre are 1,804,834.23 kWh per year** (of which 1,079,561.13 kWh relates to electricity consumption while 725,273 kWh relates to liquefied petroleum gas). The project will solve the problem of high energy sources consumption in the centre, namely high electricity consumption in apartments, high consumption of liquefied petroleum gas for heating the water in the toilet facilities and high consumption of air conditioners in apartments equipped with two bathrooms and currently consuming considerable amount of hot water. This way, the project will reduce the amount of energy from the distribution network (electricity) and energy supplied from conventional energy sources. The delivered energy after the implementation of the project will amount to 838.723,13 kWh, and as a result the annual CO<sub>2</sub> emission will be reduced by 232.12 t/year.

The project consists of a total of four (4) project activities – project and administration management, publicity and visibility, expert supervision of works and **investment in renewable energy and high-efficiency cogeneration**, which is the central part of the project. In order to ensure the unobstructed work of the holiday centre and extra security, the installation of equipment and all the works will be performed during the off-season period and before the start of the 2020 season, in accordance with the main energy efficiency improvement project of the holiday centre (electrical and mechanical engineering project) by **Zaštita inženjering konzalting d.o.o.** from Rovinj. In accordance with the Regulation on Simple Buildings, it was not necessary to obtain a building permitting to install the equipment and perform the works, instead it was necessary to obtain the electrical approval from HEP.

Investments are made in regard of activity I 55.30 - Campsites and camping areas that represents the main activity and also activity I 55.10 Hotels and similar accommodation, since one of the subjects of investment are also the tourist apartments. The project is fully aligned with priority axis 4, i.e. the specific objective of SC 4b2 **“Increasing energy efficiency and use of renewable energy sources in the service sector (tourism, trade)” of the Operational Program Competitiveness and Cohesion 2014-2020**. In addition, the project is in line with the “Program for overall development of the Municipality of Fažana”.

The project develops the following plans:

**Installation of photovoltaic systems** - 4 photovoltaic systems (production of electricity from solar energy) at the reception, administration, pizzeria and restaurant facilities for the needs of the holiday centre and installation of 100 photovoltaic systems on 100 apartments

**Installation of hybrid photovoltaic systems (high efficiency cogeneration)** - 94 hybrid photovoltaic systems (production of electricity from solar energy and at the same time thermal energy for sanitary water heating) on 96 apartments

**Installation of solar collectors** - 160 solar collectors (production of thermal energy for sanitary water heating) on 5 toilet facilities

**Construction of 1 access ramp for people with reduced mobility** on the “beach room”, which will ensure accessibility for people with special needs

The following activities are planned within the **project’s publicity and visibility activities**: redesign of the “Bi Village” website and translation of the redesigned website to English, Italian and German language, development and implementation of google adwords campaign and Facebook campaign for a period of 6 months, publication of 2 articles in local media, production of 2 panels to ensure the visibility of the project, production and placement of 3 jumbo posters and production and printing of 10,000 brochures with English translation. In addition to

ensuring **visibility of the EU project, further promotion of the energy efficiency and renewable energy** will be granted through planned publicity and visibility activities.

The implementation of the project will achieve the following results: the amount of **renewable energy** used in the holiday centre **will increase in relation to the total energy consumption** by 966.111,00 kWh and the delivered energy in the holiday centre will be reduced by **53.53%**. The implementation of the project will have a wider impact: it will contribute to the local community through **reduced CO2 emissions by 232.12 t/year** compared to the current situation, it will have a positive effect on mitigating the potential negative effects on human health, environment and climate, it will increase the quality of the guests' staying in the holiday centre and it will promote energy efficiency and renewable energy sources in the Municipality of Fažana and Istria.

The procurement for external project management service was carried out and the most favourable offer was from **Eurokonzalting d.o.o. from Pula**, which is in charge of managing the project activities throughout the implementation of the project. In addition to the consulting company, the technical manager will also be involved in the implementation of the project. Also, the procurement for the publicity and visibility service was carried out during the implementation of the project, and the company **Mijena d.o.o. from Pula** was selected. At the moment, the preparation of the Tender documentation for the procurement of equipment for increasing the energy efficiency of the holiday centre and the execution of works is currently in the final stage and is planned to be publicly announced during the month of September of the current year. At the same time with the procurement for the contractor, the procurement for expert supervision during the execution of the works will be carried out.

In conclusion, the implementation of granted investments from the European Union will enable a more efficient use of resources, reduction of CO2 emissions and lower operating costs of the company, which will result in the devolution of part of the funds to the maintenance of the infrastructure itself, new investments in tourism activities such as investments in additional facilities, new accommodation units and infrastructure and financing of other company costs, which ensures the **sustainability of the project for a period of at least 5 years after the completion of the project.**

**The transfer of project results** is expected to reflect on the employees of the holiday centre who will improve energy efficiency awareness and increase the capacity of managing EU projects, which will enable further investments in post-project activities and the submission of new projects to upcoming tenders, especially in the field of energy efficiency. Thanks to the existing marketing activities of the holiday centre promoted as energy efficient and environmentally friendly and thanks to the promotion and visibility activities achieved within the EU project, the transfer of the results is expected to show on the guests' staying in the holiday centre. Additionally, due to Italian ownership by Biasuzzi S.p.A, the transfer of results is expected in Italy. Since Industrial projects d.o.o. appears on average at 14 international fairs, it is expected that in the tourism sector the results transfer to other EU Member States.

**The most significant transfer of project results is expected in the area of the Municipality of Fažana and the Istria County due to the increase of the energy efficiency of the holiday centre and the reduction of CO2 emissions in the local area, but also at the level of the Republic of Croatia, given the relevant status of the energy efficient holiday centre "Bi Village" as one of the leaders in quality in the tourism sector in the Republic of Croatia.**

**The expected project implementation time is 11 months, until May 31, 2020.**

**The total value of the project is 6,551,430.26 kuna.**

**The total eligible cost of the project is 6,474,830.26 kuna.**

**The granted funding amounts to 4,633,876.79 kuna (71.57% of the eligible costs).**

**The project is co-financed by the European Union from the European Regional Development Fund under the Operational Program Competitiveness and Cohesion.**

*The content of this article is the sole responsibility of INDUSTRIAL PROJECTS d.o.o.*

