

The Current State of the Energy Services Company (ESCO) Industry in the United Kingdom and Its Implications to Taiwan

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To accelerate the green financing capacity in the United Kingdom, improve energy efficiency, and reduce greenhouse gas emissions, the UK launched the "Clean Growth Strategy" (CGS) in 2017. This strategy aims to support the development of new clean technologies, provide green mortgage loan products, and assist in improving energy efficiency across sectors to achieve goals of energy efficiency enhancement. Under the guidance of CGS, the UK Department for Business, Energy and Industrial Strategy (BEIS) initiated the "Promoting Energy Efficiency Competitions for Small and Medium-sized Enterprises" (BASEE) program in 2019, aimed at subsidizing companies with emerging energy efficiency business models and helping small and medium-sized enterprises adopt new energy efficiency solutions. This article will explore the details of one of the award-winning projects, "ESCO-in-a-box."

The ESCO market in the United Kingdom is primarily focused on the public sector, including schools, hospitals, and municipal buildings. In terms of contracts, the main types of contracts in the UK ESCO market include "Guaranteed Energy Performance Contracts" and "Shared Energy Performance Contracts." Currently, there are approximately 165 ESCO providers in the UK, encompassing various specialized areas, including energy efficiency, renewable energy, and energy-efficient lighting, among others.

The UK government has implemented a series of policies and initiatives aimed at energy efficiency, including setting carbon budgets and legal requirements to achieve net-zero emissions by 2050. Additionally, they have promoted the widespread adoption of smart meters, guided sustainable product procurement practices, and regulated the responsibilities of energy companies to reduce energy consumption. All of these measures are designed to enhance energy efficiency in the UK and reduce greenhouse gas emissions.

To further promote energy efficiency, the United Kingdom launched the "Promoting Energy Efficiency Competitions for Small and Medium-sized Enterprises" (BASEE) program in 2019. The program's goal is to assist emerging energy efficiency companies and expand new energy efficiency solutions for small and medium-sized enterprises (SMEs). The "ESCO-in-a-box" project, as part of BASEE, received approximately £1.1 million in grants and had two main outcomes: the collaborative establishment of new ESCO companies and the development of an all-in-one "ESCO-in-a-box" operational system. This project helps drive local energy savings and reduce carbon emissions, encourages local contractors to participate in energy efficiency and carbon reduction opportunities, increases the involvement of local businesses and communities in energy efficiency and carbon reduction projects, and aids local governments in achieving local energy efficiency and carbon reduction goals.

The UK's experience provides valuable insights for Taiwan and other countries in the areas of energy efficiency and carbon reduction. Consideration can be given to introducing similar business models to assist small and medium-sized enterprises (SMEs) in adopting energy efficiency solutions. Furthermore, exploring the establishment of qualified contractor frameworks and providing financing service models are also options worth considering to support greater business participation in energy efficiency projects.

In summary, the energy efficiency policies in the UK and the "ESCO-in-a-box" project offer valuable experiences that can serve as references and inspirations for other countries' efforts in energy efficiency. These measures contribute to achieving energy efficiency goals while reducing greenhouse gas emissions, thereby aiding in addressing the challenges posed by climate change.

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