

Leuven: Enabling Energy Renovation through ESCO Procurement

NET ZERO CITIES

EU MISSION PLATFORM | CLIMATE NEUTRAL AND SMART CITIES

Executive snapshot



Leuven is accelerating the renovation of public and semi-public buildings to support its pathway toward climate neutrality. Many building owners – including schools, care centres, offices and municipal facilities – face challenges navigating the complex procurement processes needed to deliver large-scale energy renovations.

With support from the City Expert Support Facility, support was identified to develop a practical guideline for procuring an Energy Service Company (ESCO) through a Service and Energy Performance Contract (SEPC). The guideline helps building owners determine whether this model is suitable and provides a step-by-step framework to launch a public procurement process with confidence.

Over a 12-week collaboration, experts conducted research, consulted stakeholders and tested the guidance with local actors before finalising the document. The result is an accessible tool that supports organisations in initiating performance-based renovation projects, helping unlock energy efficiency improvements across Leuven's building stock.

By enabling more structured procurement of energy renovation services, this initiative contributes to Leuven's broader climate neutrality ambitions while providing a replicable model for other cities seeking to accelerate building decarbonisation





Knowledge Report

THE CHALLENGE

Renovating public and semi-public buildings is essential for cities working toward climate neutrality. Buildings represent a significant share of urban energy consumption, yet many organisations face barriers when planning large-scale renovation programmes.

In Leuven, building owners such as schools, care centres, municipal facilities and offices must comply with non-residential energy performance requirements. However, launching complex renovation projects can be challenging due to limited technical capacity, uncertainty around financing models and unfamiliarity with procurement processes.

Energy Service Companies (ESCOs) and Service and Energy Performance Contracts (SEPCs) offer a potential solution. These models allow energy renovations to be delivered through performance-based contracts, where energy savings are linked to the investment and repayment structure. However, stakeholders often lack practical guidance on how to determine whether this approach is suitable and how to procure such services effectively.

THE APPROACH

Experts from Sweco supported Leuven in developing a clear and practical guideline for public procurement of ESCO services using SEPC contracts.

The initiative focused on three main objectives:

- Provide a clear explanation of what SEPC contracts involve and their potential benefits and limitations
- Support building owners in assessing whether an ESCO-based renovation approach is suitable

Offer step-by-step guidance for launching a public procurement procedure for ESCO services

Output

The initiative produced key deliverable:

- Guideline template for public tendering and procurement process for energy renovations in Dutch and English

The guideline is designed to be accessible and practical, enabling building owners to navigate procurement processes and initiate energy renovation projects using performance-based contracting.



THE IMPACT

In the short term, the project has created a practical decision-making and procurement tool for organisations responsible for non-residential buildings in Leuven.

By clarifying the ESCO procurement process and outlining key steps, the guideline helps reduce uncertainty for building owners and supports the launch of performance-based renovation projects.

In the longer term, the tool has the potential to:

- Accelerate renovation of public and semi-public buildings
- Improve energy efficiency across Leuven's building stock
- Support the city's broader climate neutrality strategy

Because the guideline is structured and replicable, it may also support other cities exploring ESCO-based renovation programmes.

WANT TO KNOW MORE?

Learn more about [Leuven](#)

Check the [Guideline template](#)

Still got questions? Ask us:
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KNOWLEDGE SHARING

Several insights emerged from the initiative:

Practical guidance is essential. Stakeholders often understand the concept of energy performance contracting but lack practical tools to implement it.

Stakeholder engagement improves usability. Testing the guideline with stakeholders helped ensure it addresses real challenges faced by building owners.

Clear explanations reduce perceived risk. Providing transparent explanations of ESCO models and procurement processes can help organisations feel more confident initiating renovation projects.

NEXT STEPS

Leuven and its partners can build on this work by:

- Promoting the guideline among public and semi-public building owners
- Supporting pilot ESCO renovation projects
- Sharing lessons with other cities pursuing building decarbonisation

By strengthening the capacity of local stakeholders to procure energy renovation services, Leuven is taking an important step toward delivering climate-neutral buildings.