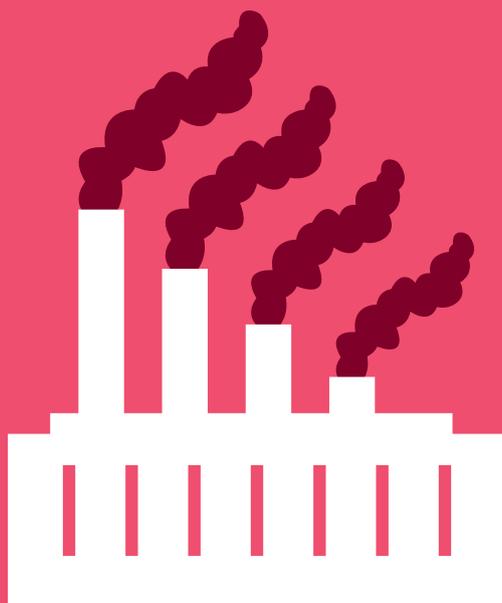


Greener growth? *Know how.*

With funding from Germany, we helped Yug-Energoservice, an energy provider from Russia, reduce their greenhouse gas emissions.



Energy producer, Russia

We helped Yug-Energoservice, a supplier of thermal energy to the city of Yekaterinburg, develop a plan to change their business model and reduce their greenhouse gas emissions. They've already invested €75,000 in co-generation installation, upgrading their steam boilers and network pumps, which will reduce emissions by over 20% – the equivalent of 7,500 tonnes of CO2.

Privatised in the early 1990s, Yug-Energoservice was bought in 2003 by Mr Felix Zakrzhevsky, its present owner. The company supplies thermal energy (steam) to a nearby textile factory and hot water to a municipal district heating and hot water network company, supplying approximately 12,500 inhabitants.

Yug-Energoservice faced challenges in the regulated industry, as prices and profit margins were set by a municipal authority. Part of what they were looking for was ways in which they could adapt their business model to move in new directions.

We connected the company with Mr Robin Drewett, an international



Steam pipes at Yug-Energoservice. The company provides thermal energy to 12,500 inhabitants.

adviser from the United Kingdom, specialised in energy efficiency solutions for the manufacturing sector. Working closely with the company's management, the adviser:

- Analysed the operating data to establish how effectively gas and electricity were converted into hot water and steam, and the company's direct and indirect CO2 emissions
- Proposed replacing the existing boilers and network pumps with more energy efficient models
- Proposed a new approach to generating hot water and electricity together, through a combined heat and power plant to increase profitability
- Worked with the selected supplier on the scenarios for investment in the new plant, including differing generation capacity, plant location and integration with the local energy network.

After completion of the project, the company has started implementing the recommendations, investing €75,000. In particular, they are exploring the huge potential that expanding into cogeneration can bring. By generating both heat and electricity, Yug-Energoservice can sell the excess electricity, adding an estimated 30-60% to their profit margin. They are currently discussing the construction of the new facility.

www.ebrd.com/knowhow

Turnover

+36%

Green investments

€75,000

Reduction in emissions

20%

Reduction in annual
CO2 emissions

7,500 tonnes

Total project value

€54,785

