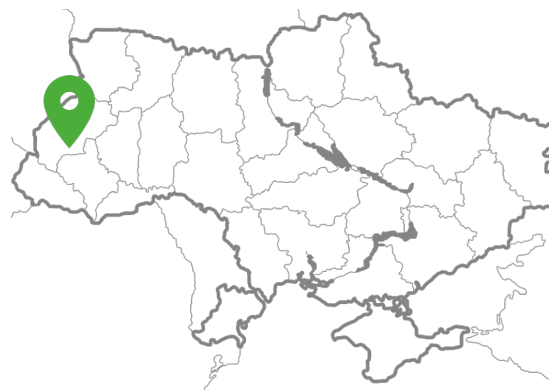


Morshyn Urban Territorial Community of Lviv Region

General information about the community.

The Morshyn Territorial Community is located in the foothills of the Carpathians, at the border of Lviv and Ivano-Frankivsk regions. It is known for its unique Morshyn mineral water and is a leader in Ukraine's therapeutic and wellness services market. The lands of the Morshyn Community hold great potential for the development of the resort industry, featuring available plots being prepared for auction. The local authorities are updating the master plan and working on the community's development strategy, drawing from their experience in securing funding from various sources.



Area: 122.2 km². **Population:** 14,388 (as of 2021).

✓ General information about the project.

Project overview and goal: construction of a solar power plant (SPP) on the roof of the Morshyn Municipal Hospital. The project involves entering into an energy service contract (ESCO) to install the SPP on building (A-5) of the gastroenterology department of the Morshyn Municipal Hospital. The installation aims to enhance the facility's energy independence and reduce electricity costs.

Project location: Lviv Region, Stryi District, 50 UPA Anniversary St., 20.

Investment model: ESCO mechanism.

Project status: design and estimate documentation is being developed for two hospital buildings. Thermal modernization of the buildings is planned using loan funds.

★ Project parameters and required investments.

Expected project implementation period: 6 months.

Key parameters of the potential project (capacity, area, equipment, etc.):

- Solar power plant (SPP) capacity: 23 kW.
- Average electricity consumption in 2019 and 2021, kWh: 227,061.
- Current tariff, UAH/kWh: UAH 8.73 (€0.20).
- Planned SPP capacity: 23 kW.
- Expected annual generation: 23,897 kWh.
- Potential electricity savings as a percentage of baseline: 11%.
- Fixed percentage of annual savings allocated to the investor: 90%.
- Annual reduction in electricity costs: €5,353.
- Annual cash flow from savings (payment to the investor): €4,814.
- Total investments: €16,907.

- Investment cost increase due to inflation over the period from tender submission to capital investment (9-month period, CPI-2022): €1,141.
- Tax burden on ESCO activities: €3,979.
- Total investor expenses over the contract period: €27,690.
- Expected contract term considering inflation indexing (annual inflation rate of 12%): 6.5 years.
- Contract term: 10 years.

Payback period: payback considering indexing and inflation (annual inflation rate of 12%): 6.5 years.

Total project cost: €48,000.

Co-financing amount/community contribution. The community is ready to provide support during project implementation.

Guarantees the community can provide to potential investors: Access to resources (e.g., assistance with grid connection) and legal guarantees (agreements).

! **Project impact on the community.**

Project benefits: the project will benefit 14,000 community residents as well as 5,000 internally displaced persons. The SPP will help provide the hospital with a stable energy source and reduce costs. This initiative contributes to the growth of the local economy and represents a sustainable environmental solution.

Contact information:

Maria Vihak - Senior Specialist and Energy Manager of the Department of Economic Development and Infrastructure of the Morshyn Territorial Community.

✉ Email: economikamorshin@gmail.com

☎ Phone: +38 097 739 2561.

