



Project EIE-06-189 ClearSupport

**Clearinghouse Facilitation:
Paving Way for Better Energy Building Performance
in Europe**

PSF Continuation

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In coordination with partners of the ClearSupport project

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Table of Contents

1	Introduction	3
2	Results speak their own language	4
2.1	Crete	4
2.2	Czech Republic	4
2.3	Lithuania	5
2.4	Latvia.....	7
2.5	Poland.....	7
3	Recommendations for other European country/regions	9

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1 Introduction

This report is a result of the work conducted as a part of work package 6 of the project “Clearinghouse Facilitation - Paving the Way for Better Energy Building Performance in EU Less Developed Regions. The project acronym is ClearSupport and the project is based on the EC’s intentions for establishing a clearinghouse for promotion of small and medium scale sustainability energy projects as stated in the EU Green Paper on Energy Efficiency. The technology focus is on RUE in building measures.

WP6 is dedicated to establish and operate Project Service Facilities (PSF’s) in Latvia, Lithuania, Northern Poland and Crete.

Latvia, Lithuania, Poland, Czech Republic and Crete have now a PSF’s in place. Slovenia is participating as observer. The role of each PSF is to provide practical assistance to project owners on project identification, documentation and financing. Project owners include housing associations, municipalities and building project developers having the possibility to implement increased rational use of energy in larger building stocks.

The overall aim of this report is to present why and how the established PSF’s will be able to continue running and why and how new PSF’s is established throughout Europe

2 Results speak their own language

During the duration of the ClearSupport project the PSF have accomplished more than the project set out to do, both in terms of project identification as well as actual renovation project implementation. The accomplishments are presented in the *D 1.3 Assessment of the Impact* as part of this project and will not be dealt with in more detail here.

During the implementation a number of lessons learned on operating a PSF have been compiled. These experiences and lessons learned are being shortly presented below.

2.1 Crete

Lessons learnt

The main lessons which have been learnt during the operation of the PSF are:

- There is a need for a holistic approach to the support in projects related with energy saving in buildings.
- There is a lack of supporting mechanisms to those types of projects and there are many project owners who need those services in Crete.
- There is a need of broad information about the necessity of energy saving in buildings and the availability of cost effective technologies to obtain that.

Perspectives of the performed activities

The performed activities from the PSF in Crete will accelerate the implementation of small scale projects in energy saving in buildings. As the services of the PSF are disseminating in the local society, more project owners are asking support of them. Therefore the prospects for continuing the PSF services in Crete are positive and hopefully next year a local consulting company will be created to offer these services. Since the new legislative framework in Greece is changing to comply with the EU directive 91/2002 probably from the beginning of 2010, the energy inspection in buildings will be obligatory. This fact will create more opportunities and demand for supporting services in this type of projects.

2.2 Czech Republic

Lessons learnt

In the Czech Republic there are almost no measures, which would directly focus on the support of the EES. However, there are a number of policy measures that enhance introduction of energy saving investments, and thus support also EES.

As measures directly stimulating demand for EES were identified requirements for energy performance of the new buildings and buildings with major renovation.

In addition there are a number of measures, which stimulate indirectly both demand and supply of EES by improving the economy of the energy saving measures. These measures mean higher profit for the ESCOs and at the same time better conditions for the property managers.

Such measures include:

- possibility to combine the EES with the energy saving subsidies
- tax exemptions for the energy efficiency measures
- all measures increasing the energy prices (excise taxes on the energy products, emission charges and support of the electricity from RES)

Indirectly stimulation of the demand for EES is brought by activities increasing the awareness of the possible energy efficiency improvements that is requirement to conduct energy audits, energy labelling of the buildings and promotion campaigns.

Measures indirectly restricting the application of EES are the limits set on the debt service by the municipalities discouraging municipalities to take loans.

Perspectives of the performed activities

In the Czech Republic there is still great demand on thermo-modernization investments in housing and public buildings sector; however, financial sources available on the market are rather limited.

There is a need for development of new forms of financing for thermo-modernization investments, such as energy service models, combining subsidies on energy efficient measures with other financial sources, etc.

There is also demand on marketing and promotion of tools supporting thermo-modernization as financial, economical, technological and environmental issues.

PSF services can drive the mutual leverage all or the most of accessing tools – legal support, funding, technical and economical feasible ES measures – to get the best solution for individual as well as for general aspects of projects.

2.3 Lithuania

Lessons learnt

- ✓ In Lithuania the State supports building RUE retrofitting of two target groups: public buildings and residential Apartment buildings. Supporting mechanisms for single family house energy efficiency projects not exists at all.

- ✓ The financing of public buildings RUE retrofitting pursue directly using European Structural Funds resources.
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- ✓ Since end of 2004 the State supports Apartment building thermo-modernization projects subsidizing part of retrofitting costs and providing project owners with State guarantee for commercial bank credit.
- ✓ Despite the state support, Apartment Buildings thermo-modernization progress is too low. Right after launching of Apartment Building Modernization Programme, the main reason was low activity of apartment owners. Later, when State increase subsidy from 30% up to 50% of retrofitting cost and activity of apartment owners immediately increased, the State temporally stopped the Programme due to lack of financing. It is expected that Programme will be launched again by end 2009.
- ✓ To accelerate initiating and implementing residential and public building RUE retrofitting projects the demand of alternatives to existing support mechanisms still exists. For instance, it could be ESCO model. Of course, it needs creation of relevant legislative base and regulatory framework.
- ✓ All kind of consultancy and documentation service of building RUE retrofitting still remains at great demand.
- ✓ To accelerate implementation of RUE in building projects, further continuation of PSF activities should be linked to following tasks:
 - developing of new retrofitting support mechanisms benefiting the relevant experience of PSF partners
 - providing consultancy service to project owners
 - seeking for retrofitting projects financing sources alternative to existing today

Perspectives of the performed activities

It can be estimated that only 2,5 – 3% of total amount of block apartment buildings to be refurbished in Lithuania completed RUE retrofitting for the time being. Thus PSF consultancy services on building RUE retrofitting both technical and financing issues remains in great demand.

Consultancy services for residential target group. Usually residential project owners are not very good specialists of building RUE retrofitting technologies and need proper consultations today and will need in future. The PSF will continue with initiation of RUE in building projects further assisting Project Owners in projects identification and documentation (Energy Audit,

Investment project, etc.) in parallel consulting Project Owners on RUE in building measures details and projects financing options.

Consultancy services for Municipalities. Financing of retrofitting of Public buildings is provided from EU Structural funds today. But this financing will be sufficient only for some part of buildings. Consequently, later Municipalities will need others RUE retrofitting financing options.

Adopting of ESCO concept to retrofitting of public buildings in Lithuania could be the right one. PSF should focus its activities on this direction participating in developing such financing model and further provide Municipalities with consultancy and documentation service contracting ESCO companies for retrofitting of public buildings.

2.4 Latvia

Lessons learnt

Participation in ClearSupport Project was very good practice and very good possibilities for experience and information exchange between all Project participants. It gave us possibilities to organize information about the situation in other EU countries for our main stakeholders - Ministry of Economy, Ministry of Environment, Riga Energy Agency, different Latvian towns' municipalities, etc. It was also good basement for information activities for project developers and projects owners.

Participation in the ClearSupport project was the main driver for the 24 realized and proposed energy efficiency projects.

Perspectives of the performed activities

PSF Latvia experience could be used in the further energy efficiency projects.

Information materials which were collected in three years are available.

Representatives of PSF could give advice in energy efficiency projects on the different aspects of project realisation.

2.5 Poland

Lessons learnt

Reflection on what are the main lessons learnt (of broad interest) Since 2006, when the project started, several factors influencing investors' decisions concerning RUE and RES in buildings have changed. 20x20x20 targets have been accepted (in Poland the target for RES in 2020 is 15%). Operational Programmes, enhancing RUE and RES measures) have been implemented both at the national and regional levels. The requirements for

thermomodernisation credits admittance have been changed. The system of energy certificates is being implemented. All the measures listed above would not be possible without serious changes in legislation concerning supporting funds, public orders and public assistance. This process is still ongoing, some regulations still need to be changed, other need to be corrected. This situation prolongs decision making process. Economic crisis also increases insecurity.

PSF creation and existence of a unit supporting local self-governments and investors in proper preparation of projects seem to be a proper response to market needs. In order to ensure effective activity of PSF staff training was needed- new standards have been introduced, new computational programmes have appeared, new procedures of application for supportive fund have been accepted as well as new guidelines for environmental impact assessment of the planned enterprises and economic feasibility determination have been introduced. Due to interactions between project partners PSF staff was able to acknowledge new, innovative financing mechanisms that do not exist in Poland yet, e.g. revolving fund and ESCO, being widely practised in other countries.

Perspectives of the performed activities

In the nearest future the following measures will be implemented in Poland:

- Energy Efficiency Act
- System of “White certificates”
- National Action Plan for Energy Efficiency

PSF Pomerania shall follow the actions indicated by the above documents. PSF shouldn't limit its activity to the scope established so far, but continuously improve and update, in order to tackle new tasks in the best possible manner.

3 Recommendations for other European country/regions

Based on energy saving potential already identified in *D4.1 Assessment of saving potential* it is clear that there is a need and an potential to identify and implement energy saving renovation project in EU in general.

The PSF has turned out to be a instrument to accomplish actual energy saving and is therefore recommendable to use as a concept in other countries as well in order to support reaching the 20-20-20 gold of the EU.

Crete

The recommendations for other EU regions which consider similar approach are

1. It is important that the supporting mechanism will have a holistic approach to this type of projects.
2. It is also important that a broad dissemination of the offered services and good examples should be made.
3. Due to current economical crisis it is important to pay more attention to the financial aspects of those projects.

Czech Republic

Experiences from the Czech Republic could be very useful for other EU countries, mainly for new EU members. There is quite high number of energy efficient projects, which are supported from several programmes. Main support is from Operational Programme of Environment. The basement of the programme financial source is from Structural Funds. Significant contribution from the Czech Republic is developed energy services market mainly in the field of Energy Performance Contracting providing.

Highest contribution from the Czech Republic is from combining subsidies on energy efficient measures with EPC project realization.

At the other hand continuation of PSF activity in the Czech Republic is not presumable in the form, which was expected by the ClearSupport project. Voluntary group of experts which would assist at the project preparation and realization need financial support, which is hardly counted in the project costs. Therefore next similar activity of PSF would be substitute by activity of business activity of SEVEN or other analogous consultancy companies

Nevertheless the experiences of the Czech activity during project period are only positive and our recommendation is to continue the PSF activity in other countries in the form, which is useful and acceptable for that countries.

Lithuania

Some of estimations, findings or technical solutions concerning buildings RUE retrofitting used in Lithuania and described in PSF Newsletters could be interesting for stakeholders/institutions in other European regions, for instance:

- implementing of individual heat substations in every apartment of residential apartment panel house supplied from District Heating System
- evaluation of technical-economic impact of switching to individual Natural Gas heating by one or few apartments of panel multi-apartment building to performance of District Heating System and multi-apartment building heating system

Latvia

PSF could be organized in other countries, for example EU candidate countries. PSF could be effective reinforcements for energy efficiency projects.

Poland

According to PSF Pomerania, units offering complex assistance in investment realisation are worth promotion and imitation. One should not neglect the need of continuous education of the staff.

Participation in international consortiums and IEE projects allows knowledge Exchange- one may meet systems and mechanisms existing in other countries.

European Network

The ClearSupport project has proved to show that it would provide high value with a set-up of locally anchored PSFs operating in a European Network as a driving force in initiating, developing and documenting projects, and in this context linking projects with proper financing mechanisms. The PSFs should be designed to support the various stakeholders along the process of planning and developing RUE projects in buildings.

ClearSupport has indicated that the role of the PSFs would vary from country to country. Thus, when setting up the PSF the needed capacity and capability to support stakeholders along the project cycle must be carefully assessed in relation to local conditions.

Stakeholders along the value chain include: Local governments, regulators, project owners, financing institutions, end-users, different kind of project service providers (engineers, architects, ESCOs, constructors, installers etc.).

The PSF could e.g. be envisaged to have a role in relation to:

- Project identification
- Project initiation
- Support to the further steps along the project cycle, including lining projects with financing schemes
- Analysis of project feedback

Assistance can be provided to new or already on-going projects.

Further the PSF will work closely with financing institutions and local authorities to improve framework conditions for EE projects, a.o. in relation to experience gathered from the projects.

The PSF would first of all have a role as a facilitator supporting project owners to identify and initiate projects and put them in contact with potential financing institutions. The initial contact may be derived from information workshops, awareness campaigns, training and short consultations. The further contact may include initial project analysis and assistance towards establishing a financial set-up in relation to available financing sources.

However, the PSF should not necessarily possess capacity to support projects in all phases, which would require very big resources and further distort the market for project services. Particularly in the implementation phase the role of the PSF should be expected to be minimal.

Many service providers already exist in the market and are in a position to deliver many of the required project services (ESCOs, energy auditors, engineering companies, architects, institutes etc.). Possibly more capacity is needed in the market.

The PSF could have an essential role towards ensuring that market players are mobilised towards the huge amount of EE projects and that projects are developed and documented in accordance with the requirements of the financing institutions. Some projects may be defined and initiated by project service providers, but could still be coordinated with and supported by the PSF structure.

As to the feedback from projects the PSF could have a role in relation to summarize lessons learned from the projects, including impacts of measures. This should be done to facilitate exchange of know-how and experience between projects as well as supporting identification of shortcomings and needs in the current framework conditions. The diagrammatic way of designing an appropriate framework for future PSF services could be illustrated as follows:

- Network Cooperation (European Supporting Structure):**
- Overall coordination, including EU policy input
 - General strategic support
 - Cross country support tools
 - Expert network
 - Exchange of know-how and experience
 - Cross country summaries
 - European Statistics

- Regional/Local PSF Structure :**
- Regional/Local coordination
 - Project identification
 - Local strategic support
 - Locally adapted supporting tools
 - Grant administration (if available for project preparation)
 - Project statistics and summaries
 - Feed back to the European supporting structure (statistics, best practise, evaluation)
 - Exchange of know-how and experience

- Project service providers:**
(market players: ESCOs, engineering companies etc.)
- Project identification and documentation
 - Project implementation
 - Feed-back to the PSF (evaluation, statistics, proactive efforts etc.)

