

URBENERGY

Improving energy efficiency in urban functional areas

**Preliminary project outline
for the RE-BLOCK Partnership**

Budapest, February 2015

Background

As a continuation of the ambitious work towards the 20-20-20 targets, in October 2014 the European Council approved the 2030 Framework for Climate and Energy¹. The Council highlights the importance of demand-side management and ensuring security both for households and businesses. Indeed, a bottom-up approach is of key-importance while formulating energy policies and local authorities are those playing a key-role in this process, being able to give place-based responses to the deriving challenges². Still, many of Europe's local/regional actors are struggling to develop targeted, implementation- oriented policies addressing holistically the climate-related challenges they are facing. Innovative stakeholder involvement measures are emerging, but they are not taken up at a significant scale. Local/regional authorities fail to find their role in coordinating and planning these processes: the implementation of new solutions is not targeted enough, related measures are often incidental and fragmented. For instance, not all relevant stakeholders are approached and their conflicting interests are not tackled; stakeholders are targeted in a one- size fits all/uniformed way instead of using tailor- made solutions.

Therefore the main direction of the project would be to modify the functioning of companies, and thinking of consumers and municipalities regarding their use of energy. In order to reach a personalized method, diverse measures are needed reflecting to all kinds of users. Taking it into consideration the transfer of knowledge and joint testing of methods will be focussed on the following **themes**:

- 1.) *advisory and encouragement of SMEs on energy consumption reduction*
- 2.) *enhanced interaction and trust- building between energy suppliers and consumers*
- 3.) *energy consultation targeting households*

¹ The paper calls for the reduction of GHG with at least 40% and the raising of RES in the energy share for 27%.
http://ec.europa.eu/energy/2030_en.htm

² For instance, cities have a particularly high potential for energy optimisation, already representing the two-thirds of global energy consumption in 2006 and that number is expected to rise to almost three-quarters by the year 2030.
<http://www.energybiz.com/article/13/12/smart-cities-systems-approach-sustainable-future>

Objectives

Overall objective: To make more energy efficient the energy use of households, companies and municipalities.

Specific objectives:

- Create new jobs by making efforts to increase energy efficiency: there is need for better knowledge transfer regarding smart energy use in individual and company level as well. Regarding companies the whole system should be established using green energy sources, and energy saving methods. It can be results of managerial decisions, derived from an overall energy strategy of the company. Besides the institutional measures, the individual employees also should be trained for smarter use of energy, which can be part of human resource development in close connection with energy related measures. These kinds of measures require human capacities which mean that further jobs could be established. Households also need for better knowledge transfer regarding daily energy use. Generally people are not aware of easily adoptable methods which can reduce energy consumption, resulting in significant cost saving. To establish a strategy and institutional background to reach people and achieve this goal, require human and institutional capacities.
- Awareness raising of people: A fundamental aim of the project should be to widen the knowledge of people about energy saving and energy use. People should be aware of the fact that reduced energy consumption does not mean reduced comfort of living, but consequently will result in lower energy costs. These information create base for changed thinking of energy regarding daily life methods.
- Build trust and cooperative relation between consumers and energy suppliers: In order to be effective the supply and demand side should know each other's preferences. Better information towards the consumers can help to build confidence in the energy industry while feedbacks from users can make more tailor-made the energy supply.

Expected outputs and results

Outputs

- Regional energy analyses revealing the possibilities and obstacles.
- Collection of existing good practices regarding energy policy
- Action plan detailing the regional strategies
- Policy recommendations to decisions makers

Results

- Reduced energy use in companies
- Reduced energy consumption in households generating energy cost saving
- Better communication between the supply and demand side
- More jobs offering socially and environmentally responsible work
- Increased energy awareness of people

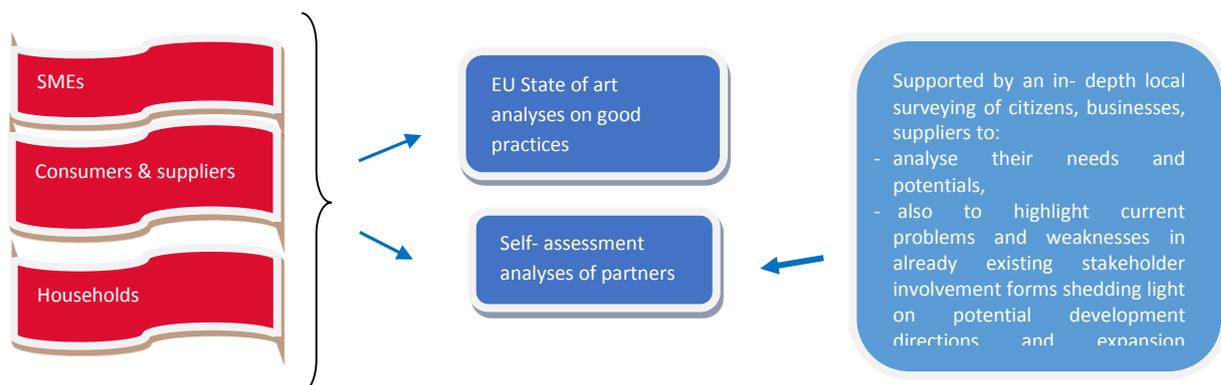
Methodology and main actions

1st phase: Scanning

- Data collection in all the target groups regarding quantity of energy consumption:
 - suppliers
 - consumers
 - business sector
 - municipalities etc.
- Scanning the already existing energy saving methods
- Collecting information about the possibilities and obstacles regarding better energy use and methods in the different target groups

2nd Phase: Analyses

- Analyse the public use of data on energy consumption
- Analyse the existing methods to reduce energy consumption
- Analyse existing energy networks in cities and their functioning



3rd phase: Exchange of information: Continuous knowledge exchange between regions supported by expert institutes, supplemented by transnational high-level policy dialogue. After have collected and analysed all the relevant information in the partner regions, an active knowledge sharing should be promoted. This knowledge transfer could be organized in two levels:

- between partner regions/countries: sharing the similarities and distinctions

- between households, companies/business sector and suppliers.

4th phase: Strategy planning

- Based on the information and analyses, the regional strategy should include:
 - a technical toolkit for users and owners for single houses and for neighbourhoods
 - training material for households and companies
 - cooperation plan with companies regarding their energy strategy
 - plan to use taxation to reduce energy consumption (taxation is not using as punishment, though)
- Coherent communication plan is necessary to ensure the efficient information sharing:
 - Communication towards the households (regular trainings, transfer of information)
 - Communication between the suppliers and consumers

5th phase: Recommendations: in order to influence effectively the decision making process political recommendations should be done. These recommendations are built on the experiences of the previous steps and the knowledge sharing between the partner regions.

Funding programmes

INTERREG EUROPE Programme

To reinforce the effectiveness of cohesion policy, the INTERREG EUROPE programme promotes exchange of experience on thematic objectives among regional and local authorities and other actors of regional relevance on the identification and dissemination of good practice with a view to its transfer principally to operational programmes under the Investment for Growth and Jobs goal. INTERREG EUROPE projects will have two phases:

- Phase 1 is dedicated to the exchange of policy experience and to preparing the implementation of lessons learnt via producing an Action Plan.
- Phase 2 is dedicated to the monitoring by each partner region of the implementation of their Action Plan. The actual implementation of these actions is not funded by INTERREG EUROPE.

For the present project idea, the most adequate Priority Axis of the programme is nr. 3: 'Low Carbon Economy' aiming at promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures. Within this, Specific Objective 3.1. targeting to '*improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, addressing the transition to a low-carbon economy*' is suitable for funding the project idea.

URBACT III

URBACT is a programme focusing on cities and urban functional areas, highlighting the fact that the majority of the Union's population lives in urban areas thus the EU should reflect to these specific conditions. From environmental point of view cities are producers of many carbon emissions, for example, through housing, industry and transport. Yet they are also the place in which efforts take place to drive forward carbon reduction, through new technologies and service innovation.

Cities are providers or facilitators of the main services that their inhabitants need: water, energy, housing, transport, culture, health, green and urban spaces, etc... To tackle these challenges, the city needs a holistic approach bringing together economic opportunity, multimodal mobility, energy efficiency and renewability, quality of the natural and built environment This requires coordinated policies for urban renewal and control of urban sprawl.

URBACT III will be programmed under “enhancing institutional capacity and efficient public administration” (TO11), but with a focus of other thematic objectives as well. In case of this project idea the most relevant objectives are the following:

- supporting the shift towards a low-carbon economy in all sectors (TO4)
- protecting the environment and promoting resource efficiency (TO6)
- promoting climate change adaptation, risk prevention and management (TO5)
- promoting sustainable transport and removing bottlenecks in key network infrastructures (TO7)

Partnership

Geographically the INTERREG EUROPE Programme is extended to all countries and regions of the EU, resulting that none of the Re-Block partners will be excluded based on geographic considerations. Consequently the project builds on the existing partnership of the previous project, further partners interested in energy issues can be involved.

1. **Local authorities** of two dimensions: less successful ones and frontrunners in the project topic; (Partners from Re-block project: Gelsenkirchen, Rome, Budapest, Södertälje)
2. While forming partnership special attention to be made on the fact that the implementation of action plans will not be funded by the INTERREG EUROPE Programme, but has to be financed from Structural Funds (or other) resources.
3. **Knowledge provider** and policy making partners (playing a crucial role in the thematic and policy support for local authorities);
4. In order to support the in- depth surveying of stakeholders in the mapping phase, and also the monitoring of the implementation of the action plans, the involvement of **Statistical Offices or other research institutes** having solid knowledge in the field is recommended.

As the main objective is to upgrade local/regional energy action plans, the engagement of the **Covenant of Mayors** is also suggested. As the Covenant is a movement rather than an organisation, its direct participation in the project is less probable. However, their participation at least as an observer/supporter should be possible.

Further, **international/European organisations** are recommended to be involved either as partners or as supporters/observers. These organisations could strongly contribute to the wide uptake and replicability of the project. E.g. ICLEI Europe- Association of Local Governments for Sustainability, <http://www.iclei-europe.org/>.

Previous EU projects and initiatives to build on

Cities Action for Sustainable Housing - CASH

The URBACT project CASH set out to help reduce the energy consumption of buildings and their occupants. Over three years, CASH's 11 partners focused on improving the energy efficiency of social and affordable housing, proposing new solutions and promoting new policies for sustainable renovation. They also aimed to influence users' behaviour through citizens' involvement.

Improve regional policies for bio-energy and territorial development - BIO-EN-AREA

The BIO-EN-AREA is an INTERREG project aimed at exchanging and transferring experiences in order to increase the capacities of EU regions to favour and optimize the use of bio-energy. The whole project's activities are dedicated to this objective, focusing on the elaboration of Regional BAPs.

IMAGINE Low Energy Cities

IMAGINE INTERREG project aims at contributing to the understanding of local governance, while focusing on local stakeholder dialogue and the local co-construction process of a long-term vision of the energy future of a city. The outputs of this participative process will then be integrated in the LA's policies and action plans. It is intended to capitalise on existing local activities in order to evaluate and exchange experiences to get a better understanding of governance mechanisms.