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## POLICY BRIEF - FOCUS ON LOCAL AND REGIONAL RENOVATION STRATEGIES

The project PUBLNEF – Supporting Public Authorities for Implementing Energy Efficiency Policies funded by Horizon 2020 – assists public authorities in effective implementation of sustainable energy policies across different administrative levels with use of pre-existing best practices and tools. After a research phase of the project during which the comprehensive analysis of good cases and needs regarding the energy efficiency policies was performed, project partners started to implement specific roadmaps in their countries engaging national, regional, and local public bodies.

The roadmaps are enhancing the capacity of public authorities to actually implement energy efficiency pathways towards sustainability. Starting from the national objectives and policies, the emphasis is put on local and regional level authorities and actors materializing these policies into concrete actions. The specific roadmaps gear towards improving the design, implementation and/or functioning of specific elements of the existing energy efficiency frameworks that require attention (based on the assessments of their needs). These roadmaps will support the existing policy framework and strategic plans that require a “push” in the right direction.

The main focus of this policy brief is on the PUBLNEF policy roadmaps that aim at stimulating energy efficiency renovations in the building sector, thus contributing to achieving the national, regional, and local energy efficiency targets established in strategy documents e.g. Energy Efficiency Action Plans.



# 1 STATE OF PLAY OF RENOVATION IN EUROPE

Energy consumption is rising again in EU after a long period of decline. Eurostat figures released in February show an increase in 2015 that continued through 2016. The EU is currently not on track to reach its energy efficiency target for 2020. Furthermore, its greenhouse gas emissions registered their first increase since 2010 in 2015, rising by 0,6%.

The pace for renovation of public and private buildings in the EU is also not fast enough to deliver on the EU's long-term climate and energy targets and its commitments under the Paris Agreement. While public authorities recognise the urgency to act, a PUBLNEF analysis shows that local, regional and national authorities still face significant barriers to unlock their full renovation potential. The main barriers include notably insufficient access to funding, lack of qualified staff and difficulties in mobilizing all stakeholders for renovation projects in private and public buildings.

The EU is slowly taking action to achieve a turnaround and boost renovation in Europe. On 19 December 2017, in the framework of the EU Clean Energy Package that will define the EU's climate and energy legislation for the next decade, the European Commission, the Council and the EU Parliament reached an agreement in the trilogue on the revision of the Energy Performance for Buildings Directive (EPBD). The main measures agreed upon were:

- ✓ Creating a clear path towards a low and zero emission building stock in the EU by 2050 underpinned by national roadmaps to decarbonise buildings.
- ✓ Encouraging the use of ICT and smart technologies to ensure buildings operate efficiently for example by introducing automation and control systems.
- ✓ Supporting the roll-out of the infrastructure for e-mobility in all buildings
- ✓ Introducing a "smartness indicator" which will

measure the buildings' capacity to use new technologies and electronic systems to optimise its operation and grid interaction

- ✓ Integrating long term building renovation strategies.
- ✓ Mobilising public and private financing and investment (e.g. Smart Finance for Smart Buildings initiative
- ✓ Combatting energy poverty and reducing household energy bill by renovating older buildings

The next key EU policy that will determine the future of renovation policies in Europe will be the revision of the EU budget (MFF) for the period 2021-2027. The EU Commission will publish its legislative proposal for the MFF future on the 2nd of May 2018, and it couldn't come at a better time. As the Commission's High-Level Expert Group on Sustainable Finance recently reported, "nearly three-quarters of the EU's 2030 clean energy investment gap is accounted for by energy efficiency in buildings. This gap, which stands around €130 billion per year, is also geographically concentrated in Central and Eastern European Member States."

Hence, there is a clear need for the next EU budget post-2020 to earmark sufficient funding for renovation of buildings in Europe, and increase training opportunities to build technical, financial and social capacity of public authorities' staff to develop bankable renovation projects that can mobilize all stakeholders. The PUBLNEF roadmaps examples in this brief provide an illustration a potential way forward on how public authorities can unlock their full renovation potential.

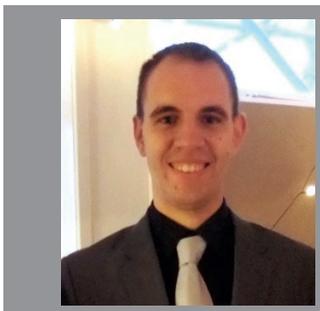
## 2 GETTING YOUR RENOVATION STRATEGY RIGHT – FEEDBACK FROM LOCAL AND REGIONAL ENERGY EXPERTS

The development and implementation of the PUBLnEf energy efficiency policy roadmaps lead the local and regional energy experts to work closely with the public authorities. Their feedback and the key messages presented below are invaluable contributions to the debates around the “Clean Energy for All Europeans” package and the “Multiannual Financial Framework post-2020”.

### The Netherlands, JIN Climate and Sustainability

#### Energy savings communication via real estate agents and mortgage advisors

Interviewee: Erwin Hofman



The Municipality of Midden-Drenthe (the Netherlands) has a clear ambition to become energy neutral and to reduce the emissions of greenhouse gases. To achieve this ambitious objective, an action plan is being developed including programmes aimed at their citizens. One of these programmes focuses mainly on

energy savings. Through this programme, the municipality tries to increase the awareness among local homeowners on what they can do by themselves to make their houses more energy-efficient. As a part of this programme the municipality offered a free ‘energy scan’ and in some cases ‘energy advice’. Although this municipality is relatively small, with about 33,300 citizens, the real challenge for the local administration was to reach out to the local homeowners.

There are only 2-3 people working on sustainability and energy in the municipal administration, so it is very difficult, time-consuming, and costly for the administration to carry out direct communication activities. Through the roadmap, it is aimed to support the municipality in implementing effective communication that is not costly, and may be easily replicated later in municipalities with similar problems. We suppose that the lack of capacity is a problem not only in small municipalities but also in bigger ones, where the administration has the task to influence much bigger population.

**How can the municipality communicate in an efficient way, that is not too costly?**

*The municipality aims to communicate to their citizens on energy savings issues via real estate agents. These agents*

*are in contact with home owners during ‘natural moments’ (i.e. when people sell or buy a house or plan a large-scale renovation), as at these moments energy savings measures could be added to the plans. The neighbouring municipality of Emmen (also in Drenthe province) carried out a pilot programme on involving real estate agents in 2017. The real estate agents provide home-buyers with information on the possibilities of increasing energy efficiency in the buildings. They also hand out a brochure and a special voucher valued at 250 euro for an energy scan or energy advice. Similarly to Emmen, the municipality of Midden-Drenthe decided to focus their efforts on local and regional real estate agents as communication intermediaries. The authors of the idea were convinced that the real estate agents are ideal for promoting energy saving actions during doing their job – when they assist their clients in selling or buying their houses.*



**It seems to be perfect solution for local governments. What is the approach of the real estate agents to this idea? Was it easy to convince them of this idea?**

*After a few meetings and interviews with real estate agents, it appeared that this solution is not as perfect as expected. This was also a key result of the pilot programme in Emmen. Unfortunately, real estate agents have insufficient incentives for linking the role of ‘energy efficiency advisor’ with their role as a house seller. “Who wants to buy a house that needs to be renovated in order to be more energy-efficient?”. They would prefer not to mention it. That is why we decided to shift a bit the target group of our roadmap. We are going to focus more on mortgage advisors. This target group may have more of an incentive to inform home buyers about energy savings measures and how this influences their monthly costs. Also, mortgage advisors are often involved in situations of large-scale renovations. It seems to be better solution as there should be no conflict of interest of mortgage brokers when they act as financial advisors and at the same time provide good advice on possibilities of savings in the longer term by reducing energy use in their building.*

## What actions do you foresee during the roadmap implementation?

We have carried out some meetings with the representatives of the municipality to work out the most efficient process of communication. Afterwards we have interviewed some real estate agents. We planned to organise the workshop for them to learn what information they should provide and how they should inform also about other options of their buildings energy efficiency increase. Now, as we are shifting more towards financial advisors, we will attend the national 2018 SEH conference of certified mortgage advisors, to discuss the matter with this target group.

### France - IAU IDF-département Énergie et Climat ARENE Renovation of Public Buildings in Île-de-France

Interviewee: Marie-Laure Falque Masset



Île-de-France is a highly urbanised region with aging, energy-inefficient public buildings and housing stock (more than a million private households are in Class E, F or G). The potential for energy savings is considerable however renovations are not happening at a high enough speed due to multiple well documented barriers such as: low or inadequate budgets mostly in

local communities, and difficulties to identify and to access funding or contracting; lack of time dedicated to these issues, associated with administrative and socio-cultural issues; lack of awareness of elected officials on these issues; weak participation and support of technical and financial institution and more broadly the lack of permanent structures specialised in energy efficiency; lack of knowledge and strategies for public real estate.

## How will the PUBLENEf roadmap in Île-de-France tackle these key barriers to the implementation of renovation strategies?

To remedy the situation, the PUBLENEf Roadmap in Île-de-France undertakes a threefold approach that could ultimately lead to an uptake of renovation:

- ✓ Train and inform on the new technical and financial solutions, to spread good practices and to raise the awareness of elected officials, support structures and local communities. This action is mainly implemented through capacity building workshops targeted to elected people and capacity building workshops targeted to technicians;
- ✓ Support the Île-de-France Regional Council in the

development of the new regional energy efficiency action plan and the implementation of the national sustainable building plan;

- ✓ Implement pilot energy projects and support the development of local clusters (involving local authorities and companies) through project management, identification of financial opportunities and stakeholder mobilisation for 4 municipalities: Ermont, Eaubonne, St Gratien, Enghien-les-Bains. The municipalities agreed to work together on the definition and implementation of their energy management and renovation strategies.

## What do public authorities need from European policies and programmes in order to stimulate more investments in renovation?

There is a proven track record that EU level objectives may trigger the prioritisation of energy efficiency investments in national and regional political agendas. Ambitious long-term goals and enabling financial programmes can accelerate the implementation of renovation strategies.

Awareness and simplification of EU's financial programmes also must become the operative words! EU's financial programmes and instruments available for implementing energy efficiency strategies continue to be unknown or inaccessible to most local authorities. The application procedures to ESI funds or EU's research and investment programmes remain prohibitive for local projects.

## Is the communication regarding energy efficiency the problem?

The narrative in favour of energy efficiency investments needs to be clarified in regards to their role and multiple benefits in the overall energy transition. The "energy efficiency first" principle is a step in the right direction that needs to be backed by enabling financial programmes for local and regional authorities.

## Aggregation of smaller projects is often presented as the solution for up-scaling investments in energy efficiency. What do we need to make this happen?

There is a clear need of permanent specialised structures providing advisory services to local and regional authorities who wish to implement energy efficiency strategies. The EU's financial support towards the integration of local and regional home renovation services is a positive approach that needs to be increased and multiplied. These services are crucial in order to undertake the aggregation of smaller projects and achieve more ambitious targets. However, while large renovation projects are more profitable, the search for scale must not be detrimental to the implementation of smaller projects which as well contribute to the decarbonisation of Europe's buildings.

# 3 GET INSPIRED – BEST PRACTICES FROM THE PUBLENEF LIBRARY

## (GP2) NEWLIGHT: A POTENTIAL SOLUTION FOR UP-SCALING INVESTMENTS IN ENERGY EFFICIENCY AND RENEWABLES

Implemented by: **North-West Croatia Regional Energy Agency – Croatia**



The NEWLIGHT Project was the first of its kind in Croatia. In the framework of art.5 of the EED and the Strategy of Energy Development of the Republic of Croatia, REGEA started public lighting reconstruction, using environmental-friendly luminaries in order to reduce light pollution. The project main objective is the modernisation of public lighting systems in

57 Croatian cities and municipalities based in Zagreb County and Krapina-Zagorje County. Energy efficiency measures under this project are aimed at replacing luminaries by more energy-efficient technologies such as LED and installation of the power control (dimming), with the potential to achieve energy and cost savings of 60%. Auxiliary operations such as reconstruction of lighting poles and replacement of power cables were also included. With these measures, REGEA expects to modernize around 34 000 lighting points, reduce energy consumption by 1.9 GWh and CO2 emissions by 5 000 tonnes, and develop an EPC/PPP market in Croatia and increase competitiveness of domestic ESCO providers.

## (GP37) THERMAL MODERNIZATION AND REFURBISHMENT FUND

Implemented by: **National Economy Bank (BGK) with the aid of housing cooperatives and housing communities – Poland**

The Thermal Modernization and Refurbishment Fund was created by the National Economy Bank. The Fund is a nationwide initiative



targeting housing cooperatives, housing communities, private individuals and local governments. Its main goal is providing financial aid for investors engaged in thermomodernization and renovation initiatives as well as providing financial indemnifications for residential building owners. The Fund offers three types of assistance, namely the thermomodernization incentive, the renovation incentive, and the indemnification incentive.

## (GP22) PUBLIC SECTOR ENERGY PROGRAMME

Implemented by: **Sustainable Energy Authority – Ireland**

In order to implement the European Union climate plan's objectives within its territory Ireland wished to set up a program to reduce the energy consumption in the public sector through measures supporting a responsible energy use. The aim is to provide innovative solutions for the implementation of projects that meet European objectives. The Program is included in Ireland's National Energy Efficiency Action Plan; it is managed in partnership with the energy agencies and the SEAI (Ireland's Sustainable Development and Energy Authority), which manages energy financing programs in Ireland. The program is built on four pillars: partnership, networking, project support and a bespoke online reporting system. This program



promotes energy management and best practices to over 325 public bodies and 3,700 schools in Ireland. It has been instrumental in helping public bodies work towards the Irish government's ambitious 33 % energy efficiency target for the public sector for 2020. The programme was shortlisted in 2016 at the EU Sustainable Energy Awards, one of only nine shortlisted from over 200 nominations Europe-wide. Through the programme, Ireland's public sector made €121 million savings and avoided 418,000 tonnes of CO2 emissions in 2014.

## ABOUT PUBLNEF

**PUBLNEF** is a 3-year (2016-2019) project funded by European Union's Horizon 2020 programme, aiming to assist EU Member States in implementing effective and efficient sustainable energy policies (with the focus on energy efficiency). The project helps to empower policy-makers to make use of best practices and policy processes implemented in other Member States at national, regional and local levels.

### Specific objectives of Publenef include:

- ✓ to **assess and learn** from existing energy efficiency policy implementation practices in EU countries, regions, and cities
- ✓ to **strengthen the networking opportunities** for relevant public agencies and
- ✓ to **develop and adjust tools** for public agencies to help them to implement energy efficiency policies.

### The results of Publenef are:

- ✓ to **identify the needs** from national, regional and local authorities for the implementation of EE policies,
- ✓ to **collect the best practices and tools** for overcoming these needs and replicate them to various MS, regions and municipal authorities,
- ✓ to **develop roadmaps** and enhance the process of successful implementation of policies,
- ✓ to build and **strengthen existing networks of policy makers** enabling the **knowledge exchange** from national to regional to local level in EE policy.



Publenef video:

JIN coordinates the PUBLNEF project, and collaborates with 12 partner organisations:

