



INTERREGIONAL COOPERATION FOR ENERGY TRANSITION

27 June 2018, Florence

Table of contents

1. Structure of the day	2
2. Why a “Challenge”?	3
3. Business Case presentations	5
4. Workshops	11
5. Conclusions	17

1. Structure of the day

The “**Interregional cooperation for energy transition**” day was organised in Florence on the 27th of June 2018 by the REBUS project, in cooperation with the VIOLET and SET-UP projects.

The event, designed by Resolvo Srl and supported by the European Institute for Innovation, was organised within the framework of Interreg Europe, the Programme that funds all the projects involved in the activities carried out throughout the day. The event brought together 80 attendees from 14 Interreg Europe projects grouping 98 partners. The total budget represented by the projects that participated in the event amounted to €22.765.259. Moreover, the event was organised among the Energy Days in the framework of the EU Sustainable Energy Week (EUSEW) 2018.

Participating projects shared an interest in improved policy for the multifaceted topic of energy transition in Europe. The aim of the event was to foster interregional cooperation and make it more concrete thanks to participative activities and a business-oriented approach.

Participants helped co-create the event. They first shared their challenges on energy transition, thus providing content for the final agenda of the day. During the event, both presenters and the audience were involved in a role-play game. At the beginning of the day, they received tools and information about their role... Keep reading to discover what the game was about!



Picture 1: Educatorio del Fuligno, Florence, Italy

2. Why a “Challenge”?

Over the years, Energy Transition has become a key priority at European level. Interreg Europe only has funded more than 40 project proposals in its Low Carbon Priority Axis.

Using this expression, experts refer to the shift from carbon fossil fuel towards renewable energy use. Such a process has an impact on all aspects of the economy and on everyday life. Let's just think of transportation, building sites, organisation of production processes, consumer choices.

Tackling this topic is one of the challenges that our policy makers have to face. The budget is limited and the aspects to be considered are many. What are the most effective measures to fund? How to direct funds to maximise positive impact?

Guided by the desire to make Interreg Europe exchange more concrete, the *Interregional Cooperation for Energy Transition* event was designed with a business-oriented approach in mind. In this framework, why not using tools designed for business, where the objective is to maximise the investment?

Suppose you are a funding organisation with budget to spend and priorities to identify in the field of Energy Transition. What better than asking your partners and stakeholders to present their approaches to get inspired by them? The role play of the Business Case competition organised in Florence was based on this concept.

In preparation for the event, all projects shared their challenges. The overall list is presented below:

Improve energy governance through a comprehensive approach, focusing on:

- Developing cross sector cooperation with other relevant sectors (natural resources, bioenergy, heritage, etc.);
- Identifying and accessing innovative funding methodologies, including both public and private investment;
- Improving cross-border, interregional and transnational approaches for energy transition;
- Improving SME competitiveness in the energy efficiency field.

Invest in wide-scale capacity building, focusing on:

- Increasing consumer awareness and empowering users;
- Improving consumer behaviour;
- Facilitating self-consumption;
- Strengthening the role of prosumers (those who consume and produce energy);

- Increasing social acceptance of bioenergy policies.

Increase the role of renewable energies and grids focusing on:

- Improving energy efficiency in private and public buildings;
- Reducing CO2 emissions in buildings thanks to renewables;
- Increasing energy storage measures;
- Reinforcing electricity system flexibility and the role of aggregators.

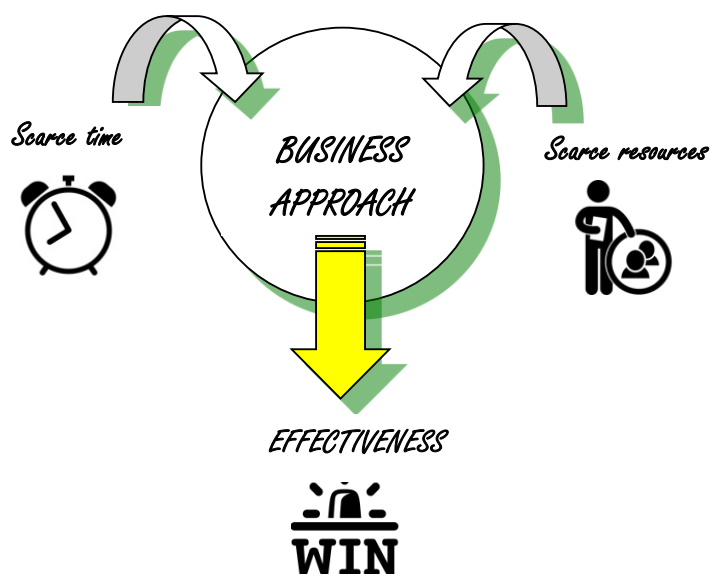
Each project has its own weaknesses and strengths and a different social, political and economic environment to face. However, in a few minutes, their Business Case had to clarify the significant project impact on energy transition policies.

14 Interreg Europe projects focusing on different aspects of the Energy Transition presented their approaches and tried to convince the audience to vote for them.

Challenges and future perspectives were introduced by **Olly Frankland**, who also moderated the Business Case competition.

The Business Case competition, detailed in Chapter 3, helped projects to define and present their value proposition. The Workshops, detailed in Chapter 4, supported participant in the analysis of the many factors to be considered to have a better chance to succeed (users, resources, external forces).

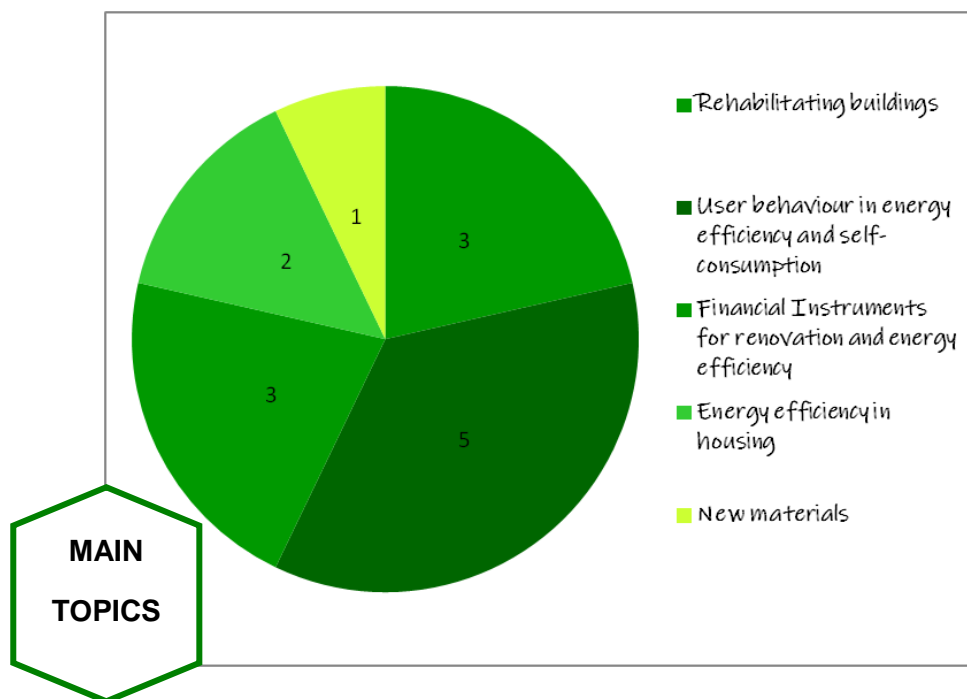
The objective was not to give a prize to the winner but to identify the best approach to support policy makers and stakeholders in the adoption of effective measures to move towards Energy Transition.



3. Business Case presentations

The Business Case competition was organised on the basis of the following assumptions:

- A European funding organisation has budget to finance actions related to the top priorities on energy for the next 10 years. The budget is limited and the challenges are many.
- The funding organisation has identified the list of macro challenges and sub challenges presented in Chapter 2 above.
- In order to narrow down the potential actions to be financed, this funding organisation is looking for ideas that are innovative, show track record and provide excellent solutions to policy makers. The funding organisation has invited the most interesting stakeholders (our Interreg Europe projects) to the table (at our Energy Transition event!) to listen to their proposals. The proposal should refer to at least two of the sub challenges above (chosen among the full list of sub challenges, even if they refer to two different macro challenges).
- Each Business Case presenter has to convince the EU funding organisation (represented by the audience) to give credit and money to their approach to energy transition. Their role is to use their Interreg Europe project to build a business case that convinces the audience that it is worth investing in their approach to energy transition.
- Each participant in the event is the EU funding organisation. Their role during the event is to take notes and vote the most convincing business cases.



The business case presentation was structured in **two rounds** in order to keep the audience attention and to stimulate debate during the whole day.

The aim of the competition was neither to present a form of report about ongoing project's activities nor a final demonstration of project's results. *The Interregional Cooperation for Energy Transition* was designed to challenge participants to be active players in a participative meeting able to stimulate the curiosity of the audience and increase the learning opportunities for all attendees.

The competition involved the following projects funded on the Interreg Europe Low-carbon economy axis:

BIO4ECO	Adriano Raddi
BUILD2LC	Carlos Serra
CLEAN	Ianire Renobales
EMPOWER	Bartosz Dubiński
ENERSELVES	Javier Ordóñez Muñoz
FINERPOL	Javier Ordóñez Muñoz
LOCARBO	Carla Pires
MOLOC	Aurelien Parsy
REBUS	Sergio Gatteschi
SET-UP	Sara Minisini
SOCIAL GREEN	Ryan Weber
SUPPORT	Karl-Ludwig Schibel
VIOLET	Luminita Mihailov
ZEROCO2	Tea Potočnik

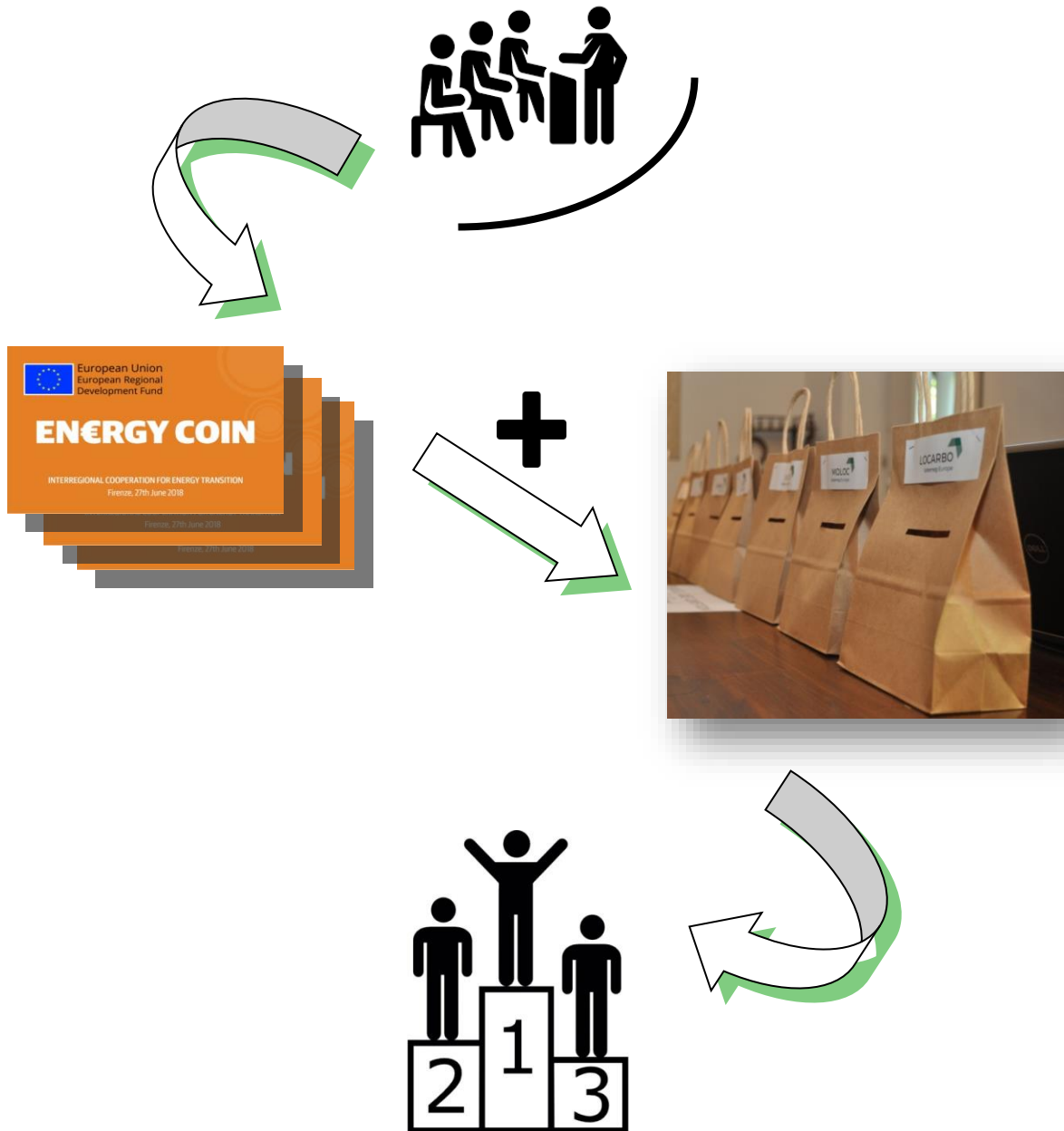
Each project had ten minutes to present their experience following a similar path in order to:

1. Stress the **unique selling proposition** of the project;
2. Show their **track record** using significant outstanding experiences discovered thanks to interregional learning;
3. Identify the **key players and stakeholders** involved in the project;
4. Clarify the reasons why the project's approach is **better** than **competitive / alternative approaches**;
5. Demonstrate the economic **sustainability and the benefit** of the approach **for European civil society**.

Participants used their Energy Coins to vote and select the winners:

MOLOC ranked first,

while REBUS and BUILD2LC ranked second and third.



Picture 2:
Cast your
vote!

W 1

MOLOC Project: “Smart energy management of public buildings: how to save energy with a shrinking budget”

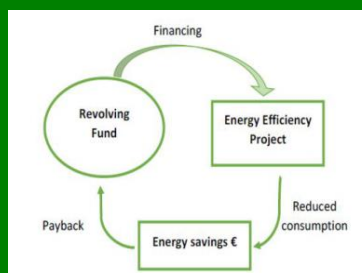
All the cities involved in the MOLOC project face common issues: continuous increase of energy costs since the 1990's, challenges related to the financing of green actions to reduce the impact of energy waste in public buildings and increased commitment towards the reduction of their GHG emissions.

To support them, MOLOC identified a three- step solution focusing on:

1. **Better energy management systems:** implementation of more accurate measurement equipment to better target potential savings and the development of management software.
2. **Training of «energy janitors»:** with day-to-day monitoring of consumptions and the promotion of «anti-waste» attitudes and «simple» useful actions to reduce energy consumption.

3. **Innovative funding methodology: the «interacting method»**

Thanks to a revolving fund, they set up a circular process able to finance energy efficiency projects.



THE KEY PLAYERS INVOLVED IN THE PROJECT

- BUILDING MANAGERS: involved as «janitors» inside the buildings to monitor energy consumptions;
- SUPERVISORS AT CITY LEVEL: intermediate link between political level and «janitors» inside the buildings;
- ELECTED REPRESENTATIVES: responsible to set important goals to reduce energy waste (Covenant of Mayors).

PROJECT'S STRENGTHS

The developed solutions are **not very expensive** to set up and bring **quick wins**. These are based on cross-level cooperation between actors, which make them responsible for the project's actions and guarantee **long-term implementation** of the solutions.

SUSTAINABILITY OF THE APPROACH

Implementation of long-term programmes and education of building users (pupils, parents, visitors of cultural centres...) trigger a durable change in strategies and behaviours. The whole society benefits from the achieved results in terms of better heating comfort in buildings and lower GHG emissions, which contribute to improving air quality.



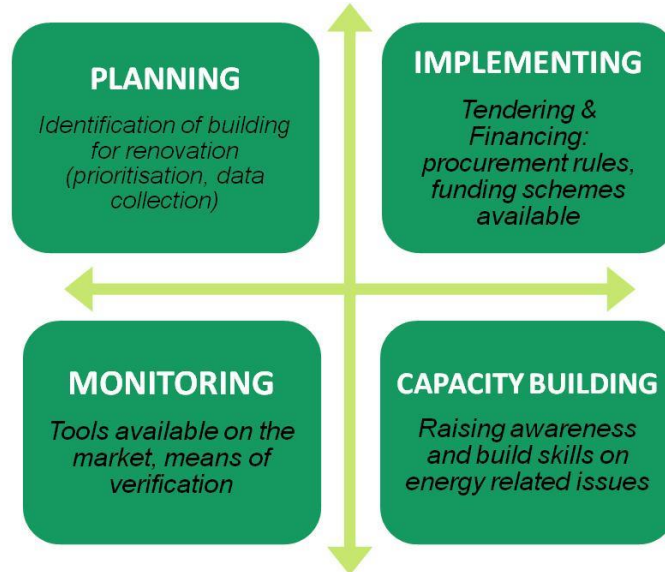
REBUS Project: Energy transition is not a puzzle

REBUS Project supports local authorities in designing an **Energy Renovation Path (ERP)** to plan, implement and monitor **renovation works in public buildings**, tackling the horizontal theme of **capacity building**.

REBUS uses interregional exchange on partners' experiences to help public authorities to improve the following aspects of their energy policy:

- ✓ raise **awareness** on potential savings/ efficient use of resources;
- ✓ collect feedback and stream line data on **energy efficiency needs** in the public buildings;
- ✓ use this feedback to **select buildings** for renovation;
- ✓ draft **tenders** for renovation works that include energy efficiency baselines, targets and monitoring measures;
- ✓ **manage** the buildings in a more efficient way after the energy renovation.

The four topics of the ERP



It provides local and regional authorities in charge of policy for energy efficiency with a **strategy and a set of concrete measures** that enable them to take **real steps** towards reaching energy targets.

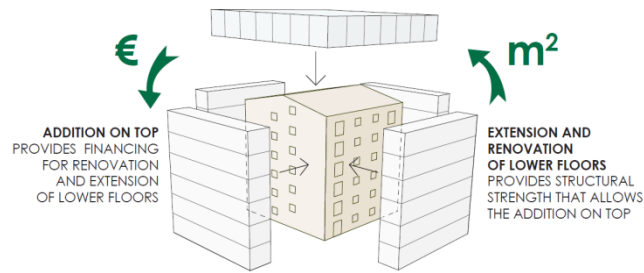
Effective improvements in energy efficiency renovation of public buildings can only be achieved if concerted actions are taken into account in the **programming agenda** of managing authorities.



BUILD2LC Project: - System Dominum -
Increasing energy efficiency in buildings by greatly enhancing
your home's value

Buildings are responsible for 40% of the EU final energy consumption. Instead of renovating the façades to improve the quality of existing walls and windows, BUILD2LC sustains the **building of new external envelopes**.

System Dominum proposes to **build a NEW modern envelope plus, when possible, an addition on top of the building**. This concept refers not only to energy rehabilitation in buildings, but also to an economically sustainable approach that might change the look of the most humble neighbourhoods all over Europe.



From the point of view of **municipalities**, applying the *System Dominum* concept could be better than increasing city surface. Often the available area is scarce, **and green areas should be kept** as green as they already are. Moreover, it focuses on **cheap dwellings and social housings**, precisely the buildings that are harder to renovate.

Pilot projects are needed to show that this is doable. Pioneering municipalities, such as Ljubljana, have a plan to direct their own local funds for such renovations. In case external financial support is needed, the request is backed up by the higher value of the property.



Picture 3:
Award
ceremony

4. Workshops

The Business Case competition helped participants to define and present the value proposition of each project. In addition, during the Energy Transition Day, **three workshops** on **external forces**, **user commitment** and on the **mobilisation of key resources** were organised.

Everyone was assigned to a colour group for the entire day and, in rotation, everyone participated in the three workshops facilitated by moderators.

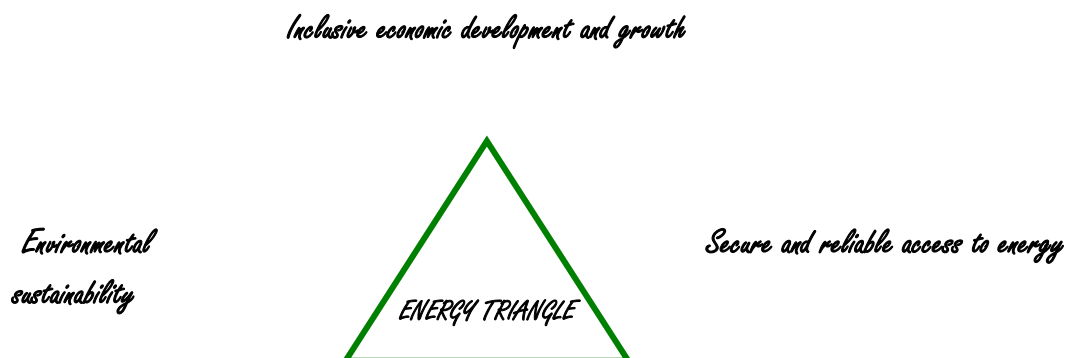
At the end of the day, just before the award ceremony, the workshop conclusions were shared by moderators in the plenary session to illustrate to the whole audience the key points highlighted by the different group participants during the workshop sessions.

These factors were analysed in the three workshops focusing on:

- analysing the users involved in the process;
- analysing the resources needed to make the vision a reality;
- analyse the external factors that will have an impact on the actions identified.

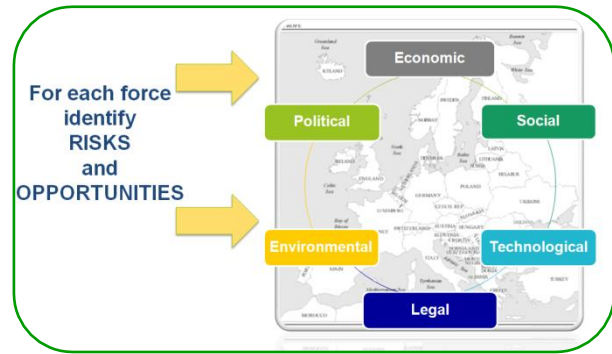
1st WORKSHOP – External forces // Moderated by Chris Ashe

The focus of the first workshop was on the analysis of external forces that could have a long term impact on the topic, identifying possible actions (feasible, sustainable, user oriented) in line with the imperatives of the energy triangle:



The external forces to be analysed are summarised by the **PESTLE** acronym: “Political, Economic, Social, Technological, Legal and Environmental”.

Trough the PESTLE visual analysis each participant had the possibility to define those risks and opportunities players that are more influent than others on the topic of energy transition to a low-carbon economy.



Discussion:

The main risks and opportunities identified for each force are summarised below.

(Political) On the one hand, government instability and the use and management of natural resources at national level are risky issues for the implementation of common norms and laws. On the other hand, politics and policies are important enablers for energy efficiency development and diffusion. The support given to the circular economy, the signature of the Paris agreement, the strict requirements about CSR and the financial procedures are just some relevant opportunities proposed by participants during the workshops.

(Environmental) From the environmental point of view more opportunities than risks were identified. Furthermore, risks are often the results of bad management of natural resources, while the opportunity for the whole society and economy could be the possibility to use and manage natural resources at local and regional level instead of at national one. The centralised management of natural resource often leads to negative externalities because of lower specificity. Another important opportunity identified is the effectiveness of environmental policies and management that could bring job creation: we are, in fact, facing a broad evolution of careers and jobs related to the environmental sector. Last but not the least, improved management of natural resources would bring better health care and wellbeing.

(Social) The main issues related to the social impact of energy efficiency implementation are data privacy, job creation, lower technical understanding, that, in some cases, entail a lower quality of life. From the social point of view, risks and opportunities bring controversial impact, often according to the relative perception of the individuals and the communities. In fact, energy efficiency can also reduce costs for users and for the whole economic system, implementing 4.0 techniques. Societies face products' cost reduction, increase of quality of living through simple behaviours' change. While some careers and jobs disappear because of energy transition, many others are arising and represent a great opportunity of employment for the European workforce.

(Technological) The main risks arising from the use of technology in energy efficiency are related to the hacking of data and the security of supply. At the same time, technology is one of the main drivers for energy efficiency effectiveness and implementation, allowing a better energy storage, the whole system

digitalisation, and the use of a strategic mix of resources thanks to the diffusion of the 4.0 artificial intelligence in energy sector.

(Legal) From the legal prospective, the main difficulty highlighted by participants was the integration of new technology processes in norms and codes. While changes in laws provide new opportunities in private and public sector, the laws have to be in line with technological evolution as much as possible. Furthermore, because of the coexistence of many legislative levels, people perceive the need of reducing the number of norms. However, the constant and rapid integration of new norms is absolutely necessary to sustain the energy transition process.

(Economic) The economic sector is affected by risks related to lower income for some jobs, and issues related to the traditional economic model. From the financial point of view, many initiatives and activities are strictly connected with banks and financial institutions. Such linkage represents a risk of credit dependence and generates higher credit crunch risk for energy efficiency activities and projects. Economic opportunities are numerous thanks to the creation of new innovative businesses, new jobs and new productive processes, the support to the circular economy system, the involvement of private investments, tax reduction and the possibility to access new incentives for end users.



Picture 4: External forces workshop

2nd WORKSHOP – User commitment // Moderated by Ian Bloomfield

The focus of the second workshop was on the **establishment of favourable conditions** for the energy system given by the involvement of users and stakeholders.

Each group had to identify and engage influential energy-sector champions across stakeholder groups, including government, the private sector and civil society.

Participants had to identify the champions, and the related list of DOs and DONTs, thanks to the guide of the moderator.

The main questions about the users and the stakeholders role in energy transition process were:



- What do users and stakeholders need?
- Why should they commit to energy transition?
- How do you engage with them?

Discussion:

Interreg Europe projects work with all governance level: European, national, regional and local. Specifically, the regional level allows direct communication with local authorities in order to involve communities interested in energy transition processes, with a significant impact on people's daily life.

Together with Public Authorities, other actors are involved in projects: e.g. enterprises and agencies from both the private and the public sector. Depending on the topic of the projects, users could even be schools, end consumers, families, workers, industrial organisations, etc. Each specific project has to identify the relevant network of people to be involved.

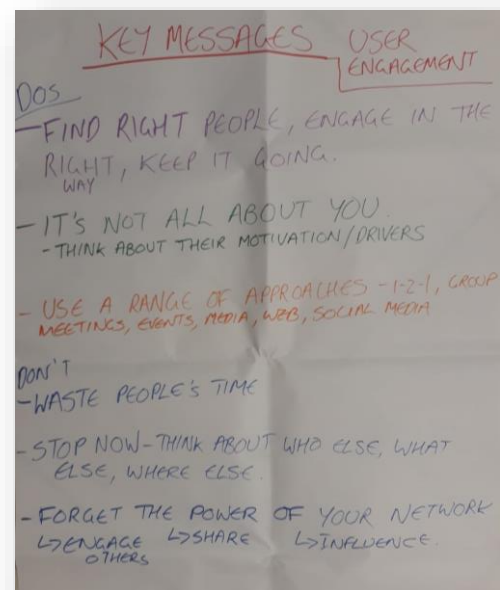
On the basis of the proposed actions to be carried out for the users' involvement, three key DOs and three key DON'Ts have been identified.

DOs:

- Select the right people and keep them engaged with active, responsible and concrete work and involvement.
- Try to understand motivations and objectives of actors, as this allows an effective involvement in the energy transition process. *"It's not all about you"* means to step in someone else's shoes to understand different points of view.
- Rise actors' interest in shared objectives through different approaches: "1 to 1" meetings, events, group meetings, correct use of media, web platforms and social networks.

DON'Ts

- Don't waste people's time: design actions and activities that can be well understood and implemented by the actors involved. Energy transition should be a common path and each one should understand the importance of it. If the designed actions and the identified actors are not working, it could be useful to engage different actors and design more inclusive activities.
- Stop thinking about *"who else, what else, where else"*; be concrete and think about what could be done here, now, with these disposable resources. Be effective and realistic.



Picture 5 User commitment workshop

- Forget the power of your existing network: engage others, share and influence. Energy transition needs to be supported by a wide range of actors and individuals. Best practices have to be shared and capacity building implementation has to become the key to achieve a more efficient use of energy.

3rd WORKSHOP – Mobilisation of key resources // Moderated by Katharina Krell

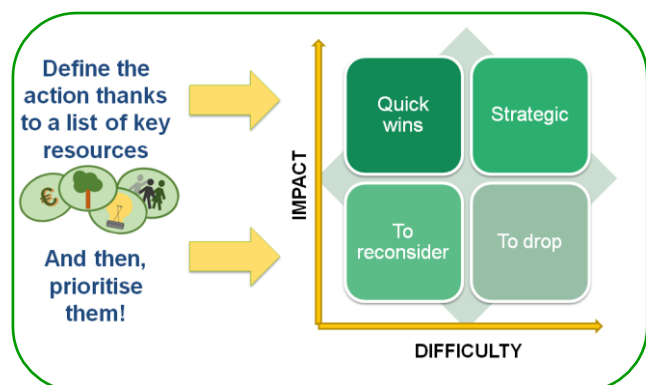
The focus of the third workshop was to ensure the mobilisation of the key resources needed, with a **synergistic view** in order to define actions that could lead to energy transition.

Participants discussed about:

- key activities to be carried out to turn current vision into reality;
- financial support (traditional, innovative and alternative financial methodologies and mechanism);
- stakeholders / key partners involvement (cross-sector approach) with whom activate collaborations.

After the definition of such activities the type of resources needed to implement the actions were identified.

Thanks to the guide of the moderator, the aim was to prioritise the actions and sort them in a matrix that analyses “quick wins, strategic actions, actions to be reconsidered, actions to drop”.



Discussion

After the individual identification of activities, some of them were regrouped by topic or by the methods used to implement them.

Each new activity was classified according to its impact and the difficulty to be implemented. The matrix used was a visual and logical tool that allowed organising the classification in 4 quadrants: high impact, low impact actions and high difficulty and low difficulty actions.

Activities with high difficulty and low impact level were not proposed. This type of actions are ineffective due to the excessive use of resources. Almost all participants decided to set-up activities with high impact level. Among these, collection, measurement and monitoring of data are the activities that are easier to implement and with a higher impact. Practices and activities that want to change people's behaviours are activities with high impact and low difficulty as well.

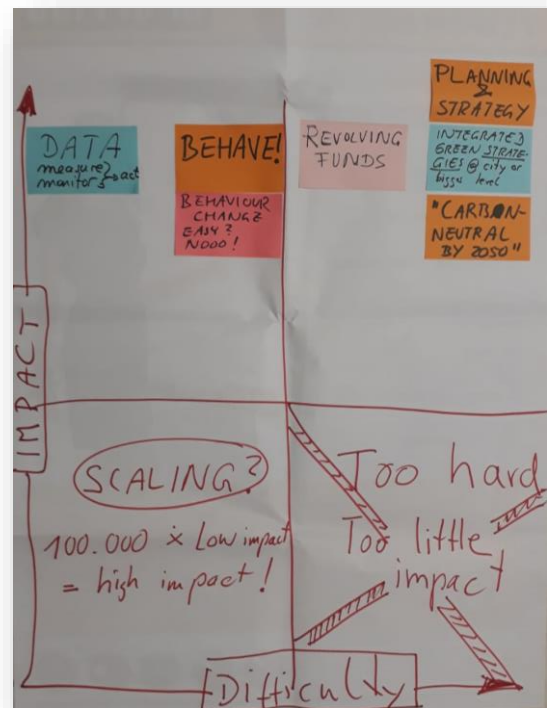
Nevertheless, it is not always true that changes in people's behaviours are easy actions to implement. Sometimes, behaviours are hard to change because of the attitude of many people to repeat the same actions without thinking about the effects on the overall system.

Activities less difficult to implement with lower impact can produce a higher social impact as well if the total impact of a large number of them is considered.

Concerning difficult activities to implement with high impact, participants identified financing activities and the design of policies for the improvement of energy efficiency.

All these actions and activities need human resources, high-level knowledge and skills. Technology is a great tool to accelerate changes in

energy distribution because of the leverage effect on the energy market. People's knowledge should be the main tool because the involvement of experts, politicians, testimonials, tenants, homeowners, stakeholders is essential to implement activities that can have a positive impact on the whole system.



Picture 6 Mobilisation of key resources workshop

5. Conclusions

The Interregional Cooperation for Energy Transition event involved projects financed by the **Interreg Europe programme** and was an important occasion to highlight the relevance of a **continuous and common work on public policies**.

In terms of content related conclusions, the leitmotiv of the event was without any doubts **the focus on the involvement of users**. A key aspect to be considered to make energy transition in Europe a success.

Interreg Europe is able to provide funding through its calls for proposals, and support thanks to its Policy Learning Experts. However, it is up to project partners to share good practices and achieve a policy improvement able to benefit European citizens and companies.

The event taught participants two important lessons:

- **watching projects form different lens** (in this case, through a business approach) and taking up the challenge of stepping out of their comfort zone can improve the quality of the learning experience;
- **communicating in an effective way** is key to convey the message not only to potential investors but, above all, to the people that need to be engaged in the European energy transition.

Ideas, tools and knowledge shared during the event will contribute to designing a unique European path towards energy transition. Thanks to all the participants for being active part of this!



On-line piece: <http://www.resolvo.eu/en/energy-transition-event-moloc/>

Watch the follow up video of the event here: <https://www.youtube.com/watch?v=G-NPRL6Mfcfc>