

EEW4 Event Report

Project Partner:

<i>Title of the event:</i>	Energy efficiency in Central and Eastern Europe: narratives and financing
<i>Date & location:</i>	18 th November 2019, Bratislava
<i>Organiser(s):</i>	Energy Cities assisted by RFSPA in the framework of the CEEC XIII
<i>Number of Participants:</i>	42 registrations
<i>Summary of the event</i>	Some states in Central and Eastern Europe introduce residential energy bill reduction programmes instead of implementing (real) residential energy efficiency strategies. EU funds dedicated to fostering residential energy efficiency are redirected towards (central) governmental buildings renovation. There are though several good practices of local authorities' sustainable energy actions to share and several opportunities for financing them. This event, organised at the largest Central European Energy Conference (CEEC XIII), was focusing on learning from experiences and identifying working narratives of energy efficiency and sustainable energy investments in Central and Eastern Europe, primary the Visegradi 4 countries.
<i>Event evaluation</i>	Extensive panel of experienced speakers from local authorities and IFIs. Valuable contributions and output from panel discussions. Attendance was rather mixed, lower number of municipalities than expected (October elections in both SK and HU could have an influence). The session was important to bring energy efficiency to a higher level in the public debate in the region, which has been so far supply-oriented.
<i>Objective & main programme point</i>	This session was seeking successful narratives and stories worth spreading and discuss how the "energy efficiency first" principle of the European Union could be implemented in the CEE countries, esp. the Visegradi 4 countries. The session was also aiming at bringing the energy efficiency debate from a municipal to a national level, by integrating the event in the most prestigious regional energy conference.



Input Collection

Our panel, involving pioneering speakers from local governments, NGOs from Central and Eastern Europe and IFIs intended to shed a critical light on energy efficiency policies and investments and seek feasible, progressive solutions.

Richard Paksi (Buildings for future, Slovakia): presented a study (“More effective use of the 2021–2027 Cohesion Funds for energy security of the Visegrad countries”). The study/his presentation outlined proposals on how EU support schemes for the renovation of buildings could be improved, to achieve proper quality projects on 3% of buildings annually. Current rate is much lower and often only minor improvements are made, much of the savings potential remains untapped. Major issues with project preparation (ability) and public procurement were highlighted.

In the V4 countries, typically 100% ESIF – grant – financing is provided, there is little use of financial instruments. ESIF is the main financing source of building renovation. Capital cities and their regions (municipalities in these regions) are not eligible, which is a problem for municipalities in these regions. When there was a lower rate of public finance provided, private capital could be mobilised. This would be needed to reach the level of investment required to meet the building refurbishment goals.

As for the narratives: quality of the indoor environment is very important, and it is appreciated – often much better than energy savings – eligible measures should include those aimed at improving the quality of the indoor environment and facilitating adaptation to climate change.

Roman Chovanec (Bratislava, about 430,000 population): In the ELENA project of Bratislava city there are 120 public buildings, in the Bratislava region there are about 300 public buildings, it is a separate project. 80 building audits have been prepared so far, no work on the buildings yet. In the ELENA project, EPC covers 40% of the refurbishment budget, city budget covers 60%.

Roman highlighted primarily costs and EU funds as major drivers for energy efficiency investments but also recognised the importance of indoor air/environmental quality.

Zsófia Hamza (XII district of Budapest, about 60,000 population): As a district, they have limited opportunities, they can only realise lower budget projects. They aim to catalyse local development and establish partnerships with local firms and civil society. Residential energy consumption is close to 50% of the total in the district.

They participated in the INTERREG CE Together project, where energy consumption data of 9 public buildings were analysed. All buildings analysed showed major energy waste



due to poor operational and behavioural practices that could be eliminated with little or no cost. (e.g. overheating outside working hours) Data in itself is of little use though in the absence of someone responsible for energy management. As typically there is no energy manager, there is insufficient action upon the data. Showing real time energy consumption data and trends in user friendly forms on electric displays in buildings have proven to be the most effective tools to raise awareness in workplace. Energy efficiency awareness raising activities were also focused on children in kindergartens and schools, using among other booklets and branding (“Humprey” character).

Jaroslav Klusak (Litomerice, about 24,000 population) Energy consumption data has been analysed since 2011. Energy management plans for municipal buildings have been created since 2013. A report is prepared for the town each year. A 13% decrease in energy consumption has been achieved between 2013 and 2018.

70% of the financial value of energy savings goes into a fund financing energy efficiency projects, while 30% is given to the institution achieving the savings, to motivate them.

Currently they are working on a renovation of a building that will use more renewable energy than fossil fuel based energy. Public procurement for the renovation of a single building can last for 1.5 years.

Andreas Piontek, Energy Efficiency Division, EIB EIB will become a climate bank. In the past 6 years, they provided about 6-8 billion financing for EE+RE. Not too much of this was in CEE, as in this region there is municipal interest typically only for non-refundable grants. In the 10 years of ELENA, it provided about EUR 160 million grant to over 60 projects, however until recently there were only 2 Slovak, and 0 Polish, 0 Czech, 0 Hungarian projects among these. Now there are some additional projects under preparation: 1 Slovak, 1 Czech, 2 Hungarian, 6 Polish. EIB is looking for partners, which is very difficult in the region.

Alexander Hadzhiivanov, Green Building Investments, EBRD About 28 million m² built environment has been refurbished using their financing. They invest in green economy ca. EUR 2 billion per annum. EBRD will not invest into fossil fuel projects from next year either. Other banks will follow suit, partly as a matter of policy compliance.

Available EU funding is not enough to finance the required volume of renovation, therefore it should be used for catalysing private investment. The building sector is very fragmented and complex, there are a lot of stakeholders, types of interest and little knowledge, only SIMPLE financing structures have a chance for success.



Facility management practices are crucial (as mentioned by BP/ XII. district too), as there are major shortcomings in that area, resulting in significant excess energy consumption, which does not disappear after building renovation. A technical assistance program would be useful in that area.

Health and productivity issues should be emphasized, as 1% productivity increase means more than energy savings.

Municipal clients are much less attractive clients than private sector clients, due to lack of capacity, knowledge, obscure and complicated decision making and risks of election cycles.

Matus

Skvarka,

Citenergo

As former energy manager of Trnava municipality (SK), he spoke as an expert of the CITENERGO network a municipal association in Slovakia. Primary issue is the lack of 'ownership', the lack of energy managers in Slovakia. Without a driver in the driver seat no energy management can be expected. He discussed what we mean by energy efficiency: saving of emissions, money, or energy - it should be defined before evaluating measures. Depending on what the priorities are, various types of actions are best suited to achieve it, based on the national characteristics (e.g. what part of electricity is carbon neutral in the grid). In Slovakia, soon about 70% of electricity will be nuclear (carbon neutral), however coal represents about 50% of primary energy used for electricity generation in Czech, and the overwhelming majority in Poland.

Pictures



