



- ● ● **Webinar Summary**

# Strategic Energy Planning in Urban Districts from a Policy Perspective

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# Webinar Summary

This was the second webinar from the AREA 21 webinar series. Its aim was to discuss the current issues of energy improvement policy and collaborative processes in the strategic planning and implementation of energy solutions, while providing recommendations to improve action on energy efficiency at the local and regional levels. Guests from 23 countries and 51 separate organisations were registered.

Jonas Fischer provided some AREA 21 policy recommendations concerning energy planning at the district level. Other policy experts from public and private sector were invited. Marit Ragnarsson, from the EFFECT4buildings project, presented different risk management tools for energy efficiency investments. Marija Zjurikova, **Priority Area Coordinator “Energy”** from the EU Strategy for the Baltic Sea Region (EUSBSR), introduced the collaboration in the Baltic Sea Region and chances for increasing energy efficiency. Thomas Becker, STRING Network Managing Director, explained the STRING megaregion as the Green Hub in Northern Europe.

The webinar was ended with a fruitful discussion between experts and participants. In order to actively include the guests, a poll was launched where everyone could express their own ideas.

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# Agenda

As conducted on 8th Sept, 2020

- 14:00 Introduction | Meeting Check-In  
*Jörg Knieling, HafenCity University Hamburg*
- 14:10 Energy planning at the district level: AREA 21 policy recommendations  
*Jonas Fischer, HafenCity University Hamburg*
- 14:20 Risk management for energy efficiency investments  
*Marit Ragnarsson, EFFECT4buildings*
- 14:30 Collaboration in the BSR: Chances for increased energy efficiency?  
*Marija Zjurikova, EUSBSR*
- 14:40 The STRING megaregion - A Green Hub in Northern Europe  
*Thomas Becker, STRING Managing Director*
- 14:50 Panel discussion with AREA 21 EID Guides  
*Moderation by Jörg Knieling, HafenCity University Hamburg*
- 15:20 Conclusions  
*Jörg Knieling, HafenCity University Hamburg*

# Moderation



Jörg Knieling

HafenCity University Hamburg

*Lead Partner & Project Manager*

Jörg is the Head of the Department of Urban, Regional and Environmental Planning and professor for Urban Planning and Regional Development at HafenCity University.

Assisted by:



Kimberly Tatum

HafenCity University Hamburg

*AREA 21 Project Coordinator*

Kim is an experienced research associate, who has worked on a range of EU-level projects on sustainable development, climate change and mobility topics.

# Meet our panelists



Marit Ragnarsson

EFFECT4buildings

*Project Manager*

Marit has been working for the last 15 years at municipal and regional level as well as in the government and at the university as an expert in energy & climate transition.



Marija Zjurikova

EUSBSR

*Policy Area Coordinator „Energy“*

Marija is a Deputy Director of Energy Markets and Infrastructure Department at the Ministry of Economics in Latvia. She is experienced in the field of energy efficiency and renewable energy resources.



Thomas Becker

STRING

*Managing Director*

Thomas has several years of experience within green tech, climate policy and sustainable development from both the public and the private sector, at the European Wind Energy Association, the Danish Ministry of Climate and Energy and the Danish Energy Agency.



Jonas Fischer

HafenCity University Hamburg

*Project Coordinator*

Jonas is AREA 21 project coordinator at HafenCity University Hamburg and has working experiences in sustainable mobility and energy efficiency in buildings.

# AREA 21 Key Facts

Funding Programme: Interreg Baltic Sea Region

Duration: 10. 2017 – 09. 2020

Priority: Natural resources

Spec. objective: Energy efficiency

Aim: To pilot Energy Improvement Districts through the strategic planning and implementation of energy efficient solutions



## Partner consortium

- ... HafenCity University Hamburg (DE) (Lead Partner)
- ... City of Hamburg | District Wandsbek (DE)
- ... Kohtla-Järve Town Government (EE)
- ... Tartu Regional Energy Agency (EE)
- ... Tampere University of Applied Sciences (FI)
- ... City of Tampere (FI)
- ... City of Lublin (PL)
- ... St. Petersburg Polytechnic University (RU)
- ... Region Skåne (SE)
- ... Öresundskraft AB (SE)

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# Energy planning at the district level: AREA 21 policy recommendations

Jonas Fischer presented four of eight policy recommendations for strategic energy planning that were developed within the AREA 21 project. The recommendations were informed from local partners and stakeholders, local and regional energy experts, literature review, review of similar practice cases and partner meetings, based on experienced or observed challenges and barriers in the AREA 21 pilot areas.

The following recommendations were brought forward:

- Dirty energy is cheaper than renewable energy; therefore it is recommended that a bonus-malus system for energy production and efficiency is established.
- From the technical and technological aspect, standards and management certificates need updates for energy grid, metering and management infrastructure; hence designing and integrating standardization measures is advised.
- Administratively, there is a lack of efficient green and sustainable public procurement measures in current tenders; thus strong green public procurement in tenders is required.
- Finally, there is a lack of participation of several relevant stakeholders in planning processes. This leads to the necessity to encourage and support active cooperation, coordinated networking and the involvement of all relevant stakeholders.

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# Conclusion

## Key messages

- Energy supply and efficiency needs “fair” competition = “real” costs for resources.
- It needs more harmonization of standards.
- Stronger green public procurement criteria in tenders.
- Awareness raising and real stakeholder collaboration.
- Energy planning at the district level needs more political attention.

More information here:

[Recommendations for Policy Improvements for Cooperative Energy Planning in BSR Cities and Regions](#)



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# Risk management for energy efficiency investments

Marit Ragnarsson elaborated in her presentation nine financial tools and instruments that can overcome the challenges and lower the risk for a better implementation of energy efficiency measures. Together with complementary measures such as policy, regulations, awareness-raising and improved business models these financial tools can contribute to reaching a sustainable long-term impact.

The pay-back method, which is largely used as a financial calculation tool, does not tell exactly if the investment is profitable or not. Alternative methods, such as *net present value* and *internal rate of return* can be used where investments with longer lifetime will benefit. *Bundling* is another tool that can be used. It means that in a larger investment package, less profitable measures will be covered by the more profitable ones, while more energy efficiency measures are possible to be implemented in total. Financial and technical risks can also be lowered by contracting partnership with an external service company. *Multi Service Contracting* shares the risks of the investments, giving more value for money spent into the investments. *Green Leasing Contracts* signed between owners and tenants or users leads to increased sustainability.

Lastly, previous experiences, knowledge and verification of the technology from other building managers will ease the investment decision. It is also important to give feedback to suppliers on new needs.

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# Conclusion

## Key messages

- The pay-back method does not tell exactly if the investment is profitable or not.
- Alternative methods, such as [Net Present Value](#) and [Internal Rate of Return](#), can be used where investments with longer lifetime will benefit.
- [Bundling](#) in a larger investment package less profitable measures will be covered by the more profitability.
- Financial and technical risks can also be lowered by [Contracting Partnership](#) with an external service company. [Multi Service Contracting](#) shares the risks of the investments. Green lease contracts leads to increased sustainability.
- Previous experiences, knowledge and [verification of the technology](#) from other building managers can ease the investment decision.

More information here: Financing [Tools for implementing Energy Efficiency in Buildings](#)

# Policy Area Energy of the EUSBSR

Policy Area (PA) 'Energy' focuses on ensuring competitive, secure and sustainable energy in the Baltic Sea region.

PA Energy coordinators Latvia and Lithuania:

- Ministry of Economics of Latvia
- Ministry of Energy together with Ministry of Foreign Affairs of the Republic of Lithuania

PA Energy coordinators work with the European Commission and the Baltic Energy Market Interconnection Plan (BEMIP) group members

- BEMIP group acting as the Steering committee of the EUSBSR PA Energy



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## Collaboration in the BSR: Chances for increased energy efficiency?

Marija Zjurikova presented the EU strategy for the Baltic Sea Region. In the Policy Area Energy, energy efficiency is the core element. Overcoming common challenges and finding common solutions is one of the aims of this strategy, by deepening regional cooperation. Sharing best practices and mobilizing efforts on energy efficiency in the region are some of many other ways of working towards energy efficiency targets for 2030.

Different projects are being implemented, which give life to several important initiatives. Projects generally are limited in time, finance and therefore their political impact is relatively low. For these reason, projects are connected in a chain, where they contribute to one another to insure a continuity and transfer a larger impact. Flagships gather stakeholders in multilevel governance structures and form a mix of thematic working groups, networks and projects, being the main driving force that lead to the Policy Loop.

BEMIP, different regional projects, platforms and informative campaigns are implemented. A good example is the CAMS platform (Climate Adaptation and Mitigation Synergies in Energy Efficiency Projects) which addresses the main challenge of how energy efficiency measures could be used to increase the resilience of the housing sector. Some other initiatives fall under the Baltic Leadership Programme on Energy Efficiency. The aim is to develop recommendations for renovation project process management and financing mechanisms.

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# Conclusion

## Key messages

- Common challenges are overcome and common solutions are found by **deepening regional cooperation**.
- **Flagships** gather stakeholders in a multilevel governance structures and forms a mix of thematic working groups, networks and projects, being the main driving force and that lead to the **Policy Loop**.
- **Baltic Leadership Programme on Energy Efficiency** host other initiatives, which aim is to develop recommendations for renovation project process management and financing mechanisms.

More information here: [PA Energy](#)

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## The STRING megaregion - A Green Hub in Northern Europe

Thomas Becker introduced STRING, a cross-border organisation that aims to connect cities and regions for a greener future. It covers four countries, 7 regions, 5 cities and 12.8 million inhabitants. The vision of STRING is to create an internationally acknowledged megaregion to combat climate change and improve the quality of life of our citizens.

In the STRING region, world leading know-how in green technologies, a strong economy and sustainable infrastructure solutions are being united. This provides the region a comparative advantage to attract international investments, talents and to create green growth.

In STRING, all relevant clusters are combined, for instance in Norway solar energy cluster, in Denmark water energy cluster, in Germany wind energy cluster. This area strives to be a growth engine for sustainable growth creating investments and jobs and attracting highly qualified workers. Public-Private-Partnerships and cooperation between universities and companies are essential for successful innovation.

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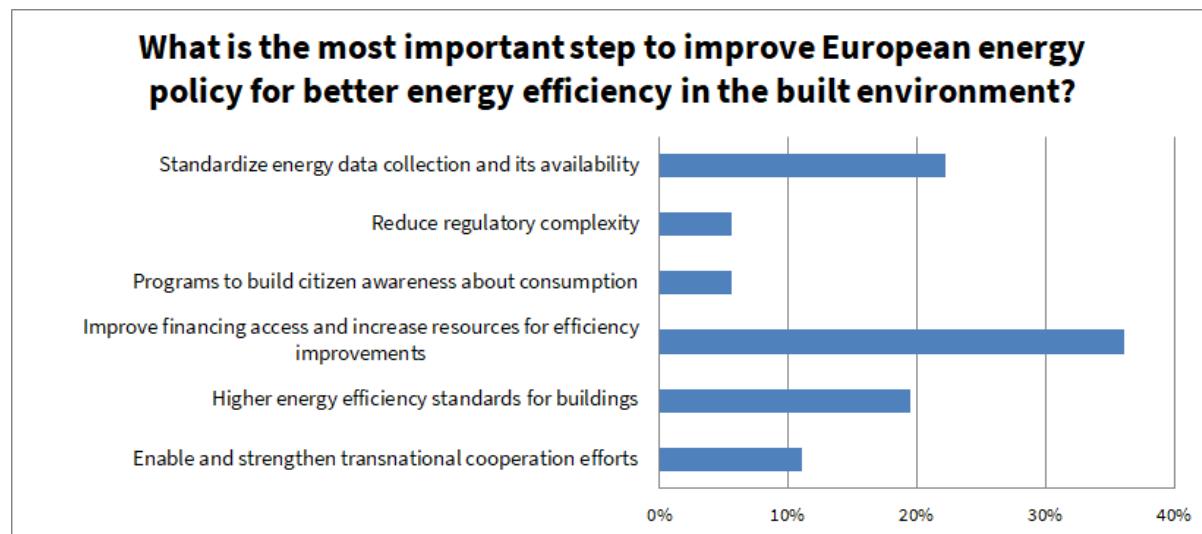
# Conclusion

## Key messages

- The vision of creating an **internationally acknowledged megaregion** to combat climate change and improve the quality of life of our citizens.
- World leading knowhow in green technologies, a strong economy and sustainable infrastructure solutions are being united. In STRING all relevant clusters are combined.
- This area will be the growth engine, a **sustainable growth**, which will create investments, jobs and will attract highly qualified workers.
- **Public-Private-Partnerships** and cooperation between universities and companies are essential for successful innovation.

More information here: [STRING network](#)

# Results of the poll



Enable and strengthen transnational cooperation efforts	11,1%
Higher energy efficiency standards for buildings	19,4%
Improve financing access and increase resources for efficiency improvements	36,1%
Programs to build citizen awareness about consumption	5,6%
Reduce regulatory complexity	5,6%
Standardize energy data collection and its availability	22,2%



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## Discussion on the webinar poll

After the participants voted on the poll, the discussion grew further between the panellists.

- **Marija** mentioned that she was not surprised that the main concern was the financial and fund issue, although according to their experience, on regional and national level the main challenge is the lack of information and awareness on the consumer side.
- **Marit** highlighted that relatively cheap energy prices entail that many energy efficiency measures are not profitable enough, even though they technologically feasible.
- **Thomas** pointed at the advanced position of Northern Europe in terms of energy efficiency. Here, the region is far ahead compared to others and energy efficiency is certainly a discipline that could be part of the STRING Green Hub concept. Given that there is an EU obligation to reduce Greenhouse gases and, the European Commission will certainly work towards mutual standards for energy efficiency in housing – which would be an efficient tool to avoid dumping in different countries. He underlined that governance needs to be done on supranational level (EU), for competition reasons.

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## How to proceed, taking in consideration the relatively low energy prices?

### Marit Ragnarsson, EFFECT4building

Energy efficiency is special compared to the contracting of new products: investments are done with the aim of lowering costs. This is a practical problem, but also an obstacle, as the process of investment priorities in municipalities are not set up in favour of investments that lower costs.

### Jonas Fischer, Hamburg

Cheap energy is experienced in AREA 21, even though the situation differs tremendously between the partner countries. True prices of some resources, such as coal, are not yet priced according to their impact on environment and climate. The more expensive energy is, the shorter is the time of return on investments.

### Marija Zjurikova, EUSBSR

The cheapest energy is the one that we did not use, which would generate profit either way in a long term for the consumers. In the Baltic Sea Region there is a high awareness of the need of energy efficiency, especially in the building sector.

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# Regional Cooperation vs. National Politics

Marija Zjurikova, EUSBSR

Regional cooperation is very important and the Baltic Sea Region has been a frontrunner in such co-operation in different formats and areas. A regional approach to energy policy is more efficient than taking only national decisions. The energy markets in the Baltic Sea Region are very small and the impacts that can be achieved on a regional scale are bigger.

Thomas Becker, STRING

Business life does not have borders (and neither do people). The Baltic Sea Region and Northern Europe is de facto an area, which has come extraordinarily far in terms of regional cooperation.



• • • Further information at:  
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