Innovative financial models for investments in sustainable energy projects

The experience of H2020 CITYnvest project

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Why Rhodope Region

❖ High potential for EE (buildings and street lighting); significant RES potential (biomass, solar, hydro, geothermal);

❖ Local sustainable policies prioritize energy efficiency and RES applications (biomass boilers, solar PV on roofs, biomass fuelled DH); five Rhodope municipalities signatories of CoM;

❖ Previous experience for EE and RES implementation;

❖ Significant potential for future actions.

Local NGO, Association of Rhodope Municipalities (ARM), supporting sustainability action and CITYnvest

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Main Challenges

Organizational:

❖ Lack of administrative capacity to tackle sustainable energy projects;

❖ Lack of collaboration among municipalities.

Financial:

❖ ESCO market underdeveloped;

❖ Projects too small to gain critical mass for favourable financing terms;

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Solution: One-Stop-Shop Creation based on GRE-Liege Model

❖ Act as a central procurement agency on behalf of subscribed municipalities by:

❖ Provide project bundling in pipe-lines to increase size and get better financial terms;

❖ Search for suitable financiers matching the specific project requirements, negotiate with them and secure best possible terms;

❖ Ensure launching tenders for public procurement of building and street lighting refurbishment works;

❖ Monitor project results.

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Benefits

❖ Remove administrative barriers by dedicating staff to perform activities for sustainable energy investments;

❖ Build local capacity for sustainable energy project development and implementation (technical and economic feasibility, financial planning);

❖ Enhance collaboration among municipalities of Rhodope Region;

❖ Stimulate local economy and jobs creation;

❖ Apply the principles of Green Public Procurement in order to make the best choice of environmentally friendly, energy efficient and cost effective products and services.

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Practical steps: Rhodope CITYnvest Action plan

➢ Collect data and identify potential projects;

➢ Calculate potential savings and investment needed;

➢ Investigate local TPF/ESCO market;

➢ Assess different operation models and present to local policy makers - General Assembly of ARM;

➢ Present the concept of One-Stop-Shop and get feedback; spot the most promising ones;

➢ Define operational model for the programme and get approval by local policy makers;

➢ Obtain letters of commitment for establishing One-Stop-Shop (PDU) by most promising municipalities (Smolyan Municipality);

➢ Write the application for funding.

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Role of Smolyan Municipaity (1)

❖ One of the biggest in size in the Region;

❖ Political commitment: signatory of CoM, SEAP approved and being monitored;

❖ Experienced in sustainable energy actions in public buildings, street lighting, RES utilization;

❖ Significant potential for future actions;

❖ Leading role in ARM and among Rhodope municipalities.

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Role of Smolyan Municipaity (2)

❖ Take active part in H2020 CITYnvest project for application of innovative financing models in European regions;

❖ Subscribed for the initiative of One-Stop-Shop creation in Rhodope Region, Bulgaria;

❖ Persuaded five neighbouring municipalities to join (Banite, Chepelare, Devin, Nedelino, Zlatograd);

❖ PDA proposal for Rhodope One-Stop-Shop submitted for H2020 15 Sept. call

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Critical Factors for Success

- ❖ Knowledge of local situation;

- ❖ Presence of local political commitment to sustainability;

- ❖ Local support crucial (ARM and Smolyan Municipality);

- ❖ Find the most active and influential municipality and get it on board (it will attract others);

- ❖ Undertake the work for One-Stop-Shop establishment (which is huge!)

- ❖ Keep in constant touch, answer all questions, provide continuous support.

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Thank you for your attention!

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