

TARTU VIRTUAL BALTIC SMART CITY DIALOGUE



European
Climate Initiative
EUKI



adelphi



Tartu Regiooni Energiaagentuur
Tartu Regional Energy Agency



STEINBEIS FORSCHUNGSZENTRUM
TECHNOLOGIE-MANAGEMENT NORDOST



REAA

RĪGAS ENERĢĒTIKAS AĢENTŪRA

RIGA: COLLABORATION MODELS FOR SMARTER DEVELOPMENT

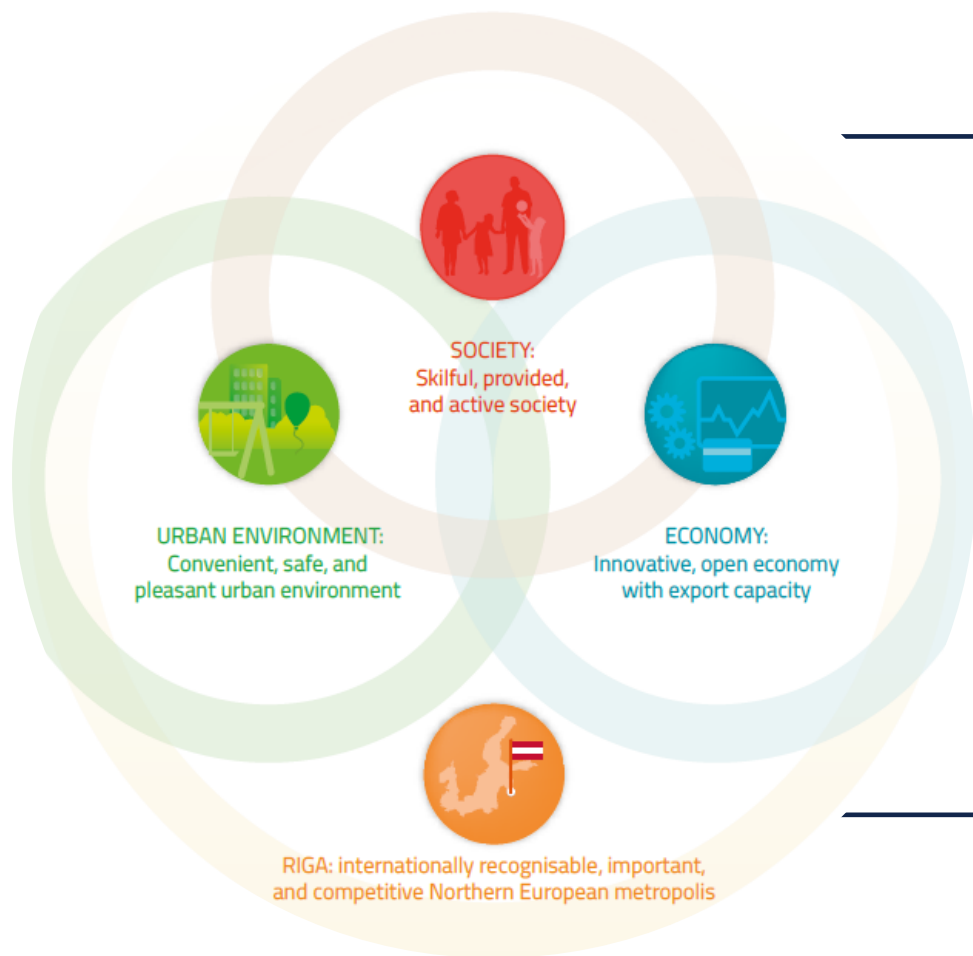
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26.05.2020.

RIGA: BASELINE

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- Located in the **Northern Europe**: over 60% of the energy resources are used as heat energy
 - Comparatively **green energy production**: up to 39% RES
 - Well developed ICT sector: high maturity for introduction of **new ICT-related technologies** in public administration

MUNICIPAL POLICIES IN ACTION



Sustainable Development Strategy of Riga until 2030 and Development Programme of Riga for 2014-2020



Public Transport Development Strategy 2018 and Air Quality Improvement Action Program for 2020



Riga Smart City Sustainable Energy Action Plan for 2014-2020

SECAP vs SEAP | INDICATORS & FORECASTS

SEAP

% Reduction of CO₂ emissions

Energy use, generation from RES and savings indicators for each action [MWh]

Activity indicators

SECAP

% Reduction of CO₂ emissions

Energy use, generation from RES and savings indicators for each action [MWh]

Activity indicators

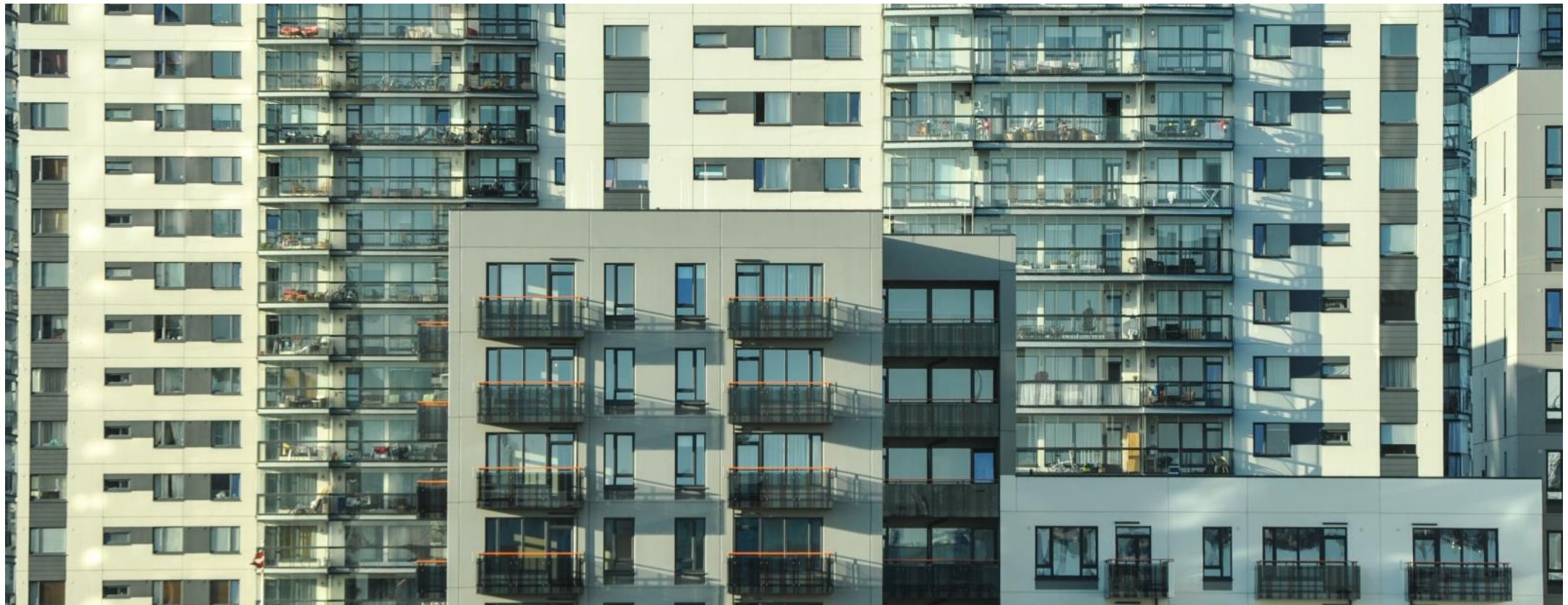
Vulnerability-related indicators

Impact-related indicators

Outcome-related indicators

CHALLENGES

- Development & implementation of the measures for **reducing the heat energy consumption** in the administrative territory of the Riga city



TARGETS: SUSTAINABLE HOUSING



- Up to **50% decrease in heat energy consumption** through investments in energy efficient renovation of buildings, smart solutions of energy management (i.e., smart building/home energy controllers, etc.) and a palette of public engagement activities aimed to change the energy consumption behaviour of Riga residents
- Further **introduction of nature-based solutions** (Green/Blue Infrastructures, etc.)

RIGA'S FINANCING PROGRAM FOR BUILDING RENOVATION

Program description

Based on municipal regulation Riga Energy Agency provides support for energy retrofiting:

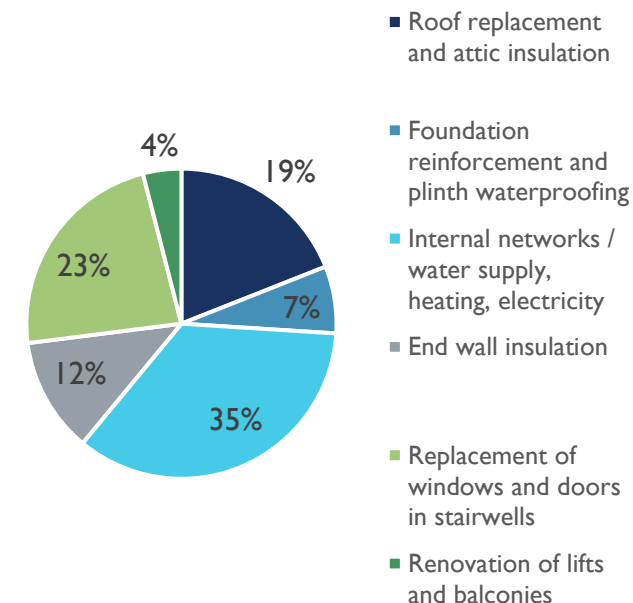
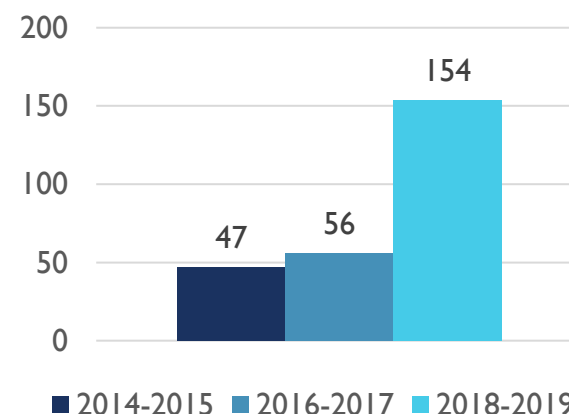
1. 50% co-financing for energy retrofiting (construction works)
2. 80% for energy audits
3. OSS consultation, including technical proposal preparation

* Municipality provides 90% immobility tax discount for establishing (energy) cooperative during the period of 2 years period

Results during 2018-2019

- EUR 1 185 848 - overall provided municipal co-financing
- 154 – total number of approved applications
- 385 000 m² impacted, 10 000+ inhabitants engaged

Energy efficient renovation works (objects)



FINANCIAL AND BUSINESS MODEL ASPECTS

- OSS was established as a unit of the municipal agency responsible for energy issues
- OSS was fully supported and funded by the municipality as non-profit entity
- No revenues since OSS is a non-profit unit of a non-profit agency
- Main operation costs are staff costs, subcontracted staff and dissemination events
- Considering energy efficiency investments directly or indirectly generated by the OSS, what types of interventions do they regard/which are the main interventions proposed? By whom are they financed? What types of financial instruments do the financiers use?
- OSS provided only 50% co-financing and not providing loan guarantees
- Main obstacle to establish a co-financing programme was local legislation and budget issues

ENGAGEMENT ASPECTS

- Agency was fully capable to establish OSS, legal and technical supervisors were subcontracted
- There was 3 new staff members forming a (OSS) unit: 2 customer support experts (consultants) with specialisation in construction/renovation sector and 1 technical supervisor
- In order to ensure effective communication OSS provided in-house consultations, developed dedicated web-page and organized seminars form local communities in districts
- OSS is not engaged into procurement process; flat owners decides on their own which company to be hired for the desired works.

MARKET GAP ANALYSIS & LESSONS LEARNED

- Low tariffs (district heating) are slowing down ESCO activities and private investments due to long investment payback period of 12-15 years average
- Average household is not ready to increase monthly payments by more than 10%
- Financing support leads to higher activity level from local communities
- Average household is not ready to invest into energy efficiency without step-by-step informational support
- Multi-apartment houses (flat owners) are having lack of funding towards deep renovation and most likely choose to invest into specific construction works
 - ❑ *The scope of the OSS should be defined in detail during the planning phase*
 - ❑ *It is more convenient to locate in a different local from the main entity*
 - ❑ *FAQ brochure and "community events" in districts are beneficial*

INTERNATIONAL COOPERATION



THANK YOU FOR YOUR ATTENTION!

