



ENERGY**CITIES**

Report of activities
- 2018 -



ENERGY CITIES
IS THE EUROPEAN
ASSOCIATION
OF LOCAL
AUTHORITIES
IN ENERGY
TRANSITION.

From 2017 to 2020, Energy Cities is under the Presidency of the City of Heidelberg (DE) with a Board of Directors from 11 European cities. The association, created in 1990, represents more than 1,000 towns and cities in 30 countries. Energy Cities' premises are located in Brussels (BE) and Besançon (FR).

3Ds FOR A NEW SOCIETY

Energy Cities' political vision of the **energy future** comes in a 3D shape: democratic, devolved and divested. To implement the necessary policy solutions, it takes deliberate action from policy-makers at all levels of government as well as determination and creativity from civil society.

THAT IS WHAT ENERGY CITIES IS WORKING FOR!

Here are the three components that are at the core of our transition agenda.

Main objectives

- To strengthen cities role and skills in the field of sustainable energy.
- To represent cities interests and influence the policies and proposals made by European Union institutions in the fields of energy, environmental protection and urban policy.
- To develop and promote cities initiatives through exchange of experiences, the transfer of know-how and the implementation of joint projects.

DEMOCRACY
Reclaim power

DIVEST
Move the money

DEVOLUTION
Think local first

FOREWORD

Mayors' boldness is a highlight of 2018, whether at the Global Climate Action Summit in San Francisco, or at the Covenant of Mayors Europe ceremony, in official reports and mainstream media: the acknowledgment of local actions for the transition has never been so prominent. However, it mirrors a rising emergency for radically changing our trajectories, as said in the IPCC report or the "Emissions gap report" of the UN Environment Programme. In our internal discussions, Energy Cities' members have made it clear that the transformation of our urban fabrics and of our consumption patterns has started, but still needs to accelerate. Our "Claiming a crisis" proposals call for mainstreaming the drastic reduction of our energy and resource needs, as well as the fostering of prosperous, resilient local economies, into the EU policies for the next decade. It is of utmost urgency, as we are witnessing an uprising of citizens across Europe, fuelled by social injustices and fear of migration.

Although the adoption of the "Clean energy for all" legislative package has brought a more positive framework for a decentralised and democratised energy system, EU and national leaders have still not shown us any adequate answer to the change needed. Nice words and promises of putting the "citizen at the centre of the energy system" still have to be translated into concrete budgetary and fiscal shifts.

Dear leaders: Be bold!

Prof. Dr. Eckart Würzner
Mayor of Heidelberg
President of Energy Cities



Claire Roumet
Director of Energy Cities



ENERGY CITIES' DEMANDS TO THE NEXT EU LEADERS

CLAIMING A CRISIS

HOW A SHARED ENERGY TRANSITION CAN TRANSFORM EUROPE'S ENERGY LANDSCAPE AND ALSO TACKLE THE ROOT CAUSES OF STRIFE IN EUROPE TODAY

In a manifesto, written on behalf of our thousands of member cities across Europe, we've laid out a series of 'quick wins' and disruptive policy changes the next EU leaders could implement to jumpstart a truly shared energy transition.

The manifesto calls on EU leaders to challenge Brussels' business as usual by supporting a bottom-up energy system powered by citizens, engaging with communities, linking urban and rural areas and constructing the sustainable infrastructure we need for a prosperous, sustainable Europe.

SUMMARY

WHAT YOU CAN FIND in this report?

- What have we achieved by influencing decision-makers?
- What have we tested, where is the latest exciting innovation?
- Where can you find tools and inspiration?
- How we do things: holacracy, who we are.
- Internal life of the organisation: who are our new members, our board members, a snapshot of our financial situation.
- What's next? Main milestones of the year to come and how you can get involved.

WHAT YOU WILL NOT FIND in this report?

- Metrics of web visits, number of pages we read, retweets, number of beers with decision-makers and other measurements of our activities, because too many figures kill the debate.
- All the projects we are in; all the great places we have been invited to present the energy transition; all great partners we are working with; we can only give you a snapshot of the main highlights.
- The full description of our super talented team; you can find this on our website.
- Briefings on major policy developments and trends: these are provided in our regular newsletter, which can also be found on our website.

08

CHAPTER 1

FRAMING THE POLICIES for a locally based energy transition

10

New ambition
for the energy transition
in Europe

12

New actors
for the energy market

16

New Means
for the energy transition:
towards an EU budget
in line with the Paris
Agreement

18

New governance models
for a shared responsibility?

16

CHAPTER 2

WHAT WE TESTED

/

18

CHAPTER 3

Where to find INSPIRATION AND TOOLS

20

CHAPTER 4

HOW WE ARE ORGANISED

22

CHAPTER 5

WHAT'S NEXT?

Main milestones
of the year to come
& how you can get involved



CHAPTER 1

FRAMING THE POLICIES

*for a locally based
Energy transition*

WHY

CITIES ARE THE HEART OF THE ENERGY TRANSITION.

They are already driving societal change through decentralised, renewable power production and by reducing the energy needs of our society, but a genuine power shift towards local communities is long overdue. It is they who will ultimately deliver a fossil fuel-free energy system.

WHY WE DO WHAT WE DO

HOW

CITIES NEED TO PLAY THEIR FULL ROLE.

ADVOCACY

Energy Cities works with cities to radically transform legal and political frameworks, so cities are recognized for what they truly are: drivers of the energy transition. We advocate and work towards a complete reform of EU legislation that is currently impeding cities in meeting their ambitious targets.

CITIES ARE WHERE IT HAPPENS.

Projects that challenge the way we produce and distribute energy, and engage both municipalities and communities are one of our core activities. We provide cities with in-depth exchange and implementation opportunities that allow them to lead by example. We also create spaces for cities to connect and share experiences, among themselves and with various stakeholders.

IMPLEMENTATION & EXCHANGE

CITIES INSPIRE.

INSPIRATION

Our network of committed cities and their local communities have a lot to share. We spread stories of change to trigger action across Europe. Showing what is possible through their combined stories of success, challenges and expertise can inspire others in their journey.

NEW AMBITION FOR THE ENERGY TRANSITION IN EUROPE

2050 EU LONG-TERM STRATEGY

As a legacy for the next legislative period, the EU Commission wanted to raise the ambition of the EU by proposing a bold strategy for a climate-neutral Europe by 2050. They translated the Paris Agreement into 8 possible scenarios, all requiring major decisions on which pathway to take.

What we have done

FEBRUARY

— The Board of Energy Cities met with Sami Andoura, adviser of Commission President Juncker on the energy transition, to discuss the role of cities in the transition.

SEPTEMBER

— Our Franco-German city twinning conference in Montreuil discussed city transition masterplans and compared the energy transitions of France and Germany; our members also met with the German State secretary of Climate, Jochen Flasbarth, and the Chairman of ADEME, Bruno Léchevin.

OCTOBER

— Release of our publication “Local energy and climate roadmaps: 5 city visions for 2050”, which analyses major trends in urban long-term strategies; the study was presented at the Global Climate Action Summit in San Francisco to Commissioner Miguel Arias Cañete.

— The Covenant of Mayors Europe board met with Commissioners Miguel Arias Cañete and Maroš Šefčovič to discuss the board’s proposals for the 2050 EU long-term strategy. Energy Cities’ board met with the Director-General of the EU Commission’s directorate-general for climate action, Mauro Petriccione.

NOVEMBER

— The Commission published its strategy for a climate-neutral Europe by 2050.

DECEMBER

— At the Global Covenant of Mayors event at COP24 in Katowice, our representative from member city Paris presented our reaction to the Commission’s 2050 EU long-term strategy.

OUR ASSESSMENT OF THE COMMISSION’S 2050 EU LONG-TERM STRATEGY

The strategy clearly presents an ambitious agenda for societal transformation, with a key role for cities and citizens, but is still too much focused on technology, innovation and electricity as main solutions to make the EU climate-neutral by 2050.



NEW ACTORS FOR THE ENERGY MARKET

RENEWABLE ENERGY DIRECTIVE

The revised Renewable Energy Directive contains a number of good proposals, such as the definition of ambitious targets for the transport and heating & cooling sector. Thanks to the Directive, the share of renewables in heating and cooling systems will be increased by 1.3% every year. Furthermore, a stable legal base was defined for renewable energy communities, which will further support them in their development in the energy market.

What we have done

JANUARY

— In the framework of our project Renewables Networking Platform (RNP), we published "Green city vibes", which provides a snapshot of cities' needs for a bold EU renewables framework.

FEBRUARY

— Energy Cities' Board met with the Director on renewable energy in the Commission's energy directorate-general, Mechthild Wördsdörfer, to express our support on the Commission's proposal for the Renewable Energy Directive.

APRIL

— We contributed to the Energy Atlas; a large collective publication to show cities' potential for renewable energy.

DECEMBER

— We prepared a guidebook for cities with concrete examples of how cities can support energy democracy and community energy projects.

ALL YEAR LONG

— National debates on renewable energy were organised in 5 countries through the RNP project: the Netherlands, Czechia, France, Spain and Poland.



OVERALL ASSESSMENT OF THE RENEWABLE ENERGY DIRECTIVE

The local dimension of the future development of renewable energy has a bright future thanks to the favourable legal basis in the Directive. We can already witness a rise in the number of community renewable energy projects all over Europe.

MARKET DESIGN

These EU proposals are setting new rules of the game in the electricity market, thanks to the inclusion of a clear definition for citizen energy communities and beneficial rules adapted to the size of energy projects.



What we have done

APRIL

— Energy cities joined the Small is Beautiful campaign, steered by the solar industry but gathering all players wanting a real level playing field for new actors on the energy market.

— Our publication “Blockchain and energy transition: what challenges for cities” explains all the potential of using blockchain technology for local authorities in the energy field.

JULY

— Workshop with our Portuguese members to learn from French and German examples on the obligations of grid network operators and their partnership with cities ; these exchanges will continue through our MPower project.

AUGUST

— We adopted a joint position on the market design file with RESCoop.eu, the European federation of renewable energy cooperatives, to propose concrete amendments to the proposal of the EU Parliament.

OCTOBER

— EU Parliament event held by the Small is Beautiful campaign to influence the vote on the Market Design File in the Parliament.

— The Board of Energy Cities met with the president of EDSO for Smart Grids, the association of European Distribution System Operators.

OVERALL ASSESSMENT OF THE MARKET DESIGN FILE

New actors are recognised, however, it is not certain that they will be able to grow and prosper. The rules are still tailored to big players and not for the smaller ones that seek to become medium-sized. Nevertheless, considering the legal basis for collective self-consumption and for prosumers, it is a new positive framework.

NEW MEANS FOR THE ENERGY TRANSITION: TOWARDS AN EU BUDGET IN LINE WITH THE PARIS AGREEMENT

The EU budget for the period 2021-2027 is a good example of new policy which we started to work on before 2018, but which will not be decided upon before the end of 2019. This year, we concentrated our activities in the positioning and in holding joint events with other stakeholders.

The future EU budget proposals of the Commission excluded for the first time investment into fossil fuels in Structural Funds, but the EU Parliament and Member States want to abolish this exclusion. On a positive note, 25% of the EU budget will now be dedicated to climate and energy action, thereby channelling more funds into the local energy transition.

What we have done

THROUGHOUT THE YEAR

— For this strand of activities, our leadership position in the projects INNOVATE, and in some key investment projects such as Heatnet, Hotmaps, Mednice, Smarter together and Publeneef were critical in identifying exactly the funding needs of cities, and the support models that work and the ones that do not work.

JANUARY

— Analysis of our members' needs and the results achieved in the current budgetary period 2014-2020, and what needs to change in the next period.

— Publication of a joint position with CEE Bankwatch, an NGO specialised in assessing EU public spending.

APRIL

— Joint letter with 20 organisations (industries, city networks, NGOs, trade unions) asking for a minimum of 35% earmarking for climate-related investment in research & innovation in the future EU budget.

AUTUMN

— Joint letter with 100 organisations to Ministers (industries, city networks, NGOs, trade unions), asking for an ambitious climate & energy framework in the next EU budget.

OVERALL ASSESSMENT

Too early to say! Let's see after the European elections in May 2019.



NEW GOVERNANCE MODELS FOR A SHARED RESPONSIBILITY?

The translation of the Paris Agreement into EU legislation took place in the form of the Energy Union and Climate Governance Regulation, which was adopted in June 2018. Most of the work we have done on this file was done years before, as we had a first contribution based on concrete examples of our members two years in advance of the process. This really helped to illustrate the potential of opening the decision-making process to a co-chaired policy design fostered on a shared responsibility.



What we have done

MARCH & APRIL

— We published a joint letter with all city networks and organised a European Parliament debate with MEPs to push forward the legal basis for a multi-level energy and climate dialogue in every EU Member State (Article 10a in the Regulation).

SUMMER

— Our LIFE Living streets publication drew recommendations and guided municipalities to implement the effective participation of citizens in the use of public space.

— Our projects SHAPE, MO-LOC, POTES, the Mobilisation club and LIFE PlanUp are all key projects inspiring and nourishing our proposals for new governance models at local level. Their findings are key to design inclusive and effective multi-level dialogue processes.

OVERALL ASSESSMENT OF THE ENERGY UNION AND CLIMATE GOVERNANCE REGULATION

Member states shall propose national energy and climate plans and are invited to discuss these within a multi-stakeholder dialogue platform that includes local authorities and NGOs.

The final wording of the regulation is not strong enough, but still it is a concrete step forward, which calls on national governments across Europe to open up the box of planning energy and climate policies to local actors and the civil society.



CHAPTER 2

WHAT WE TESTED

SOME HIGHLIGHTS OF THE YEAR FROM THE PROJECTS AND INITIATIVES WE ARE INVOLVED IN.

One of our priorities was to deepen the exchange between cities and offer them direct **transfer of knowledge** and training opportunities. We organised international exchanges between U.S. and European cities in our Energy Allies project, and expanded our Franco-German twinning

programme TANDEM into a joint Energy Transition Week in January 2019. Moreover, our smart city project Smarter Together enabled Lyon, Vienna, Munich and their follower cities to test carbon-neutral technologies and new local governance models at neighbourhood

scale, while our project Prospect pioneered peer-to-peer learning programmes on innovative financing schemes. Our MPower project launched a city-to-city conversations and peer learning on local energy ownership, while our INNOVATE and ACE retrofitting projects aimed at developing and transferring successful tools and financing schemes fostering energy renovation of residential buildings.

Our second priority was to **develop the capacity of institutions and organisations at national level**, such as our collective members - national associations of cities in energy transition - or partners in order to **better support cities in different local contexts**. Through our RNP project, we organised national debates in Spain, the Netherlands, Poland, Czechia and France to support cities and regions on their road towards 100% renewables. Through our BEACON project, we promoted multi-level governance and facilitated exchanges between national networks and governments as well as municipalities and

schools, so they could implement better energy and climate policies and actions.

Our LIFE PlanUp project also aimed to foster more inclusive and effective multi-level governance by pushing for the involvement of local authorities and civil society organisations into national energy and climate planning policies.

Finally, the highlight of our strategy was to maintain and grow a **vibrant Covenant of Mayors community**, heard by EU leaders and expanding globally. This was done through a strong partnership with the European Commission and with European city networks, to ensure that the Covenant is not only a mobilisation tool for municipalities and a way to show the power of local actions on a global

Climate scene; but that it also becomes a real political force, proposing concrete actions to be taken at all governance levels. And most importantly, that the Covenant can become a new European project, a story to be shared by all citizens.

A YEAR
PLACED
UNDER
THE SIGN
OF "P2P".



CHAPTER 3

where to find INSPIRATION & TOOLS

Our capacity to tell the story of an energy transition that should be based on cities and citizens, is important to influence policies and push for a positive framework for the local energy transition. For that, we have completely redesigned our website. Its new structure makes it the perfect platform to spread our members' best innovations, to feature the inspiring minds of our network and connecting them with other rich content, such as our regular policy analysis as well as our guidebooks and studies that question and showcase new practices, much of it tested in the framework of EU-funded projects.

Giving cities the tools to advocate, to convince lo-

cal stakeholders, to show to their national leaders inspirational policies that are really helping communities to take part in the energy transition, is one of our core missions. For that, all cities that are part of the Energy Cities community are the best source for knowledge, and projects are critical to extract and analyse how cities are concretely implementing, step by step, the transition.

Finally, to help members in their daily decisions, we provide a precise analysis of the changing European legislative landscape, give the panorama of the ongoing debates, decipher final compromise on new laws and outlining the exact dates of key developments and deci-

sions. Providing this access to accurate information is both a way to keep track and to mobilise members when specific lobbying is required to get better legislation.

**ENERGY CITIES
ARE SETTING
NEW TRENDS.
OUR TOOLS
AND CHANNELS
AGGREGATE ALL
THESE LOCAL
INITIATIVES
INTO A STRONG
AND JOINT
NARRATIVE.**



CHAPTER 4

HOW WE ARE ORGANISED



WHO?

Our Board

From April 2017 to April 2020, Energy Cities is under the Presidency of the City of Heidelberg (DE) with a Board of Directors from 11 European cities: Bornova (TR), Cork County (IE), Delft (NL), Heidelberg (DE), Liège (BE), Milton Keynes (GB), Modena (IT), Paris (FR), Riga (LV), Trnava (SK) and Växjö (SE).

The Team

With offices in Bruxelles, Belgium and Besançon, France, Energy Cities' team is made up of 24 creative out-of-the-box thinkers from 11 countries who are pushing for positive changes in our member cities.

Each staff member is unique and so is the way we have organised the entire team. Indeed, since 2010 we are running the Energy Cities' Secretariat using the "holacratic" method.

You are not familiar with Holacracy?

This is a radically new mode of organisation and governance based on collective intelligence. The power is distributed between autonomous but closely cooperating teams ('circles'). There is not one big boss but each of us is a leader in our own right. Responsibilities are always handled at the appropriate level (subsidiarity!): "Bottom-up" is not only a buzz word for us.

Regular operational meetings allow us to focus on next-actions, not endless analysis. Governance meetings deal with recurring issues. Major decisions are collectively decided by the leading team composed by Circle's leaders.

We try to apply this shared governance also in all our projects and with all our partners, because it is central to the way we do things. Furthermore, we align our practice with the recommendations we provide, as we always test first what we propose.

OUR FINANCIAL SITUATION

In 2018, our annual budget for our core activities reached around EUR 2 million, as in previous years. More than 60% of our budget comes from the European Union, either through project funding or through service contracts. As a membership organisation, the annual fees we receive from our members are very important to guarantee our independence and our capacity to answer cities' needs: they represent almost 20% of our income. The remaining 20% are constituted mainly by grants from national governments, or services delivered to cities and third parties.

CHAPTER 5

WHAT'S NEXT?

MAIN MILESTONES OF THE YEAR 2019 AND HOW YOU CAN GET INVOLVED.

JANUARY

22ND-25TH First Franco-German week for energy transition: decentralised debates in more than 40 cities

— Publication of our "guidebook for cities to promote community energy"

22ND-24TH European Energy Transition Conference, Dunkerque (3000 participants)

MAY

13TH-17TH European Green week

21ST-23RD ICCA (International Conference on Climate action) and Energy Cities annual conference in Heidelberg, Germany, releasing the Global status report of local energy in partnership with REN21

22ND-26TH European Elections

FEBRUARY

7TH Meeting of Energy Cities Board, seminar presenting the handbook "Divesting our public finance", Paris

— ENC website release

28TH Workshop on remunicipalisation of the local energy supply, Ettlingen, Germany

JUNE

— EUSEW 2019

— Launch of the Report on good practices in climate and energy multi-level governance

JULY

— First session of the new European Parliament

MARS

7TH-8TH Cities and the energy agenda, by the Spanish "cities of change", Barcelona

14TH-15TH Biennale of the transition cities, Grenoble

OCTOBER

— 3rd MEDNICE Congress in Brussels at Open Days

NOVEMBER

— New EU Commission takes over

— Clean Air Forum in Bratislava, Slovakia

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