

Event report

Online conference and capacity-building workshop on energy retrofit one-stop-shops

Monday 21 September 2020, 14:00-16:30

Background

This event was part of the Innovate project, funded by the Horizon 2020 programme.

Between 2017 and 2020, within the Innovate project, 13 partners decided to develop and roll-out integrated energy retrofit packages for homeowners of single-family houses and condominiums, offered in one location. Each of the partner designed and defined the purpose of its OSS within its local boundaries. The Innovate project gave them the great chance to exchange on experiences and to support each other in this journey.

Even if OSS are still too rare, as their set up requires an excellent knowledge of the local market and in-depth know-how on business model, the Innovate project has high-value for the spread of OSS. **It offers an experimentation and business opportunity to 11 public and private organisations.** The learnings from these pioneering projects will serve followers who can adopt the methodologies without having to invest significant resources themselves.

The Innovate project was about prototyping one-stop-shops. They also led to the concrete implementation of viable OSS. For most of the partners, this was a challenge they accepted in order to lead by example and to learn by doing.

The event concept

Now, at the end of the journey, partners can share their expertise. **They did so during this online session: advising participants on how to set up and run their own OSS.** They guided them with practical insights and hands-on recommendations.

The session was three-fold:

1. **Problem-solving around participants' challenges** (Q&A session)
2. **National networking session:** Each country and region are special. We therefore proposed breakout sessions based on the different national context. Each session was hosted in the local language by the Innovate partners. The countries covered were: France, Belgium, the UK, the Netherlands, Sweden, Latvia, Cyprus, Denmark, Italy, Spain and Czech Republic.
3. The final part of the session focused on **funding opportunities for OSS at EU level with the European Investment Bank** (by Jean-Francois LEPRINCE from the EIB)

1. Detailed summary of the discussions: Questions and answers

To kick-start the conversation, a first question has been asked to Innovate partners:

“According to you, what was the trigger point/the argument to convince politicians to develop a OSS in your area?”

Bahram Dehghan from Frederikshavn – one of the arguments was that energy renovation brings green jobs in the territory. The Innovate project was also a good start to convince politicians that this project will support job creation and help homeowners in reducing their energy bill. The idea behind the OSS was that it was a win-win situation both for the demand (citizens) and the supply side (local companies), while the municipality is active on the climate issue. It all began with some workshops gathering local utilities, companies, craftsmen together with the municipality. **At the same time, one of the challenges was to convince private homeowners. They were invited to dialogue meetings presenting the advantages and benefits of energy renovation (comfort, money saving).**

How long did it take to set up the OSS from the initial meetings until the launch? (Johanna Varghese from the Irish Green Building Council)

Bahram Dehghan from Frederikshavn - It took more or less one year and a half.

Panayotis Michael from Aradippou – A strong political support within the municipality was needed to conduct such process. Thanks to the Innovate project, it shows the quality and the importance of energy renovation. It was then ‘easy’ for the municipal council to accept it and to initiate. The most important milestone in Aradippou was the positive impact of the Innovate meeting in Aradippou, with the presence of all partners. It gave a big boost locally to secure political support. For Aradippou, it also took a couple of years until the launch of services. It needs time to build up the services and to get acceptance from citizens. Once there is a comprehension from the homeowners, there is then a good adoption of the OSS.

In the absence of any clear public funding in the UK, we (Otley Energy) are developing plans for raising the money for a city-wide one-stop-shop with a coalition of partners and community investment (in Leeds, UK). The Innovate guidebook suggests it will take at least 5-8 years to 'close the existing market gaps and make its business model financially viable and self-sufficient'? What are the panels thoughts on how this can be shortened? (Andy Boyle, Otley Energy)

Kristian Maters from Reimarkt – To develop your business, it takes quite some while. One of the biggest steps needed to develop a OSS is to work with contractors and ensure that contractors are able to deliver what the OSS sells. Also, the concept of a OSS where you have products that you deliver to homeowners is not something that contractors are used to work with. In a contracting business, everything is about projects and handling a complete project at once, where we say that within a OSS you actually want to deliver products such as cavity insulation, windows, heat pumps. Actually, to get this whole switch in the contracting business is something that we’ve been working on for some years now. What can you do to shorten this? Working together with the contractor part is the most important part. You need to dedicated a lot of time on how you will work with them. The other main key point from our experience would be not to scale up too fast.

Hans van der Logt from Heerlen – We started the project by looking at existing examples, their pros and cons. We didn’t work on a new concept ourselves but built on existing examples and converted to our local context.

What percentage of the works were energy retrofits combined with kitchen or bathroom renovations? or was the OSS only for energy retrofit? (Johanna Varghese from the Irish Green Building Council)

Bahram Dehghan from Frederikshavn – The OSS is about meeting homeowners’ expectations, as long as there is energy refurbishment in the project.

Kristian Maters from Reimarkt – At Reimarkt, we tried to include extra products beside the energy retrofitting products such as a new garden or a new bathroom. This is something that works for sure but it makes the project more

complicated because you need more products to deliver. So yes, on the one hand, but on the other hand, you have to keep it small.

Panayotis Michael from Aradippou – We had to put some limitations. We strictly defined what type of products/services we could offer based on a study from the Cyprus government.

Do potential customers pay for energy advice? (Johanna Varghese from the Irish Green Building Council)

Bahram Dehghan from Frederikshavn – In our case, they don't. Thanks to a cooperation with local utility companies that provide energy consultancy to customers, operating within the municipality boundaries, we were able to provide free of charge energy consultancy for homeowners.

Francisco Marquez from AGENEX – In our case, the customer doesn't pay any fee. The OSS makes a preliminary study that is free of charge. But then, if the homeowner wants to carry out a renovation, they would need to pay a more detailed study from a company.

Chiara Walter from Mantova – We have a 2-step approach: All the initial consultancy is free. But if the homeowner goes further and needs deeper analysis (energy audit for example), they would have to pay the OSS. The OSS can't offer it for free, not to be a competitor in the market and the professionals. But in the end, if the homeowner makes the energy renovation, the money spent for the initial studies will be included in the overall investment. It is then 'a kind of a pre-payment'.

Energy renovation as a public service VS market-based activity

Françoise Réfabert from Energies Demain - In every country, we see that there is difficulty for OSS to sustain only with money coming from homeowners (money they are willing to pay for such services). But then if a OSS uses public money, it raises the question of compliance with the state-aid regulation. One observation among Innovate partners was that it was important to be precise and clear about the parts within the customer journey that could be considered as a public service and which one are to be considered as market-based activities. If one local authority provides public subsidies, you have to be clear about the impacts on the competition and the market. In every country, there is a difference in public support. During the French parallel session, participants discussed about the use of **white certificate** to finance the advisory activities. To sum-up, it is not because you are supported by a local authority that you should not develop market-based activities. Then, you have to be very respectful about the competition law. And this is where it is needed to get some legal advice. Heerlen has for example been supported by a legal advisor.

Luc Peters from Heerlen – Whether the activities are considered as a public service or market-based is a political choice. In Heerlen, we tried to connect the 2 main players in the market (installers and homeowners) – so to connect supply and demand. This was our job as a local government. Then, it is a political choice whether or not you want to subsidy certain activities or not.

Who will be the provider once the project is done? Who will check over the organisation of the OSS? Who is paying for example for the website? Etc. When was the point when the organisation of the project was taken over by the provider? Is it an affiliate of the existing organisation or is it a new one taking over? (Helene Scheller, City of Vienna)

Bahram Dehghan from Frederikshavn – As a municipality, we have played the role of creator and facilitator. From the very beginning, the idea was to build up a OSS structure which would be financially sustainable. The OSS structure provides marketing to suppliers and attract at the same time homeowners.

Annick Schwaiger from Brussels Environment – In our case the choice of the provider was a process. We took some time to decide. At first, we wanted to launch a service provided by a private company but in the end the choice was taken by politicians. Our OSS will be provided by a service that has been running for 15 years now. The political choice was to reinforce this service that has been in place. We will add another service to the package which will be the

condominium OSS. When the choice is political then you don't have to think much about it.

Luc Peters from Heerlen – We decided in Heerlen to go for a private company disconnected from the municipality, which has to achieve certain goals. The idea was to deliberately to create some sort of market partly disconnected from the government, in the most efficient way to connect demand and supply.

How about the supply side of renovations: What kind of challenges you faced as coordinators of OSS and what challenges have the participating actors faced? What where their main concerns? (Georgios Pardalis, Linnaeus University in Sweden)

Bahram Dehghan from Frederikshavn – The main issue for us was to convince stakeholders (suppliers) and understand them. The organization should be benefit everyone (homeowners and suppliers). Making them collectively think about 'what is the best for our customers?' so that there is not competition between craftsmen and other private companies.

Panayotis Michael from Aradippou – As a public authority, we want to avoid market distortion (coordination model), we want to avoid getting into details. As a municipality, we are monitoring and not intervening in the selection of suppliers.

What is the price that customers are willing to pay? (Johanna Varghese from the Irish Green Building Council)

Francisco Marquez from AGENEX – for dwellings, from 6 to 12,000€.

Francoise Réfabert from Energies Demain – In the case of the Pass Rénovation Hauts-de-France, to conduct an audit, the OSS asks for a fee (350€) and then (since they focus on deep renovation) they propose to go through the whole stages of renovation. They include in their proposal direct financing which allows to make an additional payment of a fee (1500€). In total it is about 1850€. After the 1st payment, the OSS proposes to include this amount in the financing. This means that homeowners don't pay in advance before the completion of the project. Basically, it is not so different compared to when you hire an architect.

The willingness to pay for the service obviously depend on this service... Regarding deep renovations, we see that €400 is OK at the audit stage (in France).

From your experience, do the OSS also operate a comparison between the different suppliers to find the best solution for the costumers? if yes, how do they do that? Only price-based or also with a quality check? (Giovanni Vicentini from PadovaFit!)

Annick Schwaiger from Bruxelles – It is a universal question or barrier. People will tell you that homeowners don't trust installers or that they don't even know how to find one and how to answer their quotes. Being a public body, it is very difficult to work on this. The conclusion was that we need a real collaboration with the installers. We should work out a scheme that will be satisfying for everyone. If we, as a public body, list suppliers, it will not be embedded by the market. We need to leave that to the professionals because they know their market. But we can help them by collaborating, to work out something that meet the demand side, that will be something that suppliers are looking for. Apparently, they already have a lot of work, so they don't really need help from the OSS. We are still looking for the best solution.

Back to the question on quality, people are looking for retrofits in which they can count on the quality, they want to know what they pay for. We need to leave this to professionals and to architects especially. Maybe we could find another way by putting people in contact. As a public body, I don't think we are the right one to be leader on this.

Jonas Geissler from Frankfurt - In Frankfurt, we discussed this as well, how to create such a list. In the framework of the ACE-Retrofitting project we decided to create a directory together with the association of energy consultant and the trustees/building managers. We discussed three levels of criteria with them. In the end, we managed to have a consensus with them about the criteria. We published this quality control directory of building professionals where



ENERGYCITIES



we defined a number of criteria for professionals who want to join the OSS and to be in the registry. For the energy consultants, it worked pretty well, this list is often used. In terms of trustees/quality managers, it needs more efforts, the list is not used, because energy consultants are much more used of being listed.

How has COVID affected the uptake of OSS services? What kind of measures did you implement / are you taking to mitigate the impact of closing physical offices? (Andreas Jager from ICLEI)

Bahram Dehghan from Frederikshavn – Yes, the number of homeowners asking for energy consultancy is lower than before COVID. This is why, our office will be closed and we will be working from home.

2. One-stop-shops in their national context

The 2nd part of the webinar was filled with networking national sessions. Each session was hosted by one Innovate partner and other H2020 projects related to OSS. Participants shared experiences with their national peers and in their own language. Each session ran for 30 minutes.

To frame the discussion, we gave participants some guidance questions related to funding opportunities at national level, maturity of the market and policy recommendations at national level.

At the end of the session, each group was asked to present 2-3 key points answering to the following question:

WHAT IS NEEDED TO SCALE UP ONE-STOP-SHOPS IN YOUR COUNTRY?

Below is a summary per country.

UK:

- City-wide scale and homeowner scale
- Difficult to run one-stop-shops for local authorities as they lack resources > need to find synergies and build partnerships at local level
- The net risk app (in Hungary) can be helpful: you can find the best insurance deal for your car or housing and this could be used in the same way for energy renovation
- Green Finance Institute in the UK who works with the big banks and civil society to create financial products to support energy retrofits through their coalition of energy efficient buildings.

BELGIUM:

- One advice is to start small and then up-scale the service
- High fragmentation of the different parts of the renovation process

THE NETHERLANDS:

- The financial advice/concept should be local (what are the challenges and opportunities at local level?)
- Still very difficult to attract homeowners

DENMARK:

- Thanks to the lobbying of local authorities, subsidies will be granted for energy renovation by from the Denmark government
- Communication about the win-win situation both for demand and supply side

SWEDEN:

- For large companies is not profitable for them to engage in energy renovation – they are interested in energy renovation activities, but they don't want to do it by themselves, they want to be contracted.
- Link with the research and universities to prove the concept of OSS
- In Sweden, it is important to show that the savings/year overcome the cost/year if homeowners want to do the renovation. If OSS can do that and take care of all of the different suppliers, then it is possible.

CZECH REPUBLIC:

- The public authority should be a key actor, especially when engaging homeowners and convincing them to do the renovation by offering free energy audits for example.
- One suggestion was about creating a platform for OSS at EU and national level to exchange knowledge and even bundle projects to get EU funding.

ITALY:

- Homeowners don't know what type of subsidies they can get from local, regional and national authorities. The one-stop-shop should provide financial, legal and technical support. Access to subsidies should also be facilitated for homeowners (give clear guidance and advices).
- The one-stop-shop should go, not at regional level, but at district level to engage homeowners and be helpful.

SPAIN:

- One issue: how to engage homeowners?
 - o **Neighbourhood approach** with a physical office (H2020 Opengela project)
 - o Offer financial instruments (subsidies, etc.)

CYPRUS:

- Need a team of mayors sharing the same goal
- Adopt existing structure and information from the Innovate project
- We need to dedicate budget (in Aradippou, they reward homeowners for their energy efficiency actions)

FRANCE:

- The French session focused on the type of renovation that can be helped by an online platform. We discussed the importance of the connection between a web and physical platform to achieve deep renovation and also the connection between public and private players. Participants from this session agreed to further continue the conversation in a separate call.

3. Funding opportunities for OSS at EU level with the European Investment Bank

Before closing the session, we had a presentation from Jean-Francois Leprince, Head of Financial Instruments related to building renovation at EIB.

The EIB deploys €70 billion/year (including 25% dedicated to climate change measures and €3 billion related to energy efficiency). In the framework of the Paris Agreement, EIB committed to dedicated (in addition to actual budget) €100 billion to energy and climate projects.

The current intention is that EIB becomes a climate bank dedicating 50% of EIB's activities to climate change.

The EIB is a bank. With the exception of ELENA, the rest of EIB's activities are the activities of a bank. The EIB contributes to the development of one-stop-shops where EIB inject money to the implementation of energy renovation (as a bank does = loans).

Recently, the EIB started having programmes with European banks addressing individual homeowners and renovation projects. The EIB has simplified their eligibility criteria so that it is easy for a bank to track what type of renovation measures homeowners do. That is why the EIB is very much welcoming the one-stop-shop model (validation of projects possible by the one-stop-shops).

Specific guarantee programmes: the EIB believe that they could act as a guarantor for individuals. However, this is still at an early stage (no bank willing to give a try today). There is a pilot programme in Malta.

“We [the EIB] strongly believe in the model. We are happy to support it the way you want. Anything that can contribute to this massification of energy renovation would be welcome. It is actually a strategic topic for EIB. One angle to envisage a collaboration is to tell us who could be the entity to whom we lend money, to whom we provide help – it could be the ELENA programme for example but not necessarily – once we’ve done that we can probably envisage a project rapidly given the appetite we have at the moment.”

CONCLUSION

We would like to thank all speakers and participants as well as the Horizon 2020 programme. The EU funding played an essential role in the development of one-stop-shops in the 11 partner places. The funding has helped in creating a network of new experts in the field. However, we are only at the beginning of the journey: European climate and energy targets will require a massive upscaling of integrated renovation programmes.

At Energy Cities, as the INNOVATE coordinator, we think that it is crucial to create synergies between the multitude of EU-funded projects covering this topic such as Turnkey Retrofit, Hola Domus, RenoBill, OpenGela, Padovafit!expanded, RenoBooster, RenoHub, SuperHomes2030, Save the Homes or ProRetro. Thank you for your participation and your involvement today. If you have any ideas on creating further synergies, do not hesitate to contact us on this subject.

In parallel, ENC together with ENERGIES DEMAIN are involved in a new project called ORFEE (Originating Retrofits Financing for Energy Efficiency). This project will be key to make the one-stop-shop roll-out in European Member States as efficient as possible. ORFEE, thanks to H2020 funding, will set up a shared platform for third-party financing companies (STF) acting as one-stop-shops.

Finally, whether the outcomes of INNOVATE will be further deployed to “the next level” also depends on the upcoming EU policy decisions. The content of the EU Renovation Wave Communication and strategy will be decisive.

The possibility of each regional and local level to act will largely depend on the support from the EU and national governments. The INNOVATE policy recommendations describe potential avenues towards supportive policies and regulations for integrated solutions.