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# LITOMĚŘICE MUNICIPALITY

## (CZECH REPUBLIC)

The city of Litoměřice launched the very first local one-stop-shop in the Czech Republic. The service is integrated in a specific unit of the municipal administration, the SMART CITY Litoměřice and it is for free thanks to the city's Energy Saving Fund. Unfortunately, despite a strong demand from citizens, the municipality cannot finance the full renovation package. Therefore, it started to test the one-stop-shop concept with a "lighter" coordination model.

### PROJECT ID

|  |   |
|--|---|
| <b>One-stop-shop name</b>                          | SMART CITY Litoměřice   |
| <b>One-stop-shop location</b>                      | Municipality of Litoměřice (25,000 inhabitants)                 |
| <b>Business Model</b>                              | Coordination model  |
| <b>Legal status of the project company</b>         | Municipality  |
| <b>Project sponsors</b>                            | Municipality of Litoměřice                                      |
| <b>Types of residential buildings targeted</b>     | Single family houses<br>Condominiums                            |
| <b>Cost of energy renovation works in the area</b> | 1-2 single measures: €4,000 – 5,000<br>Deep renovation: €70,000 |
| <b>Project kick-off</b>                            | March 2018  |
| <b>Number of refurbishments performed</b>          | 1   |



### LOCAL POLICY OBJECTIVES IN A NUTSHELL

As indicated in the Sustainable Energy and Climate Action Plan of the City of Litoměřice (approved in 2018), the biggest potential to reduce energy consumption lies in the residential sector (57% of total energy consumption and 54% of CO<sub>2</sub> emissions). The city aims at reducing the energy consumption in this sector by 44% and CO<sub>2</sub> emissions by 27% until 2030.



## WHAT SERVICES DOES THE ONE-STOP-SHOP PROVIDE TO HOMEOWNERS?

|   |   |
|---|---|
| Engagement process                        | ✓ |
| Energy renovation and financial plan      | ✓ |
| Coordination of the renovation process    | ✓ |
| Long-term and affordable financing        | ✗ |
| Guaranteed results & post-work monitoring | ✗ |

### Engagement process

The one-stop-shop provides a first energy evaluation (quick scan) and informs homeowners about potential improvements. The municipality develops **case studies** and organises **events** to showcase the pilot deep renovation project, including suppliers who worked on the project. The municipality organises **workshops and individual meetings with homeowners** and provides communication materials such as flyers, press releases and, most importantly, the web presence of the one-stop-shop service<sup>1</sup>. The official launch event took place in the **presence of the city's mayor**.

### Energy renovation and financial plan

Upon request, the one-stop-shop provides a list of experts who can carry out an in-depth evaluation of the building. They can also develop an energy renovation plan that contains recommendations on renovation measures and an estimate of the costs. Homeowners sign the contract directly with the expert of their choice. A financial expert contracted and paid by the one-stop-shop (in the initial phase) prepares a financial plan for the project including national subsidies (in particular a grant from the "New Green Savings" programme<sup>2</sup>) and homeowners' own financing.

1. <https://www.mestosenergii.cz/>

2. <https://www.sfzp.cz/en/administered-programmes/new-green-savings-programme/>

## Coordination of the renovation process

The one-stop-shop can provide a list of experienced external renovation coordinators who are responsible for the project documentation, supervise the construction works and guarantee the quality of works and energy savings. The same goes for trained external suppliers who have already implemented successful deep energy renovation projects in the past. Homeowners sign contracts directly with the coordinator and suppliers of their choice.

## Long-term and affordable financing

In order to complement the existing national funding tools, the one-stop-shop plans to provide citizens with a municipal subsidy for the energy audit and the development of a financing plan. Homeowners can apply for a municipal subsidy from the municipal Energy Saving Fund. However, the Fund will not finance the renovation works.



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## Guaranteed results & post-work monitoring

The one-stop-shop does not guarantee the quality of works and energy savings, as this is the role of the renovation coordinator. However, it supervises and can guarantee the satisfaction of clients with the services provided by the renovation coordinator and different suppliers. The latter monitors the results in the year following the completion of the works and verifies the actual energy savings. The renovation coordinator also guides the homeowners on how to further reduce their energy consumption by changing their behaviour.

## BEHIND THE SCENES: HOW LITOMĚŘICE DEVELOPED ITS ONE-STOP-SHOP STEP-BY-STEP

### Market Gap Analysis

In 2017, there was not any specific instrument supporting energy renovation in the residential sector at municipal level. It was very difficult for homeowners to deal with the whole renovation process and to implement complex measures. The municipality organised a series of public discussions to identify the one-stop-shop model that would be the most appropriate and attractive for citizens.

The key findings of this analysis were:

- Homeowners are interested in the one-stop-shop concept. They prefer an **All-inclusive model** where the experts take care of the whole renovation process from A to Z but they are not ready to pay for this service. They consider that it should be a **public service** offered by the municipality. Indeed, they trust the municipality as an independent and impartial advisor. Homeowners would also appreciate local subsidies for home energy renovation, similar to already existing municipal subsidies for PV installation.
- **The network of reliable suppliers** which can provide a full service package does not exist and needs to be created. It would go from project preparation through financing to realisation, monitoring and evaluation of energy savings and other benefits.

The one-stop-shop services were tested on one pilot deep renovation project. Based on this experience, a final concept was developed and approved by the City Council in March 2020.



## Business model

Due to limited human and financial resources as well as the initial low political support, the municipality decided to first test the Coordination model.

The one-stop-shop is integrated in a specific unit of the municipal administration called SMART CITY Litoměřice. It employs one energy manager who is part of this unit.

The **fixed costs** of the set up and annual operation are estimated at €20,000 /year.

The city's **Energy Saving Fund** that collects financial savings from energy efficiency measures realised by the municipality in the public sector, covers these costs. Initially the plan was to finance the one-stop-shop from realised energy savings in the residential sector (internal Energy Performance Contracting) but after discussion with experts, the city decided for a smoother approach – to use financial savings from the Energy Saving Fund.

In the future, the one-stop-shop will remain a public service and the municipality does not expect it to **generate any revenues**. In the first phase, it is estimated that it will serve about five clients per year.

## Key partnerships

The one-stop-shop has established **partnerships with different external stakeholders** who provide services to homeowners. It does not recommend specific suppliers. The homeowner, who bears full responsibility for the contracts, makes the choice. Few local partners from the business sector were interested to cooperate due to a small financial volume of potential investments. Those who got involved in the pilot project of the one-stop-shop were the suppliers who already worked with the municipality on energy efficiency projects in the past. They are mainly motivated by the future references and promotion they would receive from the municipality.