



ENERGYCITIES

POLICY BRIEF

BEYOND MERE IMPLEMENTATION BODIES: POLICY DESIGN PRINCIPLES FOR LOCAL ENERGY AND CLIMATE AGENCIES

AUTHORS:

ALIX BOLLE
JULIEN JOUBERT

PUBLICATION DATE:

MARCH 2023



1. THE FOCUS OF THE AGENCIES SHOULD BE ON «PARTNERSHIP AND TERRITORIAL ENGINEERING»

In the spirit of the French definition, local energy and climate agencies should be agencies of “partnership and territorial engineering”. Using the territory as a subject of soft innovation and creative governance holds tremendous potential for the future of the European energy transition.

Local energy and climate agencies should be more than ‘market-accelerators’ for the effective roll-out of energy efficiency or renewable energy solutions. Indeed, while the technologies in the energy system have become ever more decentralised and distributed, the governance itself remains top-down and little consideration has been given to the importance of testing creative planification models and practices at local level. The energy transition however requires an unparalleled number of interactions, dialogues and cooperation between different disciplines, economic sectors and players, which is what territorial engineering is all about.

The orchestration of these new approaches to articulating the transition over a territory requires adequate means and solid processes. In certain cities, like Leuven in Belgium, dedicated bodies have been created with the sole purpose of getting all stakeholders behind a shared vision of how to deliver on the city’s climate neutrality agenda. In the same spirit, all the cities that are part of the EU Cities Mission will have to imagine new structures to coordinate the territorial “contracts” that will have to be made along the climate neutrality road.

Beyond the traditional champions, it is important that cities of all sizes and contexts be given the opportunity to set up such permanent structures, which should be given a strategic foresight mandate and subsequent long-term funding, alongside the more operational aspects. Energy and climate agencies could be designed to answer that need.

2. THEY SHOULD PLAY A KEY ROLE IN CREATING A MARKET FOR LOCAL AND FAIR ENERGY»

The EU has put together an unprecedented legal framework to support the scale-up of shared and community energy across Europe. While Member States have begun translating this into their own national laws and regulations, a lot of grey zones remain around the shapes and forms that new projects could take, about the potential and limitations.

Local energy and climate agencies could prove instrumental in shedding light around new busi-

ness models, links with energy poverty and social services as well as access to public installations and facilities. Most wealthier cities, like Valencia and Vienna, have already started to fill this gap via their local energy agencies.

In addition to supporting the creation of renewable or citizen energy communities, these agencies should be tasked with devising energy scenarios charting the potential for locally-produced energy supply. In cooperation with energy regulators and





distribution system operators, they should support the creation of local energy markets, based on collective self-consumption and the maximisation of local resources (linked to point 3 below).

Lastly, these agencies could support local governments in identifying creative procurement

methods that enable the development of this local energy market. This could include investigating further the opportunities around Power Purchase Agreements or adding new types of criteria in traditional procurement contracts.

3. THEY SHOULD SUPPORT THE MAPPING OF LOCAL POTENTIAL AND ASSESSMENT OF ENERGY SCENARIOS «

According to article 23.6 of the European Commission's Energy Efficiency Directive proposal, Member States should encourage local governments above a certain threshold of inhabitants to conduct local heat mapping and planning and involve all relevant local stakeholders in the process. For Energy Cities, this provision is not only essential but should also be mirrored in other legislative files such as the renewable energy directive and the gas package. Indeed, carrying out this assessment at local level, with the support of the local population, will be the most effective way to avoid lock-ins and actually go for no-regret solution that make socio-economic sense.

In never-ending changing energy markets, planning is key to give certainties to inhabitants about local decarbonisation pathways. It should reassure citizens about which decarbonised systems they should use and reinforce trust to invest

individually and collectively in fossil-free systems and buildings insulation. This requires constant communication campaigns and the setup of energy literacy programmes.

But cities should not only be given the mandate but also the means to endorse this new responsibility. According to a study conducted by Energy Cities, developing and implementing a building decarbonisation strategy requires 5 and 75 full-time equivalents, depending on the size of a local authority. Cities today largely fall short of having such capacity.

Without this in-house expertise however, local governments have to rely on external contractors which further impairs their ability to deliver decarbonisation pathways in the long-term. Local energy and climate agencies should thus be equipped to answer this new challenge.



4. THEY SHOULD BE ENTRUSTED WITH THE MISSION TO ACT AS "ENERGY SUFFICIENCY LABORATORIES"

In the IPCC's Sixth Assessment Report, energy sufficiency has been defined for the first time as an opportunity to avoid "the demand for materials, energy, land, water, and other natural resources while delivering a decent living standard for all within the planetary boundaries."

Contrary to energy efficiency, which mainly focuses on improved building techniques and technology-enabled consumption changes, energy sufficiency is about behavioural but also organizational and structural change. In the buildings-focused chapter of its report, the IPCC notes that sufficiency "is about long-term actions driven by non-technological solutions, which consume less energy in absolute terms".

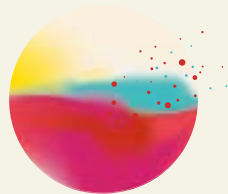
In practice, energy sufficiency for example means moving from ownership to shared usership of goods and places, reducing urban sprawl, reassessing essential needs, etc. At EU level, the concept is barely starting to find some echo, notably in the draft European Parliament's amendments to the Energy Performance of Buildings Directive.

Here too, energy agencies could play a key role in ensuring that the concept of sufficiency is being implemented at local level to then inform a proper debate on how to generalize these practices as part of a reformed EU climate agenda, more attuned to the imperative of respecting social and planetary boundaries.

5. ONE-STOP-SHOPS SHOULD BE THE OPERATIONAL ARMS OF ENERGY AGENCIES

As part of the Energy Performance of Buildings Directive, Member States will be required to set-up one-stop-shops in local governments to act as single contact points to households and local stakeholders for energy renovations. In parallel, some cities have also started setting-up one-stop-shops with a broader scope mandate, for example to support community energy projects or to adopt a neighbourhood approach to renovating entire districts.

In light of this, if one-stop-shops and energy agencies are to be set-up in parallel, it will be important to clarify potential overlaps and design an effective articulation strategy, with one-stop-shops potentially acting as the "operational arms" of energy agencies.



ENERGYCITIES

www.energy-cities.eu

 [@energycities](https://twitter.com/energycities)

 [@energycities.eu](https://www.facebook.com/energycities.eu)

BESANÇON

2 chemin de Palente
25000 Besançon, France

BRUSSELS

Mundo Madou
Avenue des Arts 7-8
1210 Brussels, Belgium

Energy Cities' mission is to empower cities and citizens to shape and transition to future-proof cities. We showcase concrete alternatives deployed by cities, we advocate changing policy and economic governance at all levels and we foster wide cultural change leading to a future-proof society. Energy Cities community is composed by local leaders of thousands of cities in 30 European countries.