



EU Cohesion Policy – Investments in Smart Grids

**JASPERS Networking Platform
Workshop: Supporting investments
in Smart Grids 2014-2020
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- **ERDF and CF** to allocate € 38 billion to investments in low-carbon: **energy efficiency and renewable energy, smart distribution grids and sustainable urban mobility**, including **research and innovation** (only ERDF) in those areas in **complementarity with Horizon 2020**.
- **ERDF** support also, mainly in less developed regions, to remove bottlenecks in key network infrastructures, including **smart energy distribution, storage and transmission systems**, in **complementarity with the Connecting Europe Facility**. Some € 2 billion expected.
- **ESF** support to ensure that people can adapt, through **acquiring appropriate skills** and through **lifelong learning opportunities**, to new challenges such as the **transition to a low-carbon and more energy-efficient economy**.



- Promoting **production and distribution of renewable energy (RES)**
- Promoting **energy efficiency (EE) and RES use in enterprises**
- Supporting **EE**, smart energy management and RES use in public infrastructures, including **in public buildings, and in the housing sector**
- **Developing and implementing smart distribution systems at low and medium voltage levels**
- Promoting low-carbon strategies for all types of territories, in particular for urban areas, including **the promotion of sustainable multi-modal urban mobility** and mitigation relevant adaptation measures
- Promoting **research and innovation** in and adoption of low-carbon technologies (ERDF only)
- Promoting **the use of high-efficiency co-generation** of heat and power based on useful heat demand

TO 7: Removing bottlenecks in key network infrastructures

ERDF



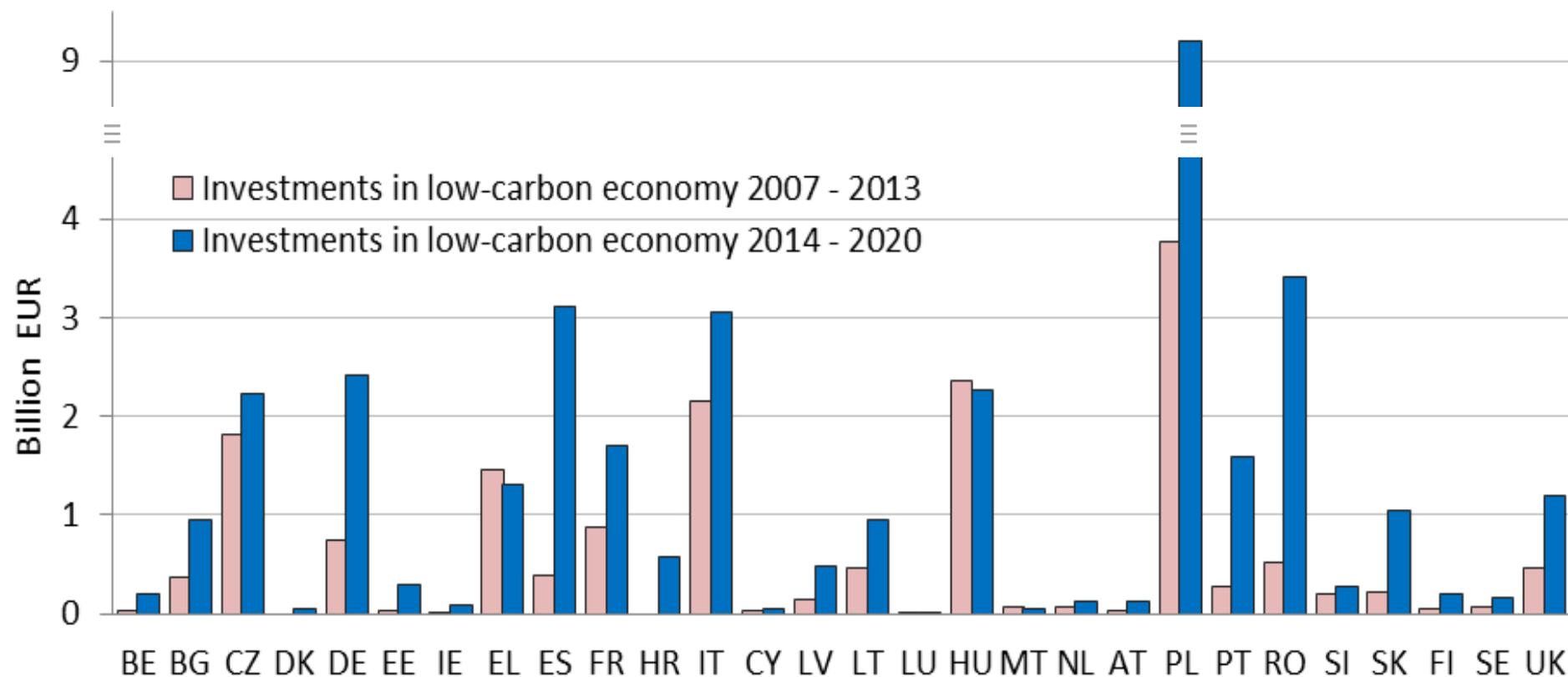
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- Improving energy efficiency and security of supply through the development of **smart energy distribution, storage and transmission systems** and through the **integration of distributed generation from renewable sources** (ERDF only)



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Cohesion Policy: Doubling of low-carbon economy investments





- Ensure that **public funding complements private investment**, leveraging it and not crowding it out, in accordance with State aid rules
- Consider creating value for energy savings through **market mechanisms** before public funding
- **Financial instruments**, such as loans, guarantees or equity, to be used for **projects with revenue generation or cost savings potential**
- **Grants** to be used **primarily for social objectives**, to support **innovative technologies** and **investments going beyond legal minimum energy requirements**, thus making sure that energy savings and greenhouse gas emission reductions are above those with "business as usual"
- **Financial instruments and grants** can be **combined in the same project**



- Possibilities for using **financial instruments** have been **extended and facilitated** for 2014-2020
- The Commission encourages use of financial instruments to shift from a grant-based approach and **increase leverage and revolving effects**
- The **Investment Plan** recommends Member States to deliver 20% of the European Structural and Investment (ESI) Funds allocations to low-carbon through financial instruments
- The Roadmap for the **Energy Union** includes an action point to strengthen the targeted use of financial instruments to support investments in energy efficiency



- Priority on support to **smart grids at low and medium voltage level** (distribution)
- **'Real life' demonstration / validation**, solving system integration issues and demonstrating business cases and how consumers can benefit most – also contributing to new business opportunities
- **Grid operators and suppliers to carry the main investment burden**
 - **Financial instruments** to be used where potential for revenues sufficient to pay back investment; grants could be used where less such potential
- Need for **'integrated approach'** to facilitate optimisation and coordination of investments, linked to broader low-carbon and urban development strategies

ERDF and CF common output indicators: Low-carbon economy



- Additional capacity of renewable energy production (MW)
- Number of households with improved energy consumption classification
- Decrease of primary energy consumption of public buildings (kWh/year)
- **Number of additional energy users connected to smart grids**
- Estimated annual decrease of greenhouse gas (tonnes of CO2 equivalents)



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Smart Specialisation in the field of Low-Carbon (I)

- **Research and innovation (R&I)** in low-carbon technologies / sustainable energy is key to **achieving the EU climate and energy targets for 2020 and 2030** and also the **target for 2050 of a 85-90% reduction in CO₂ emissions**.
- R&I in these areas also entails important **opportunities for regional development**. The objective of Cohesion Policy is to improve the regional economy in terms of **competitiveness, growth and jobs**. Therefore, it can only support research projects contributing to this objective. It cannot support projects for "purely" scientific purposes.



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Smart Specialisation in the field of Low-Carbon (II)

- In assessing their position and assets in the context of the development and implementation of their smart specialisation strategies, **Member States and regions are invited to make full use of the knowledge developed in the framework of the Strategic Energy Technology Plan (SET-Plan)**
- In concrete terms, **include SET-Plan / Smart Cities / Horizon 2020 actors in the strategy development:**
 - SET-Plan Steering Group members, members of Horizon 2020 programme committee, researchers, EIT KIC InnoEnergy, European Energy Research Alliance, PPP on Energy-efficient Buildings, SPIRE PPP, other PPTs, JTIs, JUs, ETPs, EIPs, Marie Curie centres, research institutions with success in FP7, EUREKA ...), ... , and consult international networks (research AND business networks)



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Smart Specialisation in the field of Low-Carbon (III)

- **Significant number of regions** – around 100! – expected to **focus Cohesion Policy resources for R&I in the area of energy**.
- However, all regions will invest significant Cohesion Policy resources in energy over 2014-2020. Even if not themselves active in R&I in these areas, they are encouraged to **follow the outcome of R&I efforts in other MS and regions** (co-financed by Cohesion Policy, Horizon 2020, national public or private resources...) to **make sure that their investments benefit from the latest state-of-the art knowledge**.

Synergies...

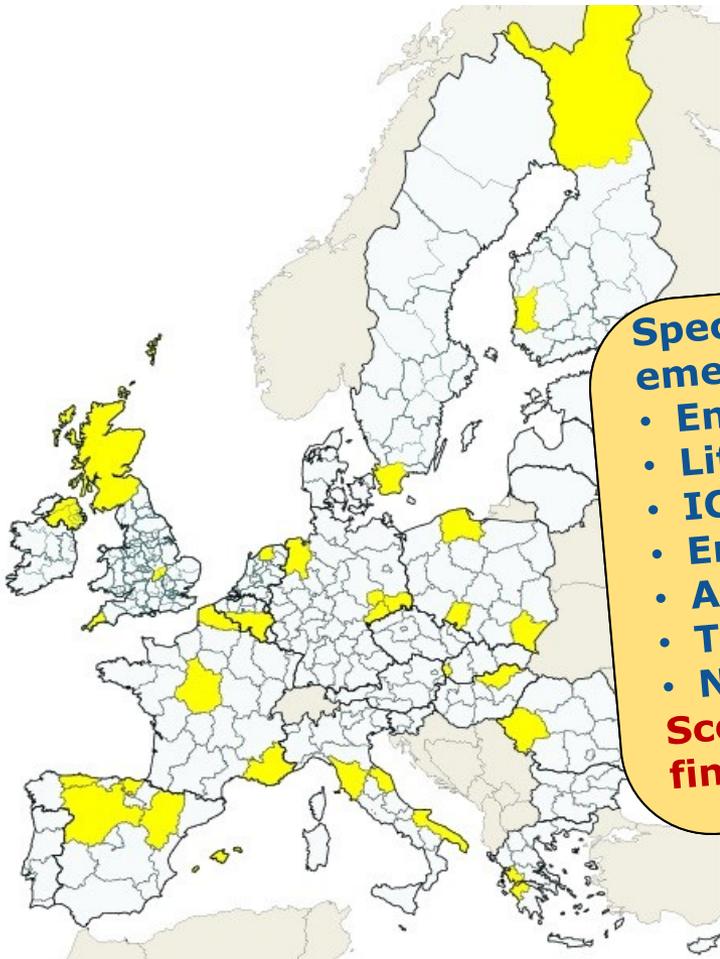




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Check out the smart specialisations:

RIS3 mapping of regions' and MS intentions in terms of smart specialisation fields allows to detect possible partners:



Capabilities 2: Select
 Target Market 2: Select
 EU Priority 2: Select

Region Name: _____ Desc: _____

+ Add Priorities Region

Search

Specialisation fields are emerging that are related to:

- Energy
- Life science
- ICT
- Environment
- Agro-food
- Tourism
- New materials

Scope for cooperation and fine-tuning!

| Region Name | Desc | Target Markets |
|--|----------------|---|
| forestry | | 1. Agriculture, forestry and fishing 2. Fishing and aquaculture |
| aquaculture | | 1. Manufacturing and industry 2. Food, beverage and tobacco products |
| ities | | 1. Tourism restaurants and recreation |
| ply | | |
| stry | | |
| and | | |
| ivities | | |
| ing and | | 1. Manufacturing and industry 2. Computer, electronic and optical products |
| electronics | | 1. Transporting and storage |
| industry | | 1. Transporting and storage |
| 2. Computer, electronic and optical products | | |
| Dytiki Ellada | No Description | 1. Sustainable innovation 2. Smart green and integrated |

See: <http://s3platform.jrc.ec.europa.eu/eye-ris3.jsessionid=87skR80JmqXZLWbXL8ZvYH9XYKGRtq62j2k1YVkcXQR0tRyWqQi.10581776201.1362916436845>

Conclusion



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- Cohesion Policy 2014-2020 playing a strong role in **delivering the Energy Union on the ground**, with significant opportunities – and challenges! – for sustainable energy
- **Commission support** includes:
 - EMA Network of Energy and Managing Authorities to support the best possible use of the funding
 - Smart Specialisation Platform on Energy, with a focus on research and innovation
 - Advisory platform for financial instruments, *fi-compass*
 - Off-the-shelf financial instruments, including 'Renovation loan'
 - Guidance documents, workshops





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More information

Thematic Guidance on Cohesion Policy investments in the shift towards a low-carbon economy + Guidance on Financial Instruments in Cohesion Policy 2014-2020 :

http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/guidance/

Financing the energy renovation of buildings with Cohesion Policy funding – Technical Guidance

http://ec.europa.eu/regional_policy/index.cfm/en/information/publications/guides/2014/financing-the-energy-renovation-of-buildings-with-cohesion-policy-funding

Expert Evaluation Network reports on renewable energy and energy efficiency in housing:

http://ec.europa.eu/regional_policy/index.cfm/en/information/publications/evaluations/2011/synthesis-report-on-renewable-energies-and-energy-efficiency-of-housing

Smart Specialisation Platform:

<http://s3platform.jrc.ec.europa.eu/home>

Guide "Connecting Smart and Sustainable Growth through Smart Specialisation":

<http://s3platform.jrc.ec.europa.eu/documents/10157/0/greengrowth.pdf>

Standard terms and conditions for financial instruments ('off the shelf') , including 'Renovation loan':

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.271.01.0016.01.ENG

Commission Staff Working Document – Financial Instruments in Cohesion Policy:

http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/financial/financial_instruments_2012_en.pdf

Financial Instruments: A Stock-taking Exercise in Preparation for the 2014-2020 Programming Period:

http://ec.europa.eu/regional_policy/index.cfm/en/information/publications/reports/2013/financial-instruments-a-stock-taking-exercise-in-preparation-for-the-2014-2020-programming-period

fi-compass advisory platform for financial instruments:

<http://www.fi-compass.eu/>

Cohesion Policy Project Examples:

http://ec.europa.eu/regional_policy/indexes/project_examples_en.cfm

Intelligent Energy Europe Projects:

<http://ec.europa.eu/energy/intelligent/projects/?/page/Page.jsp>



For further information on the JASPERS Networking Platform
and questions on this presentation, please contact:

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