



## **Lubelskie Action Plan for FIRESPOL - Financial Instruments for Renewable Energy Investment**



**lubelskie**  
*Taste life!*

## Part I – General information

Project: FIRESPOL

Partner organisation: Lubelskie Voivodeship

Country: Poland

NUTS2 region: Lubelskie

Contact

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## Part II – Policy context

- The Action Plan aims to impact:
- Investment for Growth and Jobs programme
  - European Territorial Cooperation programme
  - Other regional development policy instrument

### Policy instrument addressed:

- **Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective)**

Lubelskie Voivodeship addresses in the Action Plan the Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective) due to the fact that Regional Operational Program for Lubelskie Voivodship 2014 -2020 is ending.

The Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective) is the key document that outlines the vision, goals and development prospects for the Lubelskie Region.

According to legal provisions the Strategy is the main document setting out reasonable steps and coordinated development policy within the Strategy period. It is also the so-called "Mother document" constituting an obligatory reference for regional documents of a sectoral and operational nature, such as the Regional Innovation Strategy, the Cross-border Cooperation Strategy, the Social Policy Strategy and the Regional Operational Programme.

The strategy indicates objectives and courses of actions that regional authority undertakes and is responsible for. The strategy is a cooperation platform for various entities participating in the discussion on the vision of regional development and then implementation of activities contributing to the achievement of its objectives. The strategic development goals of the Lubelskie region have been defined as follows:



The fourth strategic development goal Integration includes operational objective 4.5 *To rationally and effectively use nature's resources for economic and recreational needs while preserving environmental assets* also oriented towards energy generation from renewable sources.

### Responsible body

Lubelskie Voivodeship is the Managing Authority of the Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030) as well as the Regional Operational Programme for the Lubelskie Voivodeship 2014-2020.

### State of play

The energy sector including renewable energy sources is considered very important in the Lubelskie Region. Since 2004 the Lubelskie Voivodeship consistently takes up strategic activities in order to support the development of renewable energy. In 2006 *the Regional Programme of Alternative Energy Sources Development for the Lubelskie Voivodeship* (RPAESD) was adopted. This programme provided useful information in the field of conditions and potential localisations of RES investments. The findings of this document were also reflected in the Regional Operational Programme for the Lubelskie Voivodeship 2007-2013 in terms of proper distribution of RES funding.

In the light of changes in climate and energy policy of EU in 2006-2012 and consequently changes in national energy policy there was a need to adopt a new approach towards RES. It stemmed from new legal conditions shaping instruments supporting RES investments and expanded knowledge in the field of technological possibilities of their use. In the context of a new programming period 2014 – 2020 the RPAESD was updated in 2013. Also its title was change to *the Renewable Energy Sources Development Programme* for the Lubelskie

Voivodeship stressing the focus on development of this particular type of energy acquisition. Moreover, this document is considered as a tool for implementing the objectives of Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective). The strategy includes renewable energy among selected smart specialisations of the region. (Low-carbon emission energy sector is an emerging area of smart specialisation of the voivodeship. It draws on the potentials of both conventional power industry based on rich deposits of coal and gas and renewable energy sources based on energy from biomass, sun, wind and water.) During the strategy period, there was an increased demand for low-emission innovations and technologies in the field of generation, storage, transmission and use of energy in the economy and households. Active policy implemented at the national and regional level in the field of energy efficiency and gradual transition to a low-carbon economy caused additional impulses in the development of new technologies and solutions for low-carbon energy. Scientists carry out joint research projects with the energy sector, which in the long run will bring a greater number of developed and commercialised solutions, including increased competitiveness of the regional R&D sector in the field of low-carbon technologies.

That is why, it is necessary to create new forms of support which will change business policy in the region currently oriented towards RES and energy efficiency projects financed in form of non-repayable grants. There is an identified need to offer to potential beneficiaries other financial products which will prepare them to find financial sources free of state aid.

Currently, in case of the Lubelskie Voivodeship, it is the ROP LV 2014-2020: Priority Axis 4 *Environmentally friendly energy* and Priority Axis 5 *Energy efficiency and low-emission economy*. In both Priorities of ROP LV in the 2014-2020 period only subsidy support was used.

In order to gain experience and exchange knowledge in application of financial instruments to the implementation of RES projects, the Lubelskie Voivodeship decided to join FIRESPOL project. FIRESPOL seeks to boost regionally-specialized and decentralized Renewable Energy Private Investment, by introducing improvements in the management of operational programmes which will break the financial barriers currently stopping the investment of the RES sector.

Through implementation of the Action Plan and application of lessons learned during interregional experience exchange phase, FIRESPOL contributes to regional development policy instrument – Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective) that is currently in the revision process. The updated document will provide a regional policy framework that can influence the design of future ERDF co-financed Operational Programme for the Lubelskie Voivodeship.

### **Part III – Details of the actions envisaged**

Before Lubelskie Voivodeship has joined FIRESPOL project, some initiatives were taken up in order to examine the potential of the region in the development of renewable energy sector and its financing. It is important to mention that the first attempt concerning the assessment
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of FIs implementation in low carbon projects was made in 2015 in "Ex-ante analysis of financial instruments in the ROP WL 2014-2020". The study provided the basis for determining to which extent market mechanisms are not reliable or the level of investment is not optimal. The study also showed the estimated level and scope of demand for public investments, including types of financial instruments to be supported under ROP LV 2014-2020.

It is important to stress that the analysis confirmed that most units of public self-government and entrepreneurs intend to take actions in the field of investments related to renewable energy sources, because they believe that such investments are profitable. In addition, according to different sources renewable energy projects generate income. However, many beneficiaries do not treat those projects as a priority. In this case, subsidies have an incentive effect. Another argument against the use of financial instruments was lack of extensive experience with the implementation of repayable instruments in the renewable energy area.

Moreover, in 2018 the Strategy evaluation study was conducted. In terms of Renewable Energy Sources, the study showed that there is still poor use of existing natural resources in the energy sector in Lubelskie and incomplete use of the renewable energy.

In order to change the situation in the region it is necessary to look for new solutions that in a long-term perspective will lead to a wider use of RES in energy system. In this matter experiences and observations from FIRESPOL Interregional Events and Good Practices show that encouraging local communities in RES investments is of benefit.

Hence the objective is to adapt existing policy instrument taking into account the potential of the region to develop renewable energy and to provide tailor-made information services for interested in investing in renewables.

The proposed actions are:

Action 1. Amendment of the Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective) by giving priority to bottom-up initiatives investing in renewable energy

Action 2. Establishment of an info contact point to support investors and local communities on the financing opportunities for RES

With the implementation of these two actions it is expected to introduce a direct change in the management of the policy instrument by stressing the role of bottom-up initiatives. It should allow citizens to develop new ways in order to gain independence in energy acquisition and thus to look for innovative financial schemes that will enable to implement RE investments. The info contact point will spread the knowledge about the possible forms of cooperation and their financing, and also about available support for RE investment.

Action 1. Amendment of the Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective) by giving priority to bottom-up initiatives investing in renewable energy

**The background**

The interregional exchange of experiences and ideas between FIRESPOL partners, as well as the analysis of good practices prove that it is very important to involve citizens in the process of changing attitude toward renewable energy investments. The citizens are the most important factor when it comes to generating new initiatives in renewable energy. However, in Lubelskie it is still a challenge for small communities to start working together, especially in terms of preparing joint green projects.

There are different types of citizen involvement in renewable energy. Moreover such initiatives can operate successfully in the energy market.

The FIRESPOL project provided a wide range of **good practices** that contributed essentially to draft this action:

- From the German partner - HA Hessen Agentur:
  - Citizen Energy Cooperative Main-Kinzigtal eG
  - ABO Invest AG: Citizen Wind Share “Bürgerwindaktie”
  - SUN Nordhessen: Local Financing and Involvement of Private Capital
  - Solar Initiative (Sonneninitiative e. V. :) Citizen Solar Power Station
- And from the Irish partner - Southern Regional Assembly namely:
  - Templederry Community Wind Farm.

The concept of citizen involvement in energy transition process was also broadly discussed within Firespol consortium during **Interregional Events**:

- In January 2019 in Lublin where the study visit to energy cluster was organised. The concept of energy clusters is developing broadly in Poland, so the concept of energy cooperatives could be complimentary
- In October 2019 in Wiesbaden the study visit in wind farm Weilrod took place. Majority owner of the wind farm is ABO Invest AG, which belongs to 4,000 citizens, foundations and cooperatives, and in which anyone can participate. Moreover during this event a presentation was given on Citizen Energy Cooperative Main-Kinzigtal eG by one of the cofounder. It was a great opportunity to know in details the steps to establish the cooperative.

With this action our intention is to amend the Strategy emphasising the importance of implementation of RE projects with the engagement of citizens. It is important to give priority to bottom-up initiatives which are a manifestation of the activity of local communities towards improving the economic situation and quality of life. Hence, highlighting their role in the strategy should generate in the perspective a greater interest in green projects. This is beneficial for citizens because in this way they can produce and even sell energy, as it was shown on the examples of Good Practices from Germany.

## 1. Activities

In order to introduce the amendment of the Strategy it is necessary to undertake the following activities:

### 1.1 Elaboration of the proposal to amend the Strategy in order to include in the document the bottom-up initiatives

Under this activity a range of meetings and consultations is planned. Participants invited to take part in are: local authorities, representatives of national level, NGOs, academia, experts and policy makers. These meetings and consultations are focused on presentation of strategy assumptions and to listen to and learn about the opinions of regional stakeholders regarding challenges, plans and development expectations, as well as to provide inhabitants of the region and their representatives with information on the current socio-economic situation. One of the important topic to discuss during these meetings is a new approach towards Renewable Energy Sources and their potential in Lubelskie. The discussion is inspired by the examples of good practices as well as by the stakeholders themselves who stress the need of developing joint activities oriented towards renewable energy. Under the Marshall Office of Lubelskie Voivodeship the Department for Strategy and Regional Development coordinates work on the revision of the Strategy. Basing on findings from socio-economic analysis of the region, statistical data and conclusions of meetings and consultations the Department will verify the vision, goals and priorities of the Strategy. Then the Department will formulate the proposal of including the bottom-up initiatives in the document.

### 1.2 Amendment of the Strategy including the bottom-up initiatives

The aim of this activity is to create good conditions to develop green projects with higher involvement of local communities. So the next step is to redraft the Strategy with an amendment prioritizing bottom-up initiatives. The final draft of the Strategy will be presented to the public consultation.

### 1.3 Approval of the updated Strategy by the Regional Assembly

Finally the document will be adopted by the Regional Assembly.

## 2. Players involved

Activity	Players involved
1.1 -1.3	Department for Strategy and Regional Development – Managing Authority for DSLV 2014-2020

## 3. Timeframe

Activity	Timeframe
1.1 – 1.2	October 2019 – November 2020
1.3	December 2020

#### **4. Costs and funding sources**

The costs of the Strategy revision process are internalized. The approximate cost of one employee dedicated to the Strategy revision is 1,000.00 euro/per month (0,75).

The costs of organising conferences/meetings were not high and the main source of financing were the funds of the voivodeship.

#### Action 2. Establishment of an info contact point to support investors and local communities on the financing opportunities for RES

##### **The background**

Implementation of RE investments must take into account relevant information and promotion activities regarding threats and benefits of their development for local communities. The lack of reliable information may cause the reluctance of citizens and objections to planned renewable energy projects. For this reason it is necessary to provide the public with comprehensive information on RES potential and funding possibilities. This could also lead to greater use of financial instruments in the implementation of this type of investment in the future. Moreover during the stakeholder meetings it was stressed that information and promotion activities should be run at the regional level.

In the course of interregional learning project partners highlighted also that:

- Key element in implementation of a successful policy concerning renewable energy and its financing is widely available information on funding forms and sources. During the workshops held within 4<sup>th</sup> IE in Waterford (Ireland) and 5<sup>th</sup> IE in Wiesbaden (Germany) partners stressed that very often information concerning investing in RES is scattered across several institutions. Hence, it is difficult for beneficiaries to get detailed and professional advice in this field. Partners agreed that in this case one-stop shop delivering the best of service could be a good solution.
- In the FIRESPOL project consortium two partners have a large experience in energy planning – Extremadura Energy Agency and HA Hessen Agentur. Both organisations offers information, initial advice and support in the selection and implementation of measures for climate protection, energy efficiency, energy saving or the expansion of renewable energies. At the 1<sup>st</sup> IE in Badajoz and the 5<sup>th</sup> IE in Wiesbaden it was obvious that the agencies have a strong and leading role in building up platform for sharing and exchanging ideas concerning sustainable energy.

Bearing in mind stakeholders needs and findings from interregional events the aim of this action is to increase the knowledge in the field of green projects and provide support leading to greater use of FI in renewable energy investments by establishing an info contact point. The info contact point could provide access on available funding for RE projects along with procedural requirements.



Finally, Lubelskie Voivodeship, as a regional authority and Managing Authority, can have coordinating role in gathering different actors of renewable energy sector including also private investors and local government units. It is important to have their voice in the discussion about the right policy framework. This discussion could be held within meetings organised by info contact point and serving as a platform for consultation, exchanging experiences and ideas and networking.

Findings from the meetings and monitoring of info contact point activities will enable us to better understand where to focus our efforts and to identify where the gaps are in our current approach. In this way we can work towards a more integrated implementation of the different instruments for RES – enabling more ambitious, longer-term efforts and more innovative financing in the future.

### **Activities**

The establishment of the info contact point will need the following activities:

#### 1.1 Delegation of employee/s to info contact point and training of delegated employee/s

A very important element in establishment of info contact point is well trained staff. Ideally, it would be best to appoint people from three departments of the Marshal Office of Lubelskie Voivodeship to combine their knowledge:

- Department for Strategy and Regional Development – spatial planning in the context of investments in RES
- Department for Environment and Natural Resources – issues related to renewable energy law
- Department for Management of Regional Operational Program for Lubelskie Voivodeship – sources of investment financing

It is also planned to carry out an analysis in order to identify the needs and expectations of renewable energy beneficiaries. It could allow then to design tailor-made programmes for training the staff.

#### 1.2 Establishment of the info contact point

Info contact point will be established under the Marshal Office of Lubelskie Voivodeship. The Marshal Office has adequate facilities and office accommodation to host the contact point. It remains to determine which of three departments would be the most suitable.

#### 1.3 Monitoring the performance of the info contact point.

The aim of this activity is to assess the effectiveness of the info contact point performance. It is planned to collect statistics as a part of ongoing process of monitoring. Among these will be: number of supported beneficiaries, number of info meetings and conferences, information published on the institutional website, number of page views containing information about RES support, number of RES initiatives supported by the info contact

point.

## 2. Players involved

Activity	Players involved
1.1 – 1.3	<ul style="list-style-type: none"> <li>• Department for Strategy and Regional Development,</li> <li>• Department for Environment and Natural Resources,</li> <li>• Department for Management of Regional Operational Program for Lubelskie Voivodeship</li> </ul>

## 3. Timeframe

Activity	Timeframe
1.1 – 1.2	November 2020 – November 2021
1.3	Continuous activity

## 4. Costs and funding sources

The costs of one employee dedicated full time to info contact point – app. 1,300.00 euro/per month. The main source of financing is the funds of the voivodeship.

The costs of organisation of one forum include room rental and catering (app. 1,000.00 euro).

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Stamp of the organisation: \_\_\_\_\_