

# NEWSLETTER JAN. 23

## LOCARBO 5<sup>th</sup> CALL – POLICY CHANGES ACHIEVED

### OPENING MESSAGE

This project is above all an interregional cooperation project for improving low-carbon economy policies. It aims to improve policy instruments targeting demand-driven initiatives to increase energy efficiency and the use of renewables in buildings, through innovative ways of supporting energy consumers' behaviour change.

The project 5<sup>th</sup> Call is an extraordinary period where the partnership discussed the impact that the COVID-19 pandemic on the Action Plan developed by each partner during the original project duration.

The developments occurred during this extraordinary period have been shared with the project stakeholders and the Interreg Europe community via its website in the form of events and newsletter.

This newsletter was released to communicate to the referred parties the policy changes and results as well as other relevant information obtained during this extraordinary project call. To better synthesize this, this newsletter counted with the

input from all the LOCARBO project partnership on the policy changes and results obtained by each of them. They also shared the "How?":

- How each partner reach changes to the Policy Instrument?
- How this Project call was a deciding factor to change the Policy Instrument?

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## LOCARBO 5<sup>th</sup> Call – Policy Changes & Results

### Province of Potenza – Lead Partner (LP)

The policy change is presented in the form of changes in the Provincial Territorial Coordination Master Plan (TCP). This document represents the strategic plan of the Province of Potenza promoting territorial strategies connected to local development, services, infrastructures, energy, etc. where each Municipality has to assess the coherence of own projects, or master-plan with the TCP.

With the exchange of experience and results gained during the extension of LOCARBO project, Province of Potenza, at the territorial level, linking the sectorial policies promoted at the municipal / inter-municipal level to the general framework of provincial development strategies towards a low-carbon and sustainable economy, guarantees an improved management of the PI within a sustainable development and resilient framework and the changes in the TPC ensures a high integration for local policies/project in the territorial and regional investment strategy of European Structural and Investment Funds.

This policy change was attained by implementing actions such as sharing within the Provincial Network for Resilience and Sustainable Development a General Catalogue, developed in the line of the Provincial Territorial Coordination Master Plan which is Province of Potenza's most important politic and strategic planning tool. This catalogue includes all the GPs

proposed by the PPs, which we believe are all effective for the issues addressed by the different key-actors of the Provincial Network, after the COVID-19 pandemic, towards a sustainable development for a “Greener Europe”.

Province of Potenza also proposed a Formal political act (a President Decree) to guarantee the results of the 5th Call will be an integral part of the policies implemented by the Province of Potenza, as part of the its (#weResilient) strategy, for the implementation on our territory of the 2030 Agenda, Paris Agreement and The Sendai Framework for Disaster Risk Reduction (SFDRR).

The 5<sup>th</sup> Call of the LOCARBO project can be identified, in fact, as a deciding factor in the successful policy change. The continuous work done with the partnership of the LOCARBO project was crucial to develop this catalogue with relevant inputs on the LOCARBO project thematic of energy efficiency and smart monitoring, awareness raising on low-carbon development and innovative IT solutions and services in the light of low-carbo economy.

Province of Potenza is targeting an improved management of the Policy Instrument within a sustainable development and resilient framework, capable to influence the final design and implementation of the new 21-27 ROP.



### Municipality of Vila Nova de Gaia – Project Partner (PP3)

Unfortunately, the Municipality of Vila Nova de Gaia team cannot state that there were changes to the Policy Instrument resulting from the LOCARBO project 5th call as our proposal hasn't translated in actual changes in funding guidelines.

The changes proposed to the PI managing authority are expected to target the funding guidelines on future calls under development on the National Recovery and Resilience Programme (PRR) and hopefully these can be kept on future Operational Programme and Policy Instrument (Norte2030) funding calls and further improved.

It's expected that these changes provide funding opportunities to different solution typologies in order to improve the quality of the building rehabilitation process to each building scenario and ensure that, regardless of any changes in occupant behaviour or weather conditions, the retrofit work in buildings maintain its quality.

As the Municipality of Vila Nova de Gaia is not the managing authority for the policy instrument, it's not possible to guarantee a specific date for the release of new funding calls reflecting our input from experiences shared during this project call, but hopefully in a span of time of two funding calls.

The Municipality of Vila Nova de Gaia made an effort to ensure that the input provided, based on ours and the partnership experience, can influence future funding at

least for Social Housing (SH) buildings.

SH tenants don't have the ability to spend energy in the climatization of their homes. This has been aggravated by recent events (Covid-19, Russia's invasion of Ukraine) and their consequences. This "perfect storm", make active solutions, like renewable energy production (ex.: PV systems), become more attractive (payback period is becoming lower).

The proposed good practice to chance the building rehabilitation process is the best way to ensure that the investment made by the municipality/region has effective and lasting results, guaranteeing the SH tenant quality of life improvement and opportunity to grow out of their precarious situation. This action has to be supplemented with tenants capacity building, to further help increase their living conditions.

This exceptional LOCARBO Project call was done to intervene in the difficulties that arose with the COVID-19 pandemic. We entered this phase of the project with expectation of finding a solution to a problem that arose to us regarding the interventions planned and carried out in the context of the action plan developed in the previous phases of the project.

Municipality-owned buildings rehabilitation is planned to be in compliance with the standards of the Energy Performance Building Directive (EPBD) and recently, a work-study consisting of a survey on the conditions of temperature and relative humidity (hygrothermal) within the fractions of a SH complex building and software simulation of the planned solutions (to predict the results



of the intervention) demonstrated that these solutions applied do not translate into a relevant outcome to the improvement of the hygrothermal condition of the fractions and, in some, ended up aggravating these conditions.

These results have made us consider our building rehab process since the population concerned is, normally, living in precarious conditions and have seen their situation aggravated by the COVID-19 pandemic.

To tackle this issue, our team proposed the implementation of a good practice (GP) to improve our building rehabilitation process. This GP consists of a survey of the current conditions of the buildings through sensorization followed by software simulation of the possible to implement solutions in order to improve the decision making process on which is the optimal solution(s) to be implemented in the rehabilitation process. Pairing these with informative sessions for “training and guidance” of the residents with the objective of identifying behaviors that may disable the applied solutions and creating sustainable behaviors that can reduce energy poverty.

Through interaction with the partnership, a problem arose with this GP. To ensure this pre-rehabilitation survey, it is necessary to ensure the participation of the residents, and people usually refrain from participating, presenting a “barrier” at the initial stage of the process. In addition, it is of greater interest that data collection can be done remotely, not avoid intruding with the day-to-day of the residents and avoid interaction and potentially “unpleasant” situations. From feedback of

other partners, we managed to further improve our GP supplementing it with other GP proposed by other partnership members, from which:

- Alba Iulia’s “Improving energy efficiency and consumer behavior at the level of social housing in the Municipality of Alba Iulia” which presented “... access to information through smart home monitoring systems allows for improved management of energy consumption...”. This GP presented a solution to our GP problem and can have direct impact on energy bills and, therefore, residents’ quality of life.
- Kaunas University of Technology’s “Awareness raising on the Energy efficiency among different stakeholders groups” that features “... developing age group separated sessions in order to improve engagement and develop “different” sustainable behaviors that are more relevant to EACH of these age groups... “. This GP may help with the development of improved capacity building actions and sustainable behavior adoption among the different community members.

#### **Durham County Council – Project Partner (PP4)**

The targeted instrument, CERP2, also referred to as CERAP was approved by cabinet on the 15/06/2022. Durham County Council (DCC) targeted the implementation of two actions (project 1 and 2) for influencing the instrument.

#### **Project 1 – ECO2 Smart Schools project:**

DCC leads the ECO2 Smart Schools project which works



with schools to help them become environmentally smart, reduce energy bills and support teaching, all within a curriculum based learning programme. Based on LOCARBO, we decided to involve our district network operator (DNO) in this project. Beforehand, engagement with both school pupils and staff was delivered by council officers using council resources, without input from energy companies or DNOs. Via involving external organisations, a broader overview of problems faced when trying increase EE and security can be gained in line with the GP of KTU, Lithuania.

The lead of the ECO2 smart schools program was consulted on the involvement of Northern Power Grid in the project. Once approval was granted, the DNO was approached and exchanged emails discussing how they could be involved. NorthernPowerGrid elaborated an appropriate presentation that has now, been incorporated into the ECO2 project, this presentation will be delivered to school pupils and staff during engagement activities. After 6 months, a review of the added value that the involvement of the DNO in the project will be carried out and adjustments made to further enhance the cooperation.

The further development of ECO2 Smart Schools would not have been implemented without LOCARBO and involving other organisations outside of the council had never been discussed/considered until we learned about Lithuania's GP 'Awareness raising of Energy Efficiency measures among different stakeholder groups (Kaunas University of Technology, Lithuania)' through which energy companies engaged with school pupils to increase awareness of energy efficiency and

issues surrounding the topic. The transferable element of Lithuania's GP is the involvement of external organisations such as energy companies and/or DNOs in education programs and therefore we have implemented this.

### **Project 2 – Peer to Peer Network:**

DCC has been a CoM signatory. However, as the UK is no longer an EU member state, we feel it will be more appropriate for us to explore how we can implement Potenza's GP (CoM approach) to engage local partners in developing further iterations of our CERP (the CERP is currently reviewed every two years) and facilitating knowledge sharing within these groups. The GP of Potenza demonstrates best practise for communication between organisations to develop and implement joint carbon reduction measures and develop a peer-to-peer network.

Two peer to peer networks have been developed, the first is the knowledge sharing network for local authorities, second aimed at businesses .This will be in addition to the Business Energy Efficiency Project and will be delivered in partnership with Business Durham. In facilitating knowledge sharing between groups such as businesses and local authorities, we can enhance the way in which they already communicate specifically about their climate and EE actions therefore, improving methodology for monitoring actions within the County.

It was agreed during the local living lab (LLL) meetings, that the GP (outlined above) should be adopted and peer to peer networks should be launched in line with the CoM



launched in Potenza.

The group then consulted with Business Durham, the business support branch of DCC, on how best to take forward the network. Dedicated meetings with the Business Durham and Low Carbon Economy Teams to discuss need for the networks and how we best engage with these groups. It was decided that we should infiltrate already existing networks so we do not have to apply for further funds for this and so it can be sustainable once LOCARBO funds come to an end.

The local authority peer to peer network was developed using the LOCARBO LLL model, through which we invited low carbon teams from across the north east of England to come along and hear about the LOCARBO work and the knowledge sharing workstream.

Specifics such as invitation lists were organised within DCC through consultation with the wider low carbon economy team. The first knowledge sharing meeting was held on the 30th August, as the final LLL invitation was shared with regional partners. During this meeting, the group, which included representatives from Darlington Borough Council, Redcar and Cleveland Council, the Federation of Small Businesses and DCC, the group agreed that we should begin a national (rather than regional) knowledge sharing network, and this has now been done with the first meeting to be held on the 14th November via Microsoft Teams.

The development of the peer to peer networks for local authorities was developed as EU funding comes to an

end we want to retain knowledge sharing aspect of projects such as LOCARBO as through this we have been able to improve our existing practises outlined above. This was in line with the GP “Province of Potenza as Coordinator for the Covenant of Mayors (CoM) for Climate and Energy (Province of Potenza, Italy)” as Potenza developed a covenant of mayors to discuss progress of energy efficiency works and measures which we are replicating with business and local authority networks.

Other networks similar to this have been considered by groups such as the north east local enterprise partnership but they are focussed on specific topics (such as heat networks) but there is a need to open the breadth of topics to cover low carbon projects in general, as we wanted to replicate the breadth of GPs put forward in LOCARBO. These networks are not often local authority led and therefore we felt it would be beneficial to have one local authority as the lead as we have insight into topics which we will find useful. The development of peer-to-peer net zero networks had not previously been considered by the council and therefore Italy’s GP inspired this change.

### **Kaunas University of Technology – Project Partner (PP5)**

The ERDF Managing Authority – Ministry of Environment on 20th of April, 2022 announced a new call – “Climate change program to stabilize the rise in energy prices” - implementation of several different measures dedicated to energy efficiency and use of the renewable energy sources in buildings. The aim is to save energy and use



an environment friendly and independent energy sources in end-user installations and facilities. The call provides an opportunity for social buildings owners (municipalities, etc.) to improve its energy efficiency and, use renewable energy sources at the same time to save resources and stay independent from energy suppliers. The result of the call aims at contributing to the energy efficiency in buildings for minimizing energy and utilities consumption and cost, in order to obtain a positive change in consumer's consumption behaviour, as well mitigating climate change in the region and whole country.

According the findings in the LOCARBO project with assistance of KTU, the new project called for achieving the energy efficiency of social building sector and this was implemented through the reinforcement of the stakeholders, development and announcement of the new project call. The time plan:

- Reinforcement of the stakeholder group (July – December 2021);
- Development of a new project call (January – March 2022);
- Call announcement (April 2022);
- Implementation of energy efficiency projects (May – December 2023).

KTU has extensive experience in the field of both energy research and interregional projects implementation in close cooperation with local/regional/national authorities. KTU and the Ministry of Energy, as well Ministry of Environment have signed the bilateral agreements for cooperation since 2013. Due to our collaboration with various institutions and

authorities, KTU is in a good position to influence regional and national policies in different fields, providing its knowledge and know-how to policy making bodies.

Throughout the 5<sup>th</sup> call knowledge exchange in LOCARBO project, several a new exchange of experiences were carried out which allowed us to know, learn and understand new and innovative practices regarding the energy efficiency in building sector. The Good Practice of partner from Alba Iulia “Improving energy efficiency and consumer behaviour at the level of social housing in Alba Iulia Municipality” was very interesting for our region. This good practice is of particular importance to our region, as helps to increase of energy efficiency in buildings, especially multi-apartment social and residential buildings. The good practice tested in Alba Iulia has the potential of being replicated to our region and this is done by announcing a new call regarding energy efficiency and utilities consumption and costs. The result of the call aims at contributing to the energy efficiency in buildings for minimizing energy and utilities consumption and cost, in order to obtain a positive change in consumer's consumption behaviour, as well mitigating climate change in the region and whole country.

The implementation of the GP provide access to consumption data using smart home monitoring systems and to general information regarding simple methods for minimizing energy and utilities consumption and cost, in order to obtain a positive change in consumer's consumption behaviour in social houses.



## Hungarian Innovation and Efficiency Nonprofit Ltd. (MI6) – Project Partner (PP6)

Hungarian Innovation and Efficiency Nonprofit Ltd. (MI6) had the opportunity to have another round of contribution in shaping the Policy Instrument (EDIOP-4) using knowledge acquired in the LOCARBO project. In Semester 6-7, two other schemes have been elaborated and then published (EDIOP-4.1.3 and 4.1.4.).

We assisted the MA in transforming the PI schemes again, based on the transnational learning and consultation in LOCARBO and provided by the project partner in improving and changing the management and the strategic focus of the Policy Instrument and its corresponding scheme conditions".

Information received during LOCARBO implementation (other Policy Instrument set-ups, their modus operandi, their results, successes and pitfalls, their set of conditions and the potential ways to improve them) all provided ideas, inspiration, discussion platforms and opportunities to exchange views. Having these international information at hand and now being a trusted advisor to the Managing Authority, we could make up proposals on how to further improve our Policy Instrument.

After considering our proposals on strategy, conditions, timing and finance, the Managing Authority was open to hear more. We have elaborated our proposals into potential actions - using internationally acquired knowledge from LOCARBO, tailored and localized to the Policy Instrument context - which, then achieved

Managing Authority satisfaction. Having submitted our proposal on the schemes to be launched, we have closely monitored how the market demand meets the policy supply. As a result, and in order to complement ongoing results, the MA decided to work with us again when forming the condition set of the two new schemes, EDIOP-4.1.3 and 4.1.4.

LOCARBO, in our view, was a great initiator and enabler of sourcing relevant, filtered, international information to assist local Policy Instrument related challenges, using the simple principle that it is way more beneficial to find and adapt working practices to challenges that we face, then reinventing new ones. Also, it is priceless to have a platform of experts eager and open to cooperate in order to solve such challenges.

It was definitely the knowledge-sharing element of LOCARBO that inspired, educated and motivated certain insights to be adopted in the Hungarian Policy Instrument context.

Both project meetings and exchange of documents and practices (e.g. BEEP in the UK to be highlighted, bearing many similarities with the Hungarian context, targeting SMEs providing support for energy efficiency interventions) lead to idea that could further improve our PI.

Also, practice from Romania (Alba Iulia) and Italy (Potenza) and Portugal (Villa Nova de Gaia) and Lithuania (Kaunas) assisted in the process. All partners' practice focuses on municipal cooperation, however, in terms of engineering, static information and financial





engineering (ERDF co-financing particularly, in the case of Alba Iulia) provided factual elements of inspiration. Besides, the Romanian market context, regulatory framework and cultural approach resembles the Hungarian one in many aspects, therefore, we found it a good match to cooperate with our partners in Alba Iulia.

### Alba Iulia Municipality – Project Partner (PP7)

Originally the targeted policy in the 5th call was the Integrated Urban Development Strategy (SIDU) of Alba Iulia Municipality 2021-2030. The strategy is a basic document in defining the framework to ensure the implementation of a coherent vision of integrated evolution of the development sectors specific to a community. The strategy was under revision in 2022 and the municipality was working on the identification of financing sources for the priorities foreseen in it. In the frame of this process, based on the good practices learnt in LOCARBO, the municipality submitted a successful project application (titled DOITSMARTER) to the Innovation Norway, Energy Programme Romania. This way the policy change is in indirect relation with the SIDU, as the project contributes to the actions listed in the strategy, but the actual policy change happened through the submission of a new project (Type 1 change) to the Innovation Norway, Energy Programme Romania which as such is also a financing tool supporting the reaching of SIDU's objectives. The project was submitted in January 2022 and approved in April 2022. The aim of the project is to "Design and development of an energy efficiency management and control system with cost-effective

solutions for residential and educational buildings". The DOITSMARTER project will focus on the development of practical solutions for an energy management and control system demonstrated in 3 pilot locations (buildings, one of which is a block of social housing in Alba Iulia), which integrates and combines different energy technologies- photovoltaic energy battery storage technologies, control of air conditioning, lighting, heating and cooling, demand control-into an innovative building energy management system, including estimation systems of energy demand based on demand prediction (learning algorithms and artificial intelligence) to ensure efficient and optimized energy management and the coverage of the highest possible share of RES, both at the level of a building and at the level of the zonal community, including mobility.

How did Alba Iulia Municipality achieve this Policy Change?

The Integrated Urban Development Strategy (SIDU) was in process of revision until May 2022. During this process, external experts and members of the Alba Iulia Municipality staff were involved. The knowledge gained through the implementation of all the experience exchange projects implemented by the Municipality of Alba Iulia, including the LOCARBO project, was important in the development of the strategy, as well as in the activities planned for the next period to ensure the transition to a low-carbon economy and energy efficiency of buildings. LOCARBO team was actively involved during the meetings and the development of the Strategy providing the know-how and the good practices seen during the visits as an inspiration point in the development of the future actions foreseen in the



Strategy. The presentation of good practices and the knowledge transfer was in focus in the first half of 2022. As a result of this work, one of the founding sources identified by the team, aiming to serve the priorities of SIDU, was the Innovation Norway's program call. The DOITSMARTER project has been submitted to that call in January 2022 as a bilateral, public-private partnership between the Technical University of Cluj-Napoca, Øsfold University College, the Norwegian company NxTech, the Alba Iulia Municipality and the NGO Center for the Study of Democracy. The project was approved in April 2022.

How was the LOCARBO Project Call a “deciding factor” to this Policy Change?

The project was inspired by the GPs of PP3- Vila Nova de Gaia and PP5- KTU, as the project DOITSMARTER proposes 3 pilot locations (buildings, one of which is a block of social housing in Alba Iulia), which integrates and combines different energy technologies - photovoltaic energy battery storage technologies, control of air conditioning, lighting, heating and cooling, demand control - into an innovative building energy management system (BEMS), including estimation systems of energy demand based on demand prediction. The GP of KTU: Energy distribution operator ESO (Energijos skirstymo operatorius) implements an innovation - a smart electricity meter. It sends the readings to a central database and users have to pay the bill - no need to write off the data. The GP represented a starting point regarding the testing

and implementation of the developed solutions during DOITSMARTER. Also, it demonstrates the added value of smart metering systems.

Vila Nova de Gaia GP: The main goal of the GP is to include hygrothermal condition monitoring to the different municipality infrastructures that will go under retrofit work, especially on Social Housing Buildings. The municipality demonstrates to analyze the data and make conclusions on the effectiveness (on both economic and energetic aspects) of the retrofit work in order to adapt and improve it for future works. The GP like the DOITSMARTER project, has the same objective: to show the real situation/conditions of the buildings in order to guarantee that the retrofit works results are the expected ones.