

Maximising the value chain from low carbon energy investment

Clr Neil Swannick

- ❖ Manchester City Councillor
- ❖ Chair of the Greater Manchester Waste Disposal Authority (GMWDA)
- ❖ Greater Manchester Low Carbon Hub Board Member and Chair of the GM Energy Group
- ❖ North West England representative on the EU Committee of the Regions – with a keen interest in energy matters

Regions 4 GreenGrowth

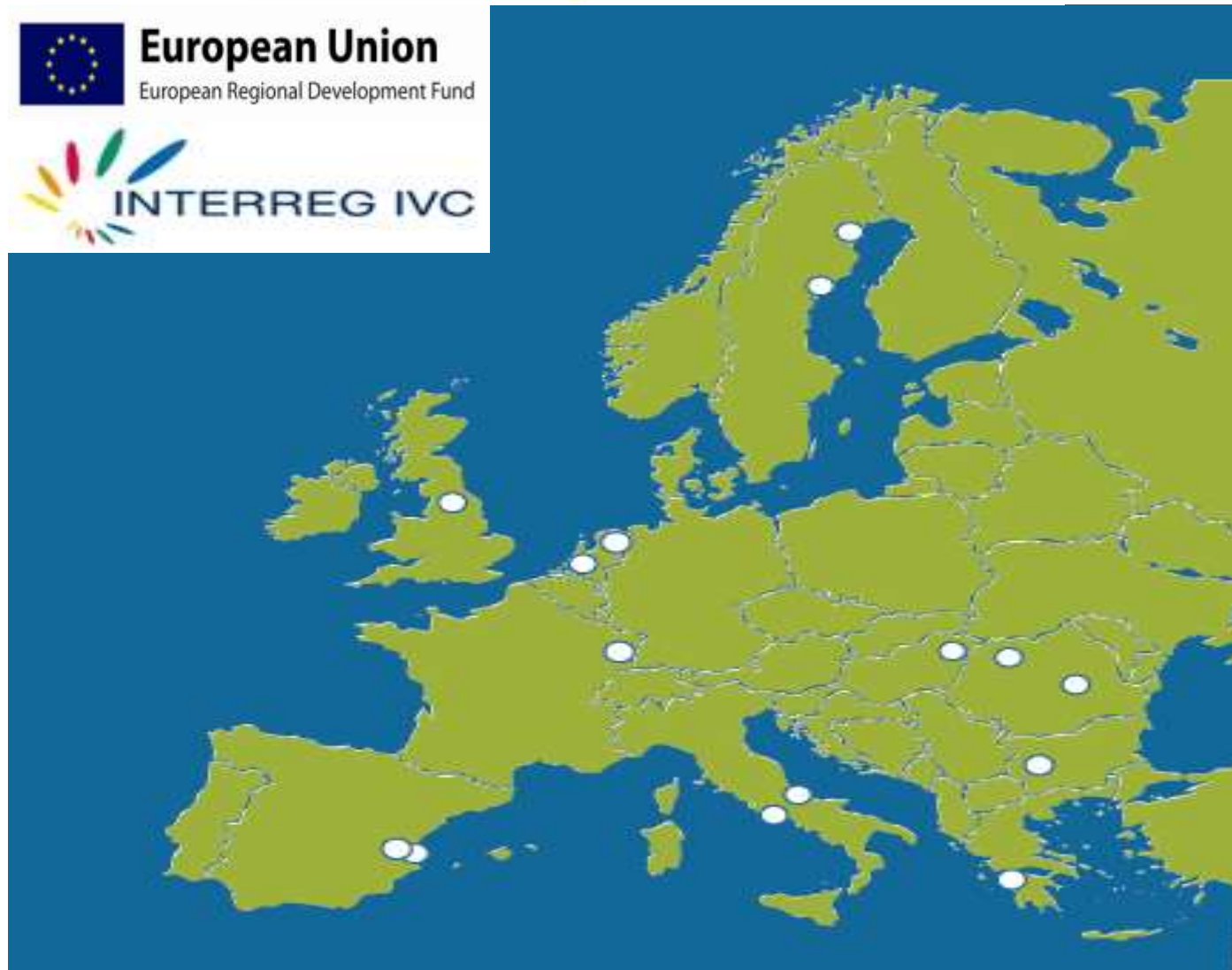


European Union

European Regional Development Fund



INTERREG IVC



The Challenge

- ❖ Questions we asked of the peer review team:-

- ❖ What are the strengths and weaknesses of:-
 1. our organisational and governance structures and processes if we are to maximise opportunities for energy investment?
 2. our proposed support structures for the development of the Low Carbon & Environment Goods and Services sector deliver social benefit from energy investment?

And...

- ❖ How can we improve procurement of energy investment opportunities to maximise local economic and social benefit?
- ❖ What lessons can be learnt from best practice in Europe and international cities?
- ❖ Are there any organisations and professions with whom we need to be more fully engaged?

Peer Review Team

- ❖ In a very short space of time, the Peer review team have met a number of people including universities, social housing companies, businesses and councils.
- ❖ They have visited some energy efficiency projects including Manchester Town Hall and the Central Library refurbishment.
- ❖ Visited Oldham College via Metrolink
- ❖ We have immersed them in PowerPoint
- ❖ Conducted 1-1 interviews
- ❖ Now, we welcome their preliminary findings.....

Next Steps

- ❖ This is our chance to hear their preliminary findings
- ❖ To discuss and if necessary, challenge these findings
- ❖ A full report with recommendations will follow
- ❖ We will seriously review and consider their recommendations and
- ❖ I hope that this is the start of wider engagement with the GM Low Carbon Hub

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GREATER MANCHESTER PEER REVIEW
Preliminary Report of the Peer Review team
Friday 5th July 2013

www.regions4greengrowth.eu



Lisa Hoyland

GM Low Carbon Hub

Partner regions

Assembly of European Regions

Greater Manchester (UK)

Gabrovo (BU)

Noord-Brabant (NL)

Valencia (ES)

Flevoland (NL)

Lazio (IT)

Norrbottn (SE)

Maramures (RO)

Abruzzo (IT)

Prahova (RO)

Västernorrland (SE)

Western Greece

Észak-Alföld (HU)

Regions4GreenGrowth's general goals

Overall objective

To equip regions with regional policy instruments and approaches to:

- ***improve access to finance*** for
- and ***speed up investments*** in sustainable energy projects

How?

- By collecting and exchanging ***good practices***
- By ***analysing the specific challenges*** related to financing sustainable energy projects in each region
- By ***developing policy instruments and approaches*** to boost investments in sustainable energy projects

Regions4GreenGrowth's main activities

- Exchange of good practices
- Organisation of 13 peer reviews, aiming to improve regional policies
- 3 Master classes on how to develop a Development and Investment Organisation (DIO) for sustainable energy
- Production of a toolkit that can be used by other regions
- Communication activities to share the results with a larger public & cooperation with other organisations like Eurisy & the Climate Group



What are Regions4GreenGrowth peer reviews about?

- A peer review is a mentoring visit to a host region, undertaken by a group of international experts
- To assess the region's strategy, policy and actions in the field of investments in sustainable energy
- Peer reviews help regions to understand how well their policies and practices are working and support them in making improvements, proposed by the group of experts



Peer Review Methodology



focus



host region



background information



local stakeholders



review team



field visit



interviews



recommendations

Action Plan

policy improvements



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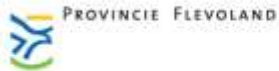


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**Preliminary results and recommendations
of the GREATER MANCHESTER Peer Review
1 – 5 July 2013**

Regions 4 GreenGrowth

Partners Regions for Green Growth



PROVINCIE FLEVOLAND

Province of Flevoland (Netherlands)
Lead Partner - www.flevoland.nl



NORRBOTTENS LÄNS LANDSTING
COUNTY COUNCIL OF NORRBOTTEN

County Council of Norrbotten (Sweden)
www.län.se



Consiliul Județean
Maramureș

Maramureș County Council (Romania)
www.cjraamureș.ro



REGIONE
ABRUZZO

Region Abruzzo (Italy)
www.regione.abruzzo.it



GENERALITAT
VALENCIANA



aven
Agència Valenciana de l'Energia

Valencian Energy Agency (Spain)
www.aven.es

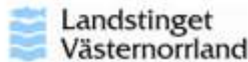


REGIONE
LAZIO

Lazio Region (Italy)
www.regione.lazio.it



Energy Efficiency and Renewable Energy Agency (Romania)
AER Ploiești-Prahova
www.aer3-ploiești.com



Landstinget
Västernorrland

County Council of Västernorrland (Sweden)
www.län.se



PATRAS
SCIENCE
PARK

Patras Science Park (Greece)
www.psp.org.gr/



CSDR - Gabrovo

Center for Sustainable Regional Development
Gabrovo (Bulgaria)
www.cdrnabg.org



Provincie Noord-Brabant

Province of Noord-Brabant (Netherlands)
www.brabant.nl



Assembly
of European
Regions

Assembly of European Regions
www.aer.eu



ÉARDA
Eszék-Árkád
Regional Development Agency

Eszék - Árkád
Regional Development Agency (Hungary)
www.eszekaarkad.hu



Oldham
Council

Oldham Council
Greater Manchester North
(United Kingdom)
www.sgrn.gov.uk



ITE
ENERGY TECHNOLOGICAL
INSTITUTE

Energy Technological Institute
Comunidad Valenciana
(Spain)
www.ite.es

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Energy Peer Review

- **Greater Manchester is the host region**
 - Lisa HOYLAND (Host Coordinator)
 - David CATHERALL
- **Maramures County is the Peer Review Coordinator**
 - Adina DUMITRU (Peer Team Coordinator)
 - Mihaela LITE
 - Petre MITRU
 - Gabriel ZETEA
- **Other partner of the Peer Team:**



Consiliul Județean



Maramureș



- Lazio (I):
Antionietta PISCIONERI
Leonilde TOCCHI



- Noord- Brabant (NL)
Bart van Weenen
Hans de Boer
Jaap van der Velden



- Valencia (S):
Marta ESTEVA
Javier URBIOLA VEGA
Germán CUÑAT
Andreu CAMPOS CANDEL



- Assembly of European Regions:
Cristina Baizan

One Team



Peer Review Focus focus:

- **Maximising the value chain from low carbon energy investment**

Specific questions from the host region to the peer review team

❖ What are the strengths and weaknesses of:-

1. our organisational and governance structures and processes if we are to maximise opportunities for energy investment?
2. our proposed support structures for the development of the Low Carbon & Environment Goods and Services sector deliver social benefit from energy investment?

Specific questions from the host region to the peer review team

- ❖ How can we improve procurement of energy investment opportunities to maximise local economic and social benefit?
- ❖ What lessons can be learnt from best practice in Europe and international cities?
- ❖ Are there any organisations and professions with whom we need to be more fully engaged?

SWOT análisis



Strengths (1)

- Strong political leadership related to the low carbon economy
- Commitment from the local authorities to energy savings and renewable energy: willingness to cooperate together in order to achieve scale
- Excellent cooperation between various stakeholders (public, private and education) formalised in the Low Carbon Hub – an excellent initiative
- Authorities have gone from an informal cooperation (AGMA) to additional formalized (GMCA) cooperation: increased competencies of GMCA

Strengths (2)

- Ambitious targets for the region and clear strategy
 - includes short and long term objectives
 - structured on different levels (general and local)
- Long-term political vision beyond a single political mandate
- Link between sustainable energy and local jobs and economic growth recognised; potential to combat the recession
- The link is already included in the procurement process and good practices already available in the region

Strengths (3)

- Already a wide array of projects in the GM low carbon pipeline
- Potential sources for funding already identified
- General trust in the local authorities combined with a broad community sense (citizens and companies are encouraged and willing to give something back to the community)
- Dedicated and competent people working in the program
- Recognised brand of Manchester in technology and industrial revolution
- The programme fits to the scale of the GM region

Weaknesses (1)

- Complex governance structure
 - this can hinder the speed at which projects are carried forward
 - complicated for stakeholders to understand how the system works
- Weak direct involvement of SMEs in the low carbon hub
- No involvement of the citizens in the low carbon hub
- Insufficient supporting structures for companies working in the low carbon sector (clusters, industrial park, innovation centers, incubators)

Weaknesses (2)

- No central information point for regional investment in sustainable energy
- The link between project selection and achievement of overall goals not clear enough
- Insufficient human resources within the GMCA/AGMA to run the programme
- Monitoring of key performance indicators (KPI) not yet in place
- Low current involvement in European programmes such as CIP, IEE, Life+, FP7



Opportunities (1)

- Availability of the GIB funding
- Availability of the ELENA scheme to be used for the detailed technical development of the carbon pipeline projects
- Good framework for developing the ESCO model
- Strong universities providing massive resources of expertise on energy
- Research sector willing to transfer knowledge to the market
- Potential to turn Greater Manchester into a pioneer in the Green Deal



Opportunities (2)

- Emerging international cooperation in the technology field (with Japan, Germany etc.)
- Existence of the headquarter of the Co-operative Group in the region
- Possibilities for saving money by collective buying of energy
- Change in the energy regulations allows for the creation of a public local energy company (to produce, buy, sell energy)
- Economic recession generating a change in energy use behavior



Threats

- Strong dependence on external funding (ERDF, GIB)
- High dependence on national policy and regulations
- High interest rate on loans for SMEs
- Lack of resources and willingness of population to implement retrofitting actions
- Underestimated technical complexity of the energy system for production and distribution
- Possible opposition of the "big six" suppliers towards new entries in the energy market



After SWOT , Special Thanks ! Before Recommendation!



Preliminary recommendations (1)

- Make sure that the complex governance structure does not hinder how projects will be carried forward
- Make it easier for the businesses to find information regarding technology and funding by creating an Information Point in the Low Carbon Hub structures
- Engage representatives of the citizens into the HUB
- Facilitate the creation of sectorial clusters and associations
- Establish a clear set of criteria for the project selection
- Improve the technical and engineering competencies of the general management level in Local Authorities
- Balance the ambitions with the human resources available
- Implement the monitoring system - KPIs

Preliminary recommendations (2)

- Apply for the ELENA scheme for the detailed technical development of the carbon pipeline projects
- Develop the ESCO business model and introduce an official ESCO registry with criteria in order to ensure the client's trust (*example from Lazio*)
- Include in the procurement process criteria related to the compensation of carbon emissions generated during the contract execution which will encourage using local resources (*example from Noord-Brabant about road building procurement*)
- Make a stronger strategic partnership with the Universities to foster innovation transfer (*example from Noord-Brabant*) and identify key challenges that are not covered yet

Preliminary recommendations (3)

- Nominate one person from each of the 10 LA to be responsible for energy purchasing forming a group in charge of energy procurement and make a start for a collective contract
- Promote the Green Public Procurement and extend it to all public purchases (*example from Lazio*)
- Consider the Oldham procurement mechanisms as a good practice to be replicated
- Facilitate the creation of a show-room for professionals with technical solutions in the house retrofitting sector (*example from Rotterdam*)
- Use public building retrofit as pilots for innovative solutions in low carbon technology (*example from Valencia*)

Questions and open discussion with hosts

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