



CREW ENERGY WEBS

A business model to aim for

Individual motivation and collective actions

H2020 Project# 890362

June 2020 – June 2023

Dr. Johannes Slacik Energy Institute at the JKU Linz, Austria

Sustainable Places 2022, Nice, FR





The eCREW Model

- Virtually connecting consumers and prosumers for energy efficiency
- Small energy communities
- Energy utility management & service partner

• Digital platform

- Nudging & push-up messages change the consumption behavior
- Shared incentive systems
- Individual and collective actions
- Win-win-win Situation









Demand-Side Management - Potential Consumer Roles











Demand-Side Management - Potential Consumer Roles



• ENERGIE Efficiency through transitory strategic behavioral change







AYD

AGB Datenschutz Hilfe Impressum





Shared Incentive System







eCrew – establishing community renewable energy webs



Lighthouse Communities – Pilot-Sites in

SPAIN; TURKEY; GERMANY







- Different situations, different regulative barriers, different sun/wind exploitation
- eCREW is successfully lounged in Turkey, Germany and Spain-(with some issues) Spain experiences challenges (prices, tariffs, regulations, lack of prosumers)
- Digital platform as interface (required data transfer compatibility), tariff-challenges
- A unified regulatory EU-policy for tariff-settings and market conditions is recommended





eCREW – Progress and Outlook

- White Book Conpendium Business Model Design (work in progress)
 - KPIs are collected
 - Enablers and barriers are identified
 - 24 Follower Communities Kick-OFF Meeting Nov. 30th, Frankfurt

AUSTRIA

- Energie Steiermark AG
- E-Werk Gösting Stromversorgungs GmbH
- Kraftwerk Glatzing-Rüstorf eGen
- Österreichs Energie
- Spotty Smart Energy Partner GmbH

BELGIUM

 Joint Programme on Economic, Environmental and Social Impacts of the Energy Transition

FRANCE

Électricité de France S.A. (EDF)

GERMANY

- Energieversorgung Mittelrhein AG
- RhönEnergie Fulda GmbH
- SWB AG

GREECE

- Municipality of Kythnos
- Network of Sustainable Greek Islands

ITALY

Iren S.p.A.

- SPAIN
- Federación Coope
 Som Energia SCCL
 - SWEDEN

Nordiska Elbolage

- TURKEY
- Ataseven Enerji Ür
- Petroleum and Na
- Turkish Pump and valve Manufacturers Association

UNITED ARAB EMIRATES

SA Engineering Consultancy





eCREW – Progress and Outlook

- CEO Handbook to follow a consumer/prosumer survey
- PV-amortization calculator
 - Simplification, average measurement
- Dissemination Process
 - Collaboration with COM RES, WE4RES, BeCoop, DECIDE, RESCoop, BRIDGE, IEECP,
 - Awareness programms, women integration, Youth and Digitalization
 - EU-Sustainability Energy Weeks:
 - Women integration in energy communities
 - Energy communities and digitaliziation for youth





eCREW – Progress and Outlook

Three CREWs + ACEA (Italian energy utility)

And more to come









a business model to aim for





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The SENSEI project

SENSEI – Smart Energy Services to Improve the Energy Efficiency of the European Building Stock (<u>https://senseih2020.eu/</u>)

Duration: September 2019 – February 2023



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The SENSEI project

The overall goal of the SENSEI project is to propose services that allow energy efficiency to be treated as a **transactable asset**, as well as business models that utilize these services in order to valorize energy efficiency as a **grid resource**.

To this end, the pay-for-performance (P4P) concept has been adopted by SENSEI as a way to enable the aforementioned services and business models.





The P4P concept

The main premise of the P4P concept is simple: compensate an asset or a service according to its actual impact.

Performance-based agreements for energy efficiency are already part of the ESCO model. SENSEI focuses on designing **public programs** that support energy efficiency by compensating (paying) energy efficiency retrofits based on the energy savings they actually deliver (performance).





Argument #1: P4P increases the impact of public programs for energy efficiency financing by introducing accountability.

P4P is not meant to completely replace grants and subsidies, since subsidizing the upfront investment costs is a strong driver for energy efficiency upgrades and, in particular, for deep retrofits.

Linking part of the subsidies to ex post results/impact helps increase the costeffectiveness of public programs (as if imposing an upper bound to the acceptable amount of Euros per MWh saved).





Argument #1: P4P increases the impact of public programs for energy efficiency financing by introducing accountability.



Do these benefits of P4P outweigh its implementation costs?



Find synergies to increase benefits for same costs.





Argument #2: P4P can – and should* – be used to offer a premium to energy efficiency projects when their implementation leads to load shape changes that are beneficial for the power grid's operation.

* Adopting P4P is necessary because all other alternatives for ensuring the power grid's reliability – capacity reserves and demand response – are compensated based on their performance.

Treating energy efficiency on equal basis with the alternative options that system operators have at their disposal means that energy efficiency should be rewarded based on actual impacts.





SENSEI has demonstrated (SENSEI Deliverable D4.2) that:

- Energy efficiency is valuable when its impact is aligned with persistent needs of the power grid that reflect the regularity and seasonality of power demand at the aggregated level.
- The design of a program that compensates energy efficiency for its contribution to the grid does not need a radically new toolset, but can be done using the tools that power system operators already use.

Open source tool for quantifying energy efficiency value: https://github.com/hebes-io/eevalue





Argument #3: P4P programs can incentivize the development of the know-how and infrastructure necessary for energy retrofit project aggregation.

P4P programs create a market for aggregation, along with all the **governance structures** and **technical capabilities** to support it.





Governance structures:

SENSEI introduces the concept of a P4P program facilitator: a third party that is responsible for running a P4P program on behalf of the corresponding program owner (SENSEI Deliverables D6.3 and D6.5).

Technical capabilities:

- Project screening and evaluation methods
- Measurement and verification of impact from retrofit (SENSEI Deliverable D7.1, <u>https://github.com/hebes-io/eensight</u>)





Conclusions

The energy efficiency services sector is lagging behind renewable energy generation in terms of demand for investments, as well as business models for aggregating projects and attracting investment capital from institutional investors.

While a lot of work has taken place in measuring energy savings and formally covering risks and uncertainties at the individual project level, scaling energy efficiency up to project portfolio level still faces challenges.





Conclusions

SENSEI argues that the design and roll out of P4P pilots for energy efficiency projects can lay the groundwork for the development of the methods and standards that are necessary for creating large-scale pipelines of projects. P4P pilots constitute an effective use of public finance to discover best practices for the aggregation of a large number of energy efficiency projects into portfolios, and they can act as a workbench for developing financing tools and risk allocation mechanisms.





Thank you for your attention Any questions or comments?

https://senseih2020.eu/







SmartSPIN

Analysis of an enhanced Energy Efficiency-as-a-Service model for the European commercial rented sector

Luciano De Tommasi International Energy Research Centre 8-9-2022 (online presentation)



Organised by:



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101033744.

Outline

- SmartSPIN objectives, concept and work plan
- Definitions of Smart Energy Services (SES)
- > The split-incentive issue
- ESCO Business Models to deliver SES to Commercial Rented Sector
- Interviews of Work Package 2
- > The SmartSPIN Energy Efficiency as a Service Model
- The SmartSPIN Energy Savings Model
- Recommendations for SmartSPIN Service Definition
- Published deliverables



SmartSPIN Objectives

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- Demonstrating the feasibility, effectiveness and advantages of the SmartSPIN innovative business model that combines both energy and non-energy benefits in a smart energy services offering for the commercial rented sector.
- Addressing the barriers that prevent the commercial rented sector from engaging in energy services, energy efficiency projects and performance-based contracting.
- Showcasing how big data generated from smart equipment can be used to better control energy consumption in buildings and more accurately measure and verify energy savings and flexible energy consumption.
- Developing an innovative business model and new contractual templates that allow the proposed Smart Energy Services to be deployed in the commercial rented sector.
- Engaging and training key market stakeholders (ESCOs, landlords, tenants, industry bodies, measurement and verification practitioners, smart technology manufacturers) in the deployment of the SmartSPIN business model.





The SmartSPIN Concept

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SmartSPIN Work Plan







This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 10133744.

Energy Services Definitions

- Some definitions relevant with SmartSPIN
- > Energy services are the benefits that energy carriers produce for human well-being (Modi et al, 2005)
- An energy service is a measure of the service actually provided to ultimate consumers by their own use of energy, quantified, for example, using units of work or of heat at various temperatures (Devine Jr., 1979)
- Energy services refer to the services that are generated from consuming energy combined with appliances (Fouquet, 2016)
- People do not use energy but obtain benefits from the services provided by energy. The term energy services is used to describe these benefits, such as illumination or cooked meals (Pachauri and Spreng, 2003)
- > An energy service is the useful work obtained by energy consuming (Sorrell, 2009)
- Energy services are provided through a combination of capital equipment, labour, materials and energy. An essential feature of an energy service is the useful work obtained which may be measured by a variety of way (Sorrell, 2007)



The Split-Incentive Issue

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A split incentive occurs where the benefits of a transaction do not primarily accrue to the person who pays for it.

The Energy Efficiency Directive (Directive 2012/27/EU) includes a provision in its Article 19(1)(a) recognising the importance of addressing the barrier of split incentives in the building sector.

"Member States shall evaluate and if necessary take appropriate measures to remove regulatory and non-regulatory barriers to energy efficiency, without prejudice to the basic principles of the property and tenancy law of the Member States, in particular as regards: (a) the split of incentives between the owner and the tenant of a building or among owners, with a view to ensuring that these parties are not deterred from making efficiency- improving investments that they would otherwise have made by the fact that they will not individually obtain the full benefits or by the <u>absence of rules for dividing the costs</u> <u>and benefits between them</u>, including national rules and measures regulating decision- making processes in multi- owner properties"





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- Review of Business Models (D2.1)
- Three Business Models for ESCO have been reformulated from the literature (Shang et al, 2017) to deal with the split-incentive issue (D2.2).
- Shang, T., Zhang, K., Liu, P., & Chen, Z. (2017). A review of energy performance contracting business models: Status and recommendation. Sustainable cities and society, 34, 203-210.
- > Most promising business models investigated in SmartSPIN are:
 - 1. Shared savings business model addressing the split-incentive issue
 - 2. Guaranteed savings business model addressing the split-incentive issue
 - 3. Chaffee business model addressing the split-incentive issue
 - 4. Energy Efficiency as a Service addressing the split-incentive issue





Shared savings business model addressing the split-incentive



- The ESCO is responsible for designing, financing and implementing the project
- The ESCO is responsible to verify the savings during the contract period
- The ESCO gets a fixed portion of the saving over a fixed period and shares the savings with the landlord
- The tenant pays the fees for the energy service to the ESCO
- Low risk model for the client





Guaranteed savings business model addressing the split-incentive issue





Chaffee business model addressing the split-incentive issue



- The ESCO is responsible for the operation and maintenance of the entire energy system
- The ESCO burdens the energy costs
- The ESCO manages and transforms the energy system to achieve the targets specified in the contract and self-finances the related projects
- The ESCO gets all the savings if targets are met, otherwise it pays a compensation corresponding to the energy shortage.
- The landlord has a contract with the ESCO and pays for the energy provision and the energy efficiency
- The landlord receives a payment from the tenant for the energy expenses due to the energy consumption of the tenant



••••• Energy Efficiency as a Service business model addressing the split-incentive issue







This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 10133744.
Interviews in Work Package 2

Ten interviews with members of External Advisory Board

1. City of Dublin Energy Management Agency Limited (**CODEMA**) – CODEMA is Dublin's Energy Agency. It aims at accelerating Dublin's low-carbon transition to mitigate the effects of climate change and improve the lives of citizens.

2. FACTOR 4 BVBA (**FACTOR4**) – FACTOR4 is an ESCO and EPC facilitator specialized in realizing comfort, energy efficiency and renewable energy in existing non-residential buildings, industrial plants and apartment buildings.

3. Carbon Minded (**CARBON MINDED**) – CARBON MINDED is an energy and carbon consultancy working with both public and private sector organizations to deliver sustainable solutions.

4. ANESE. **ANESE** is the National Association of ESCOs in Spain and counts more than 120 members specialized in energy services, technologies and investments.

5. Klépierre S.A. (**KLEPIERRE**) – Klépierre is a real estate investment trust focusing on shopping centers assets, which are owned and managed by the company. The headquarters are in France and the company's activity is well established in 16 European countries (Belgium, France, Scandinavian countries, Germany, Netherlands, Poland, Greece, Portugal, and Spain).

6. MEETS Accelerator Coalition (**MEETS AC**) – MEETS AC is an organization that aims at promoting the MEETS model.

7. REGENERA LEVANTE SL (**REGENERA**) – REGENERA is an Energy Service Company established in 2007 that offers services for Engineering and Energy Assistance, Industrial work and installations, Maintenance, Energy Services, and R&D – Regenera Digital.

8. SERCO Limited (**SERCO**) – SERCO established in 1929 as Serco Group Plc's and became Serco Limited on 1987. SERCO provides essential service to the public sectors like defense, transport, justice, immigration, healthcare and other citizen services across their four operating regions UK & Europe, North America, Asia Pacific and Middle East.

9. Smart M Power – **Smart M Power** is a very specialized ESCO in Ireland. It specializes in managing and intelligently automate power-matching transactions on a local level.

10. An anonymous interviewee from the **European Commission**



The SmartSPIN Energy Efficiency as a Service Model

• • • • Towards a Tripartite Energy Performance Contracting





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06/09/2022



Recommendations for the SmartSPIN Service

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- The Energy as a Service (EaaS) model should cover: Energy Management, Maintenance, Total Guarantee of Equipment, Improvement works, Improvement of energy efficiency
- The SmartSPIN service should comprise: energy management, changing the electricity supplier, equipment/RES installation (e.g. solar PV installations) or replacement and O&M services
- > The *Measurement & Verification* process should be standardized, ensuring no measurement errors and trusted by stakeholders
- Green leases should be used to allow engagement of landlords and tenants for improvement of sustainability and energy efficiency in rented commercial buildings.
- Two cases should be considered for service definition: 1. the landlord owns space and equipment and 2. the landlord owns only the space.
- The engagement of both landlord and tenants with an ESCO should be achieved by means of a tripartite Energy Performance Contract which can deliver performance guarantee in the rented scenario (while circumventing the split incentive issue)
- > Sub-metering is required for a fair billing of tenants' energy consumption
- The energy tariff for the electricity, gas consumption and water applied to the tenants should be independent of the season, fair and easy to understand.



Published deliverables

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https://www.smartspin.eu/results/

- > D2.1 Review of existing business models for Smart Energy Services
- > D2.2 Report on market status and revenue stream mapping
- ➢ D2.3 Review of policies on SES
- ➤ D3.1 Review on legal aspects
- ➤ D3.2 Report on smart contract design
- > D7.1 Dissemination and communication plans







Thank you.

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101033744.



Multi Utilities Smart Energy Grids and their Contribution to Service Integration

Giorgio Bonvicini - RINA Consulting S.p.A. Sustainable Places 2022 Conference, September 8th, 2022



MUSE GRIDS Project



MUSE GRIDS – Multi Utilities Smart Energy Grids Duration: November 2018 – October 2022

<u>A lighthouse project for Europe towards local energy independency</u> <u>via the promotion of Smart Energy Systems</u>



- An industry-driven consortium
- Demo sites in Osimo (Italy) and Oud-Heverlee (Belgium)
- Virtual demo sites in Eilat (Israel), Belen
 & San Cembrian (Spain), Kolkata (India)
- Replication sites in Riga (Latvia), Porto (Portugal), Constanta (Romania), Pesaro (Italy), Cologne (Germany)



MUSE GRIDS Vision towards Energy Resilience



A **Smart Energy System** is defined as an approach in which smart electricity, thermal, water, gas grids etc. are combined with storage technologies and coordinated to identify synergies between them in order to achieve an optimal solution for each individual sector as well as for the overall energy system."



MUSE GRIDS Main Technological Assets



POWER TO HEAT

- Smart Heating
- TES integration at small and large scale
- Neighbourhood

battery



ELECTRIC VEHICLES

- V2G/V2B algorithms
- Innovative fast charging station

+ management of existing assets (cogeneration & renewable plants, district heating network, water network)



MUSE GRIDS Planning Tool for Cities



A useful tool to plan the energy transition of cities and increase their resilience

#	Scenarios - heating	District heating	Individual heat production	Storage	RE production
0	Reference	No changes	No changes	No changes	No changes
1	Individual HPs	No changes	100% HP	No changes	No changes
2	+20% DH	DH increased by 20%	Decreased of 3 GWh	5 MWh of seasonal	No changes
		(3 GWh)		thermal storage	
3	50% DH	DH supplies 50%	50% of total heating	5 MWh of seasonal	No changes
		of total heating	Demand	thermal storage	
		demand			
4	90% DH	DH supplies 90%	90% of total heating	No changes	No changes
		of total heating	demand		
		demand			
5	Reference + RE	Individual heating	No changes	No changes	PV increased up to 40 MW
6	Individual HPs + RE	No changes	100% HP	No changes	PV increased up to 40 MW
7	+20% DH + RE	DH increased of 20% (3 GWh)	Decreased of 3 GWh	5 MWh of seasonal thermal storage	PV increased up to 40 MW
8	50% DH + RE	DH supplies 50%	50% of total heating	5 MWh of seasonal	PV increased up to
		of total heating demand	demand	thermal storage	40 MW
9	90% DH + RE	DH supplies 90% of total heating demand	10% of total heating demand	No changes	PV increased up to 40 MW



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Main Project Results - Osimo



- Thermal energy storage and cogeneration used to feed District Heating Network (+900 h/y CHP prod.)
- Reduction of DH supply temperature (5-15°C, 50% of the year)
- Renewable Electricity Production (ASTEA: 80 kWp PV & 110 kW hydro + 33.3 MW private assets)
- Smart Management of Water Network (-41,200 m3/y of water losses, also implying electricity savings)
- Electric Vehicles and Heat Pumps at ASTEA Headquarters (minor impact but interesting tests)
- Total avoided emissions: 128,070 tCO₂e/y
- Preliminary results \rightarrow final in October







Main Project Results – Oud-Heverlee

- Photovoltaic Plants with Battery Electric Storage System (11 MWh/y production; increased self-consumption by 38.5%)
- Electric Vehicles and V2G Chargers (benefits on local electric grid, plus 486 MWh/y of fuel savings)
- Smart Heating Systems (10.2 MWh/y NG savings)
- Total avoided emissions: 131.6 tCO₂e/y
- Preliminary results \rightarrow final in October





Conclusions

- Service integration in energy systems can be achieved in many different ways, all leading to an increased flexibility and security of supply
- MUSE GRIDS promotes service integration:
 - increased exploitation of local RES
 - energy storage systems (electric/thermal)
 - smart load management systems
 - power-to-X solutions
- Other benefits are achieved in terms of:
 - increased self-production & security of supply
 - reduction of GHG and pollutant emissions
 - decrease of energy supply costs



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Transport

Towards Interacting Multi-energy Smart Grids

Current Model

Heating

& Cooling

Electricity

ICT



Water

8



Thank you for your attention!

giorgio.bonvicini@rina.org

Visit us at EUSEW Energy Fair on September 28-29th and attend our Final Event on October 27th



SUSTAINABLE PLACES Next-Generation Integrated Energy Services fOr Citizen Energy CommuNities

ieni JIC Sustainable PLACES

Eneko Olabarrieta - R2M Solution Spain Sustainable Places 2022 Conference, September 8th, 2022



Introduction













Forum per la Finanza Sostenibile

















Horizon 2020 Call: H2020-LC-SC3-2018-2019-2020

(BUILDING A LOW-CARBON, CLIMATE RESILIENT FUTURE: SECURE, CLEAN AND EFFICIENT ENERGY)

Topic: LC-SC3-B4E-14-2020

Type of action: CSA







Society

What is NEON pursuing?

- Integrated cross-cutting services
- Innovative business models
- Digitalization
- Flexibility
- Facilities
- Validation

¿How do we start?



Is it legal? How is it paid?

- Legal and financial conditions of cross-cutting services
- State of the art of financing mechanisms
- Available tools
- Gaps
- Enabling factors
- Feasibility



Let's do some math



Quantification

- DLT
- Methodology
- P4P
- Smart Contracts



Impact



Ethics



How do we validate it?



DOMAINE DE LA

SOURCE



POLÍGONO INDUSTRIAL LAS CABEZAS



BERCHIDDA



STAINS CITY

SUSTAINABLE PLACES Thank you!!



Instituto Tecnológico de la Energía

Local Energy Communities with positive net balance



BUSTAINABLE

Julio César Diez - ITE Sustainable Places 2022 Conference, September 8th, 2022



www.ite.es

ENERGY COMMUNITIES

An Energy Community reflects the need to find new ways to organize and govern energy systems (Van Der Schoor et al., 2016). It is a social movement that enables more participatory and democratic energy processes. JRC Science for Policy Report. European Commission



INSTITUTO TECNOLÓGICO D

LA ENERGEA

A new energy model to lead the green energy transition

Source: Long-term decarbonization strategy 2050. Ministry for Ecological Transition and Demographic Challenge.

ENERGY COMMUNITIES



HYSGRID+



HySGrid+: Local Energy Communities

...with positive net balance

- Local and intensive generation
- Electrification of transport and thermal demand

NOLÓGICO DE

- Flexibility management
- Encouraging the active participation of end-users

Key features



Duration: 3,5 years (2020-2023)



Coordinator: ITE

Funding: Centro para el Desarrollo Tecnológico e Industrial (CDTI) del Ministerio de Ciencia e Innovación de España Ξ dentro del Programa Cervera para Centros Tecnológicos.

DESIGN AND PLANNING: Energy Communities





DESIGN AND PLANNING: Energy Communities





ENERGY AS A SERVICE









ENERGY AS A SERVICE



ENERGY AS YOU INVEST









ENERGY AS YOU INVEST



DIGITAL TWIN

REAL ENVIRONMENT



ELECTRIC SYSTEM DIGITAL TWIN





DIGITAL TWIN:

- Intelligence:Analyzes data and draws conclusions
- Sensorization: Collects data in real time
- Management and Control: Solves incidents, proposes optimizations and predicts operations



ELECTRICAL SYSTEM DIGITAL TWIN

HiL + PHiL

- Certification and validation of equipment
- Development testing
















GAMMA – Real Environment



THANK YOU!!!

Instituto Tecnológico de la Energía

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IVACE





