

Strengthening the role of the local level to accelerate the clean energy transition

4 recommendations

Brussels, 21 June 2017 – Putting energy efficiency first is the underlying principle that will drive energy policy into the future and put Europe at the forefront of climate action. At the local level, many European cities are already leading clean energy solutions and have joined local and EU wide initiatives such as the Covenant of Mayors. However, matching local ambition with appropriate and adequate financing presents a major challenge. In its communication on Clean Energy for All Europeans, the European Commission brought forward proposals to tackle this issue by providing new opportunities to finance energy efficiency projects. To accelerate the clean energy transition, our organisations jointly call for the energy efficiency financing framework to put local climate action at its core.

1 Develop non-thematic financing platforms and solutions to enable cities work at system scale

The issue – Overly prescriptive eligibility criteria and strictly thematic financing are not beneficial at local level, as they undermine synergies between energy efficiency and improved air quality, mobility and social inclusion. Local authorities need flexibility in available financial products.

Recommendation – Develop financial instruments and financing platforms that are not thematically oriented to overcome barriers to action and allow aggregation of different type of investments in cities.

2 Support better the establishment and implementation of local energy renovation programmes through the Structural Funds

The issue – Residential buildings are the biggest emitter of CO₂ emissions on city territories. Energy retrofits of these buildings should be a priority, financed through the European Structural and Investment Funds (ESIF). Energy retrofits have a direct impact on the quality of life of EU citizens.

Recommendation – Local authorities should be allocated resources to invest in one-stop-shops that provide integrated energy efficiency service packages to homeowners. Local authorities should be better involved by regional and national governments in the definition of needs and preparation of operational programmes. ESIF should be more flexible, so that unspent funds under current priorities can be re-allocated to cities' sustainable energy and climate projects. ESIF should finance integrated projects, not only energy efficiency investments (e.g. structural works along energy retrofits).

3 Further adapt support schemes to local realities with a small scale technical assistance facility

The issue – There are two main factors that need to be taken into account to make sure that technical assistance reaches the local level: Firstly, the repayment clause that is required under the Horizon2020 PDA call means that cities are afraid to take on project risk; Secondly, the high investment volumes required for an ELENA proposal are a challenge for smaller municipalities and for member states where project aggregation is impossible in practice in the absence of a coordinating authority.

Recommendation – The establishment of a small scale technical assistance facility with more balanced risk sharing could help in overcoming these barriers. Such an instrument could be accompanied by a fund that would also support the financing of the projects that received technical assistance support. Build project development capacity of local or regional one-stop shops – this could also be done using this technical assistance facility.

4 Amend Energy Union legislation to support better the role of renewable energy cooperatives

The issue – European cities including signatories of the Covenant of Mayors are facing difficulties in financing and executing their sustainable energy and climate action plans; So why not mobilise European citizens? Renewable energy cooperatives (REScoops) are ideal partners to team up with local authorities to trigger the energy transition.

Recommendation – The Energy Union framework and legislation should be amended including objectives and specific measures to allow energy cooperatives to thrive and set-up successful collaborations with local authorities on renewable energy and energy efficiency.

