

REGIONAL ACTION PLAN

FOR COALESCCE PROJECT



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1. General information

Project: Community owned and led energy for security climate change and employment (COALESCCE)

Partner organisation: EURO PERSPECTIVES FOUNDATION (EPF)

Other partner organisations involved (if relevant): none

Country: BULGARIA

NUTS2 region: Yugozapaden (Югозападен)

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2. Policy context

The Action Plan aims to impact:

<input checked="" type="checkbox"/>	Investment for Growth and Jobs programme
<input type="checkbox"/>	European Territorial Cooperation programme
<input type="checkbox"/>	Other regional development policy instrument

Name of the policy instrument addressed:

Operational programme "Regions in Growth" 2014-2020 (OPRG) Priority Axis 2: Support for Energy Efficiency in support centres in peripheral areas, Investment priority 2.1.: Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector

3. Details of actions envisaged

3.1. Action 1: Energy Efficiency and renewable energy use in building stock in Bulgaria

3.1.1 The background and lessons learnt

- **Background**

The COALESCCE project focuses on the role the local communities, with participation of the local authorities and citizens, can play in the energy transition process through improvement of the housing stock in the cities and commissioning of installations for production of energy from renewable energy sources for the buildings.

The purpose of the Action Plan is to provide a framework of implementation toward achieving project objectives. The core activity of the Action Plan is to improve the Policy Instrument selected - OPRG 2014 – 2020, Priority Axis 2, which is a major instrument implementing direct actions in the field of energy transition and low carbon economy through financing projects for energy efficiency and renewable energy use in public and private buildings. The improvement of the housing stock and commissioning of installations for production of energy from renewable energy sources for the buildings reflects in better air quality, will improve the living conditions in those cities, and will meet their own energy consumption needs where this is economically feasible.

Most of the project realised under OPRG 2014 -2020 so far are in public buildings while the residential ones are with limited number of investments. The interventions are mainly in the area of renovation and do not include energy production for own use so broader set of measures must be applied in order to guarantee the qualitative and quantitative results. The housing sector is energy-inefficient and is a major source of air pollution and CO2 emissions. The renovation challenge in Bulgaria is to reduce the greenhouse gas emissions by 40% (from a 1990 base level) by 2030 and buildings are a main challenge, being responsible for 36% of total CO2 emissions. At the same time the implementation of projects in housing sector is a typical community energy project since it requires establishment of apartment owners associations.

From this point of view community energy models and principles demonstrated within the COALESCCE project draw the way ahead of small decentralized renewable energy owned by people and used by the people locally. For Bulgaria being among the poorest member state of EU is crucial for the energy independence that the community power schemes get established against the odds. Enhancing the stakeholders activities and the community energy sector by attracting the multifamily buildings owners participating in the activities will improve the overall OPRG programme performance indicators related to energy efficiency targets, improvement of quality of life and employment rate.

○ **Interregional exchange of experiences and lessons learnt**

During the first phase of the COALESCCE project, the team members of EPF together with the stakeholders participated actively in the interregional learning events. All the good practices and cases were gathered and presented to the Local Stakeholder Group providing detailed information on the essence of community owned and led energy sources, the possibility to apply part of the models on regional level mainly through the residential buildings as a form of energy community and the possibility to guarantee the achievement of energy efficiency targets and RES use by additional leveraging of public funding.

The development of the activity has been influenced by the exchange of experiences and knowledge achieved within the COALESCCE project and more specifically the following:

- EPF team selected best practices that appeared most suited to the regional and national circumstances provided during the peer review in Bulgaria in October 2017 and the interregional learning events in Baden Wuerttemberg, Germany in 2017 and 2018, Valencia peer review in 2018 and Greater Manchester, UK in December 2018,
- Two stakeholder meetings, which took place in Sofia. Managing authority representatives participated in the second stakeholder meeting organised in April, 2019.
- Participation of stakeholders – representatives of municipalities in the interregional

learning events such as study visits and peer reviews in the COALESCCE partners' regions, organised during Phase 1 of the COALESCCE project implementation.

- Workshop on development of good practice guide gathered in Sofia all partners and stakeholders from the different partner's regions where different good practices were presented and evaluated.

During the project it was possible to deduce that these elements that could have a direct connection with what is foreseen by the OPRG 2014 - 2020, Priority Axes 2 development lines are energy efficiency and renewable energy sources use, with direct effects for the promotion of low carbon economy and energy transition.

The criterion for selection of the good practices have been developed based on stakeholders input in combination of both regional/national priorities and best practices seen, and include: (i) transferability and applicability of the practice in the regional/national context; (ii) possibility to contribute to better governance of the policy instrument OPRG 2014-2020 (iii) possibility to monitor the results achieved in respect to energy saving and emission reduction based on the investments realised by the beneficiaries – Municipalities of the OPRG 2014 – 2020, Priority Axis 2.

The Action Plan construction process was carried out in close contact with the Managing Authority, through the learning process foreseen by the COALESCCE project and carefully evaluating the good practices that could have a real transferability (in this moment) both on Regional (South West and South Central region) and on National level in Bulgaria. The concept of transferability makes explicit reference to the possibility of evaluating activities / actions in the field of energy efficiency, RES and role of community energy inserted in the context of the current programming.

The COALESCCE team conducted also an online survey to identify the needs of the municipal authorities, beneficiaries under the programme to implement better and sustainable energy efficiency interventions. Following the outcome from the peer review recommendations the survey included questions in three main themes: Finance, Regional Development and Communication.

Most of the Municipal experts confirmed interest to be supported and learn more about:

- Communication campaigns to involve communities in energy efficiency and renewable use projects for residential buildings
- Business and financial models to leverage additional private-sector investment or address specific market failures

The development of this specific action “*Energy Efficiency and renewable energy use in building stock in Bulgaria*”, has been influenced mainly by the exchange of experience and knowledge within the COALESCCE project from two partner regions advanced in energy efficiency and RES use in public and private building stock with a significant role of the community owned and led energy sector. The two partner regions are Greater Manchester, United Kingdom and Baden Wuerttemberg, Germany. In the process of transfer of the good practices through interregional events in these regions participated also representatives of the stakeholder group, representatives of local authorities in Bulgaria from the South West and South Central regions.

The good practices of the COALESCCE project that helped to confirm these elements were different, but we focused on those, described below, which showed a precise adherence to the needs identified at the regional level.

The role of the local authorities for development of project pipeline and successful engagement of residents in realisation of community energy projects is well demonstrated by **Local Authority community energy collaborations, Oldham Council, Greater Manchester, UK.**

Oldham is one of the poorest areas of Greater Manchester. The council is a ‘co-operative council’ and wanted the benefits of renewable energy to be shared with the residents. The council conducted feasibility studies on schools and a community centre for PV installation. Local members of the community were invited to collaborate on the project. Three people came forward to help, bringing a range of business and environmental activism skills. The study identified five schools and a community centre that were feasible for community-owned energy. A type of co-operative known as a Community Benefit Society was formed and they signed roof-top leases at no cost. The group, called Oldham Community Power, offered shares. They raised some money, and borrowed a low interest loan from the council to meet the FIT deadline and install the PV panels. Once the local people could see the PV panels on the roofs, they bought shares in the organisation, and half of the cost of the scheme was paid for by local people who receive an annual interest payment on their shares. See: <http://oldhamcommunitypower.org.uk/>

The experience gained through the good practices demonstrated is transferable to the local conditions.

The local authorities can develop pipeline of projects and motivate the owners of residential buildings to participate in projects aimed at energy efficiency and renewable energy use of building stock. More to that with increasing decentralisation of energy generation in Bulgaria more individuals and businesses will be able to play a role in the energy system, enabling new business models and ownership structures of energy infrastructure to emerge.

Another lessons learnt from the good practices presented during the COALESCCE project is that the local authorities not always have the capacity and knowledge to explain to the citizens, owners of multi-family houses the benefits from energy efficiency projects and to involve them in the process. Therefore, the key for the success for such projects is the active targeted communication campaign

The involvement of citizens in energy efficiency project is well demonstrated by the good practice from Germany, province of Baden Wuerttemberg: Energy agency schemes focusing on citizens

Regional Energy Agencies (EAs) in the state of Baden-Württemberg have the expertise and specific knowledge about the local and regional situation. They are important actors for the implementation of the state's climate protection goals. There are more than 30 regional EAs in Baden-Württemberg. Members of the EAs are mostly public authorities, local businesses, local/regional energy providers as well as finance institutes and NGOs. The fields of action are: Energy consulting for private house owners and tenants; Consulting on RES; public relations and training; energy services (e.g. communal energy management); energy concepts expertise advice.

<https://www.energiekompetenz-bw.de/kommunaler-klimaschutz/netzwerk/regionale-energieagenturen/>

Community energy can provide a range of economic, employment and investment benefits to regions, by developing skills, supply chains, attracting further investment and funding/finance. Success breeds success, so regions with proven financial, technical and communications expertise and project delivery skills are likely to further identify and attract yet more projects.

If the region can become a magnet for investment and is seen to be delivering benefits it will create a virtuous circle of renovated buildings, more attractive environment, warmer, healthier homes, cleaner air, citizens with more disposable income, jobs in the energy efficiency/renewables sector, suppliers and more financial investment. The state, municipality, NGOs and residents can work constructively to deliver benefits for the region.

3.1.2 Action 1 activities

The action contributes to improvement of energy efficiency measures implemented in OP Regions in Growth 2014 -2020. It will strengthen the programming activities for energy efficiency and RES through encouraging projects aimed at multi-family houses being a form of community energy to participate in the energy transition process. It will also help to monitor the results obtained due to the projects' implementation. The measures taken so far, combined with those expected to be taken in the last phase of the policy instrument

implementation will help on regional and National level, Bulgaria to attain its end use energy savings target set for 2020. Involving more projects with RES use and raising consumer awareness in conjunction with the measures promoted by OP RG will contribute to the reduction in the growth rate of energy consumed and energy transition, and will bring positive results in terms of the economy and employment in the regions.

In March 2019 the Managing Authority took a decision to evaluate the performance of the Priority Axes 2 and to announce a new call for projects within this axis with indicative budget of 6 million Euro by the end of 2019. The budget is allocated from the reduced project budgets after tender procedures and financial corrections. To ensure long-term effect from the energy efficiency interventions in the building stock and achieve the targets set in the National Action Plan for Energy Efficiency new evaluation criteria for the projects presented by the beneficiaries – the Municipalities will be announced in September 2019.

The third call that will be launched for energy efficiency and RES use by municipalities in peripheral areas would address eligible beneficiaries as described in the OP RG 2014 – 2020, Priority Axis 2. The main idea of this action is to strengthen the awareness of the municipal authorities (beneficiaries) and the community about the benefit of the renovation process and the procedures in order to foster the qualitative renovation process not only in public buildings but also in multi-family houses. The specific steps that EPF is going to follow, in order for this action plan to really influence the governance of the Priority Axis 2 of the OP RG 2014-2020 are:

- a) One meeting with the MA before the launch of the third call for energy efficiency and RES use in public and private buildings of OP RG 2014 – 2020. Priority Axes 2, in order to assure the inclusion of requirements for multi-family houses to be included in each project proposal as well as RES for own use.

EPF team will initiate this activity.

- b) Communication campaign for awareness raising among municipalities, beneficiaries under the OP RG, to motivate multi-family houses to participate in the renovation process and RES use. To introduce targeted communication campaign with detailed explanations for the benefits are very important for the success. It is obvious that the OP Regions in Growth have to focus on how to initiate actions and establish projects that will attract investments and mitigate the high risk of the Bulgarian reality.

The campaign aims to communicate the benefits of community energy, highlighting not only the economic benefits for those who get involved, but also the broader

societal challenges that could be overcome through dissemination of information in the electronic media – internet and social networks.

The campaign will be realised by EPF team using actively the electronic media – internet and social networks.

- c) Meeting workshop with the municipalities and energy experts to assess the readiness for development of pipeline of projects with included interventions directed to multi-family houses

The activity will be realised by EPF team in close collaboration with Bulgarian Association of Municipal Ecological Experts

- d) Identification of two municipalities from the South West and South Central region beneficiaries under the OP RG 2014 – 2020 with most potential to apply for funding with included larger number of multi family houses with diverse interventions – renovations and use of RES.

The activity is realised by EPF in close collaboration with Bulgarian Association of Municipal Ecological Experts and representatives of the selected municipalities and Cluster Intelligent Cities members, providing technical expertise in energy efficiency technologies and energy audits

- e) Technical support to the beneficiaries identified for project preparation and submission after launching of the third call

The main participants in the activity implementation are EPF experts and Cluster Intelligent Cities members, providing technical expertise in energy efficiency technologies and energy audits.

- f) Monitoring of the results achieved and targets met on energy efficiency and savings

3.1.3 Players involved

The organisations registered in the region of South West and South Central Region as well as on a National level who are involved in the planning, development, implementation and monitoring of the action plan and their current and future role are presented here:

1. Foundation Euro Perspectives as a COALESCCE partner.

2. Bulgarian Association of Municipal Ecological Experts, stakeholder, provides support and collaborates in Action Plan development and implementation based on the extensive network with the Municipalities in Bulgaria
5. MA of OP Regions in Growth 2014-2020 as monitoring and evaluation entities for the implementation of projects funded under the program
6. Cluster Intelligent Cities – provide technical expertise in energy efficiency technologies and energy audits
7. Municipalities – beneficiaries under OP RG 2014 -2020, Priority Axis 2
8. Sustainable Energy Development Agency (SEDA) responsible for promoting energy efficiency and the production of renewables and monitoring the progress local authorities make on achieving the targets for energy savings.

3.1.4 Timeframe

Meeting with the MA before the launch of the third call for energy efficiency and RES use in public and private buildings of OP RG 2014 – 2020. Priority Axes 2, in order to assure the inclusion of requirements for multi-family houses to be included in each project proposal as well as RES for own use.	Up to five months after the beginning of phase 2 (October – November 2019)
Communication campaign for awareness raising among municipalities, beneficiaries under the OP RG, to motivate multi-family houses to participate in the renovation process and RES use	Start up to five months after the beginning of phase 2 (October – November 2019) with duration to the end of phase 2
Meeting workshop with the municipalities and energy experts to assess the readiness for development of pipeline of projects with included interventions directed to multi-family houses	Up to 8 months after the beginning of phase 2 (January 2020)
Identification of two municipalities from the South West and South Central region beneficiaries under the OP RG 2014 – 2020 with most potential to apply for funding with included larger number of multi-family houses with diverse interventions – renovations and use of RES.	Up to 10 months after the beginning of phase 2 (April – May 2020)
Technical support to the beneficiaries identified for project preparation and submission after launching of the third call	Up to 12 months after the beginning of phase 2 (June July 2020)
Monitoring of the results achieved and targets met on energy efficiency and RES use projects	Start with month 5 after start of phase 2 and to the end of the COALESCCE project phase 2

3.1.5 Costs

Under the OP Regions in Growth 2014-2020, Priority Axis 2: Support for Energy Efficiency in support centres in peripheral areas, Investment priority 2.1.: Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector in addition a budget of minimum € 5,900,000 is approved.

Depending on the level of absorption of funds of already approved projects within the measure, this amount can be increased and it will be decided after September 2019.

The costs for the development and implementation of the communication campaign are covered by EPF.

Bulgarian Association of Municipal Ecological Experts has offered to fund and host the workshop with municipalities.

3.1.6 Funding sources

Main funding source is the OP Regions in Growth 2014 – 2020. Additional funding sources include local and regional authorities primarily through provision of office space and equipment and where possible additional funding for increasing impact of the Action.

3.1.7 Target values and monitoring

The target values planned to be monitored in the second phase for COALESCCE project in order to reach the strategic objective of the Action Plan, Action 1:

- ✓ Amount of financed renovation projects with RES use included for multi-family houses in the third call of OP RG 2014 – 2020 – 2 projects
- ✓ Realised communication campaign reaching 35 Municipalities beneficiaries under OPRG 2014 - 2020

Source of verification – annual reports of municipalities selected to realise the projects for Energy Efficiency and RES use to SEDA and MA of OP RG 2014 -2020

Risks assessment:

Type of risk	Low	Medium	High	Prevention Measures
OP RG 2014 -2020 funds for Energy efficiency and res use are redirected	X			Decision for third call is taken during Monitoring Committee and confirmed by EU
Capacity available at Municipal level to involve multi-family houses in the project proposals for the third call		X		Develop strong awareness campaign among citizens, explain the benefits through the targeted campaign
Design poor quality projects for implementation of energy efficiency measures and RES use		X		Inclusion of qualified technical experts and energy experts in the project design

Date: 17.07.2019 г.

Signature: 

Stamp of the organisation (if available):

