# Working together towards geothermal district heating

navigo

Mayors' Geothermal Club

8 October, 2015 Budapest

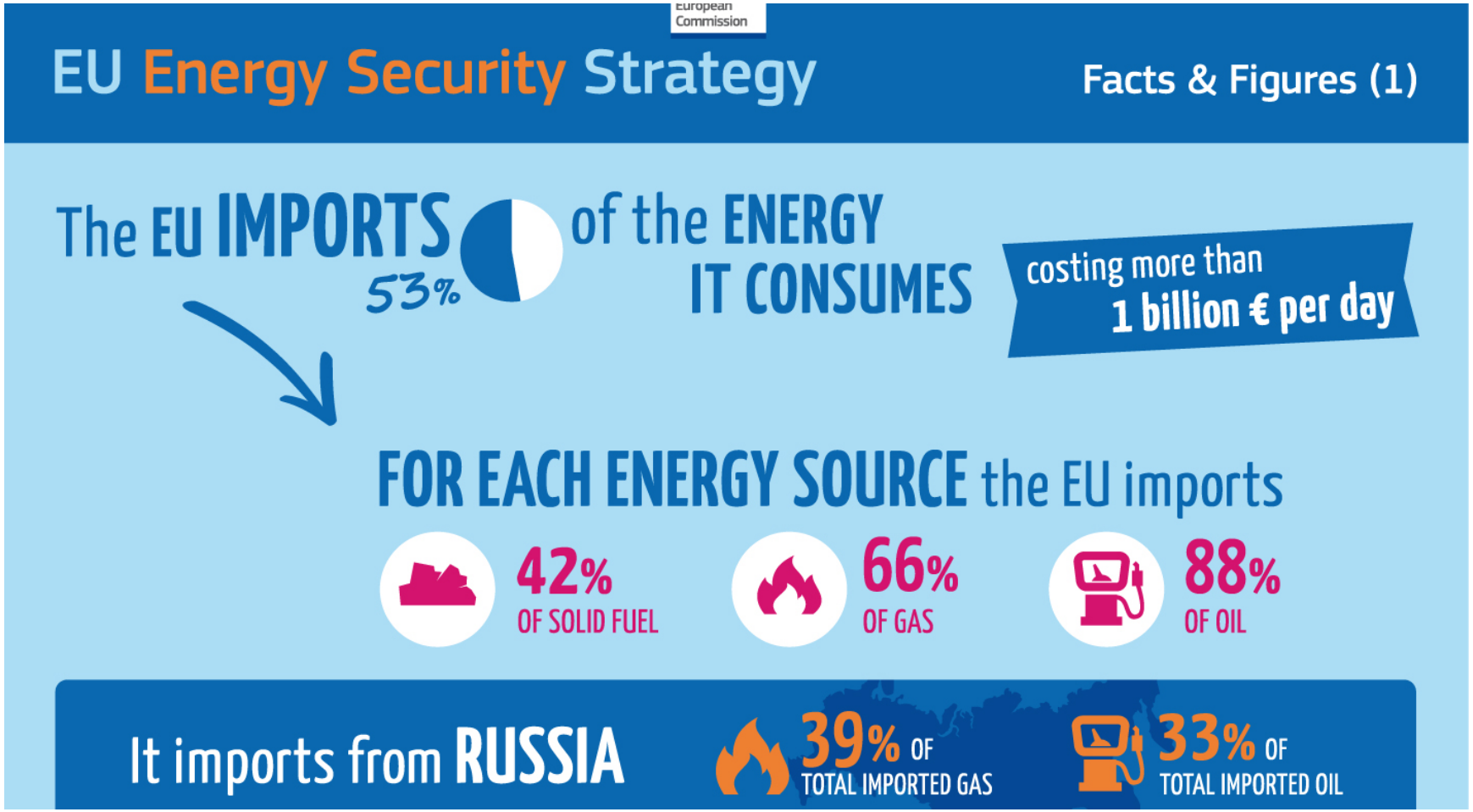
Ágústa Ýr Þorbergsdóttir

# Who are we

- Navigo is a consultancy specialising in EEA/EU law and EU affairs
- Three professionals with long time experience in EEA/EU law and policy
- We monitor EU policy developments to help our clients anticipate regulatory changes affecting their businesses
- We specialise in EU/EEA funding for renewable energy
- Cooperate with Brussels based consultancies when needed
- We specialise in EU energy policy, EU environment policy, aviation and financial markets

navigo

# What Europe is facing



navigo

# How has EU responded?

- Increased focus on Energy – security of supply
- Vice president for Energy Union – Maros Sefcovic
- Increased focus on **local** renewable options
    - EU imports over 50% of its energy
    - Production of heat is responsible for **45%** of the final energy demand
    - Around 80% of this Energy is supplied with fossil fuels!
    - In Poland alone around 76% of energy use for heating and cooling is supplied by coals!

navigo

# Change in Energy policy

- Until recently heating and cooling has been largely ignored in EU's climate and energy policies
- The EU is now looking at ways on how to increase the use of renewables in district heating and cooling
- The EU will publish a Heating and Cooling strategy at the beginning of 2016
- Policy push by the Energy Efficiency Directive

➢ **District heating can play an essential part of energy security and greenhouse gas emissions mitigation**

navigo

# Today

- Over 5000 district heating systems in Europe representing around 15% of the European heat market
- Approximately 240 geothermal district heating systems in operation
- The potential is much larger – focus on low hanging fruits such as the Pannonian basin
- Start with retrofitting and then focus on new projects

navigo

Over **25%** of the EU population lives in areas directly suitable for GEOTHERMAL district heating

navigo

# What can we do

- Lobby for suitable funding
- Focus on low hanging fruits such as best suitable areas and retrofit of existing systems
- Implement lighthouse projects in geothermal district heating
- Showcase how to use the funding available
- Demonstrate how industry/private sector and municipalities/ utilities can work together

navigo

# FUNDING

navigo

# Available grants

- Cohesion policy: 39 bn for investments in energy efficiency, renewable energy, smart distribution grids and sustainable urban mobility, including research and innovation in those areas, plus some EUR 2 bn for smart energy infrastructure.
- Approximately 4,8 bn euros for renewable energy
- Horizon 2020 5,7 billion for research and innovation in Secure clean and efficient energy.
- EEA and Norwegian Financial Mechanism 2014-2021 at least 500 million EUR will be allocated for energy, environment and climate in the coming period
- NER400/Innovation fund 9 bn EUR (ooerational in 2016/17)

navigo

# Loans – financial instruments

- Financial Instruments – compliment grant funding
- EIB Jessica – loans for urban development and regeneration
- InnovFin – focus on Energy demo projects /research, development innovation.
- FI – compass to help navigate the financial instruments available
- EIB Jessica –EIB Elena  - project development assistance – technical support
- EBRD – Technical Cooperation Funds provides funding to improve the preparation and implementation of the EBRD's investment
- EBRD – Sustainable Energy Financing Facility – credit lines to local financial institutions for energy efficiency and renewable energy
- EEEF  - investment in energy efficiency and renewable energy from 5-25m EUR
- EFSI – up to 315 bn EUR

navigo

# EEA and Norway Grants

2014-2021

- At least 500 million EUR to for energy, environment and climate
- Has a history of funding Geothermal district heating
- Will make available bi-lateral funding for project development and preparation
- A new measure - financial instruments focusing supporting projects that cannot attract sufficient funding from market sources. Drilling mitigation fund?
- Next steps – formalise agreement with EU
- Start the MoU negotiations with each Beneficiary State

navigo

# European fund for strategic investments (EFSI)

- Created to mobilise at least 315 bn EUR in private and public investment across the EU in the next 3 years
- Finances projects with a higher risk profile
    - Strategic infrastructure: digital, transport and energy, with **focus on energy interconnections** and urban development
    - Education research and innovation
    - Environmentally sustainable projects, expansion of **renewable energy** and resource efficiency
    - Smaller businesses
- Technical assistance for project development is available as well as investment advice

navigo

# Horizon 2020

Secure, clean and efficient energy WP 2016-2017

- EE-09-2016-2017: Engaging and activating public authorities
- EE22-2026-2017: Project Development Assistance
- LCE-07-2016-2017: Developing the next generation technologies of renewable electricity and heating/cooling
- LCE-18-2017: EGS in different geological conditions
- LCE-21-2017: Market uptake of renewable energy technologies: Geothermal
-

navigo

# How can we make this happen?

- Cooperation between municipalities within each MS and across MS
- Use platforms like Covenant of Mayors and Mayors Geothermal Club to share information and funding strategies
- Talk to your government and Managing authorities
- Influence the operational programs and national planning
- Seek funding for planning, preparation as well as execution

navigo

Questions?

Thank You

agusta@navigo.is
www.navigo.is

navigo