The catalyst for social innovation in the energy market

PowerUP Business Models

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PowerUP – Scope of the pilot projects

The main goal of an energy community is to produce 3 different kind of benefits

WHY?

Energy poverty, a silent phenomenon that has many different causes and we need to tackle it in a structural way

HOW?

If **public and citizen organisations are involved in local energy activities** we can break the poverty circle while advancing society towards a carbon-neutral future

WHAT?

POWER UP pilot cities demonstrate the **entrepreneurial opportunities and create business prototypes** with a socio-environmental agenda that can inspire others.

The pilots act as "living labs" where they will implement novel business models around renewable energy or energy efficiency services together with households affected by energy poverty + local stakeholders (municipalities, social organisations, energy utilities, citizen cooperatives etc.)

These households will share their experience but also benefit from RES production & EE measures, without having to bear the financial risks.

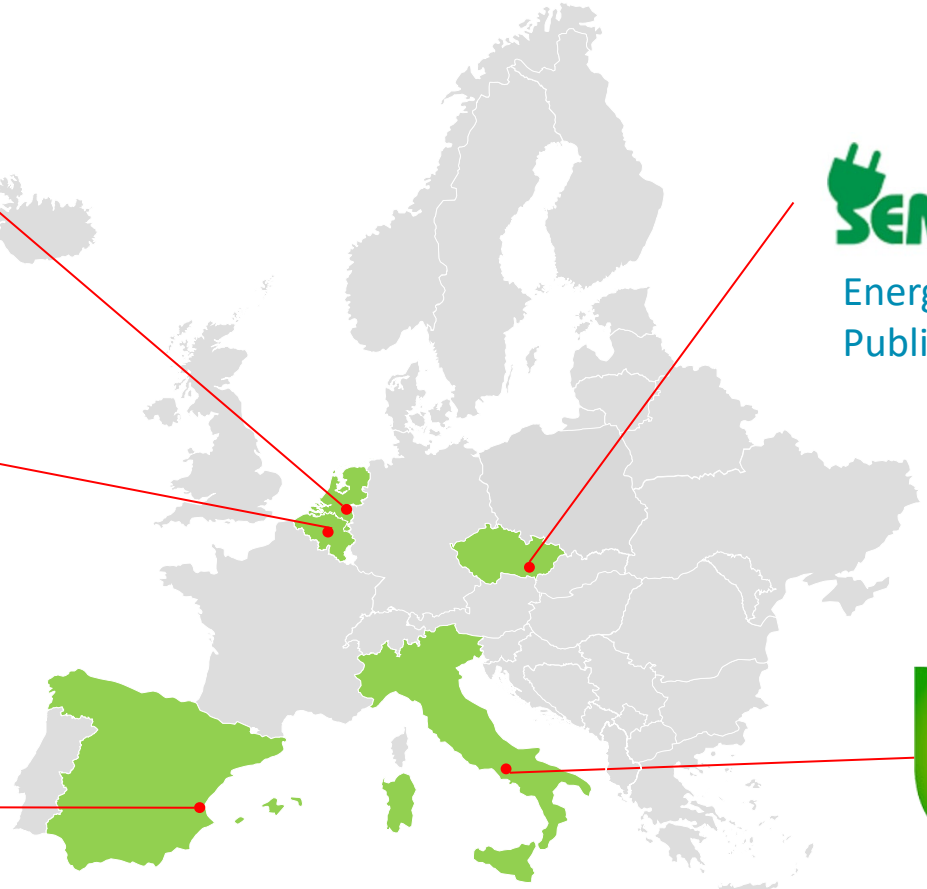
That way, new local energy market players will emerge and create multiple social, ecological, and economic benefits for the local community.

PowerUP pilot sites and projects

Heerlen
Energy cooperative

eeklo
eigenzinnig
energiek
echt

Energy cooperative
Wind turbine



SEMMO

Energy community
Public social housing

València
Clima i Energia

Energy community
Public roofs – fee model

UCSA
Ufficio Comune
per la Sostenibilità
Ambientale

Public-driven
energy community

PowerUP approach to business models

Knowledge transfer sessions have been organized to inspire the Pilots and to engage discussions about potential development of their project, before shifting to the definition of their specific Business Model and Business Case

Knowledge transfer on Business Models

- Energy communities
- Energy cooperatives
- ESCo model
- Technology leasing
- One-Stop-Shop

Business Models (canvas)

- Key stakeholders
- Key activities/actions
- Value proposition
- Channels/Relationship

Business Cases

- Investment cost
- Revenues/benefits
- Costs
- Return/sustainability

Development of the business cases

Revenues/benefits

- How are revenues generated?
- How are revenues/benefits distributed?

Costs

- What's the investment need? How can it be lowered? Who can pay for it?
- What are the operating costs?

Value Proposition

To reduce the cost of energy for citizens

To increase energy self-sufficiency

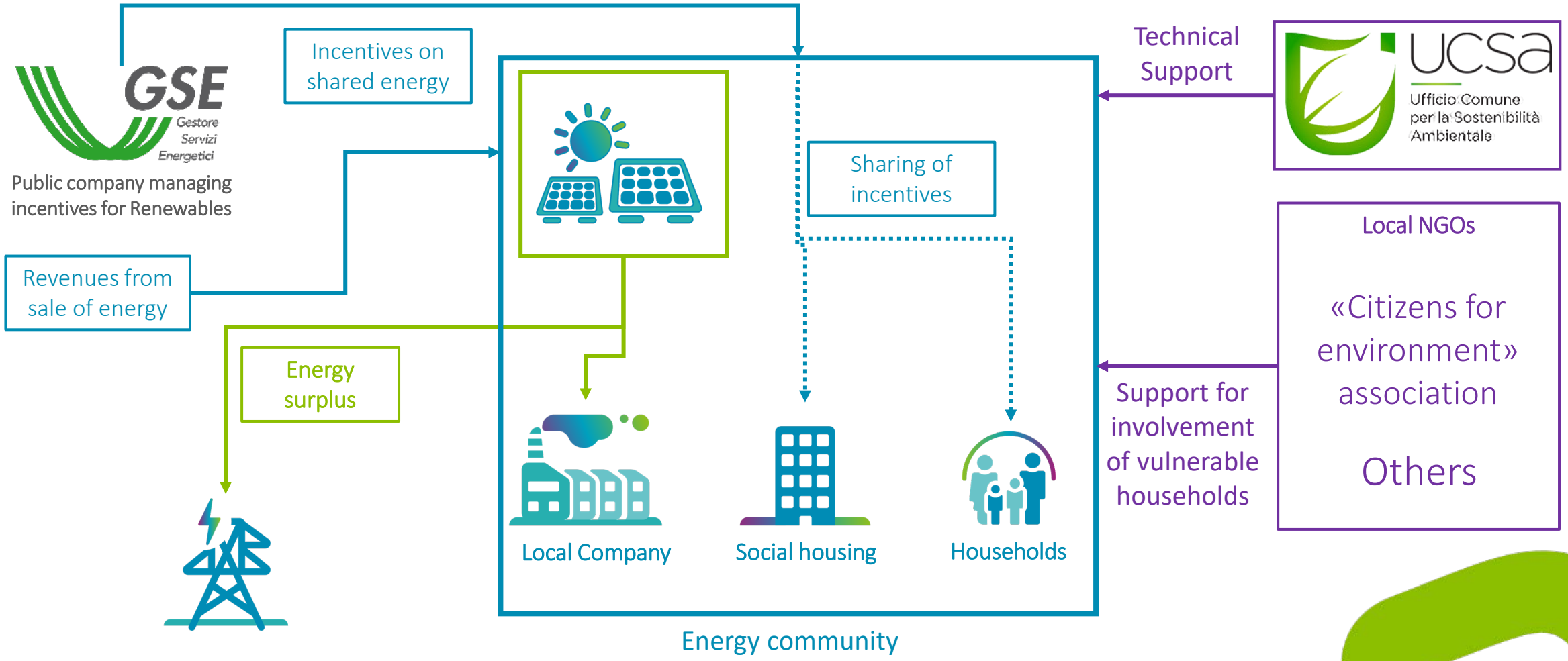
Stakeholders

- Who are the key stakeholders?
- What is their role in the project (i.e. tech supplier, service provider, grid manager, local foundations, public administrations, etc.)?

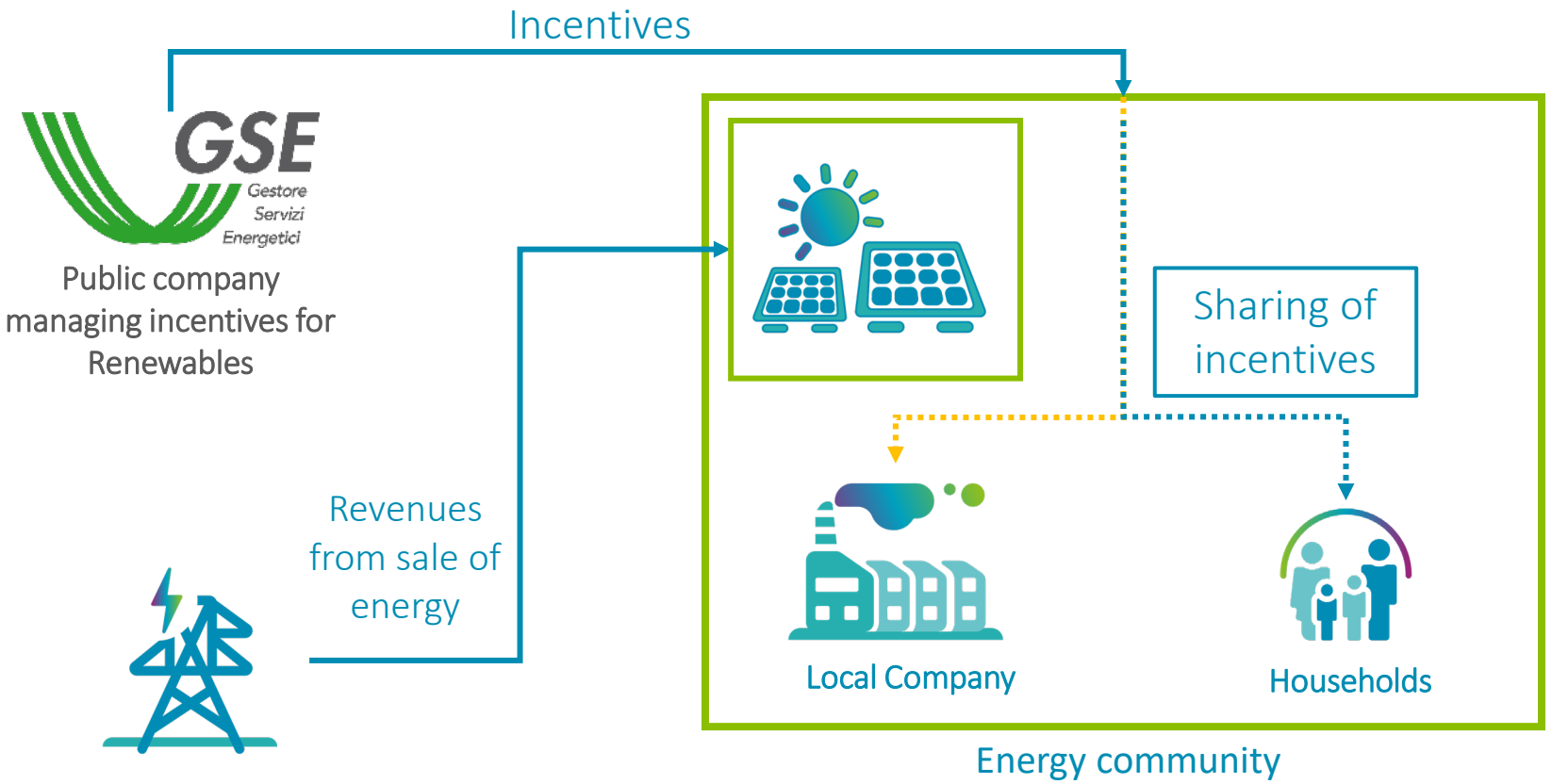
Resources

- Incentives/Tariffs
- Subsidized loan
- Crowdfunding

Italy – UCSA Pilot



Italy – UCSA Pilot – Financial Scheme

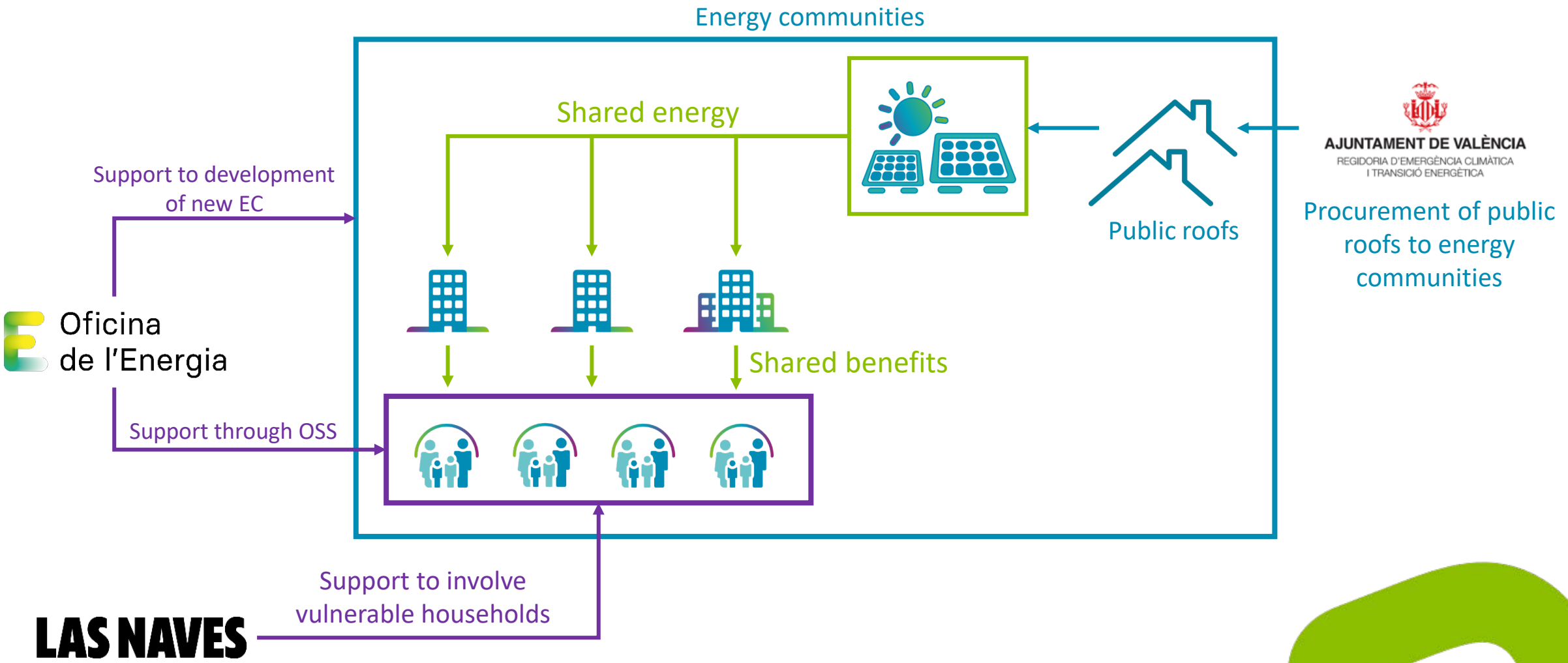


Main points

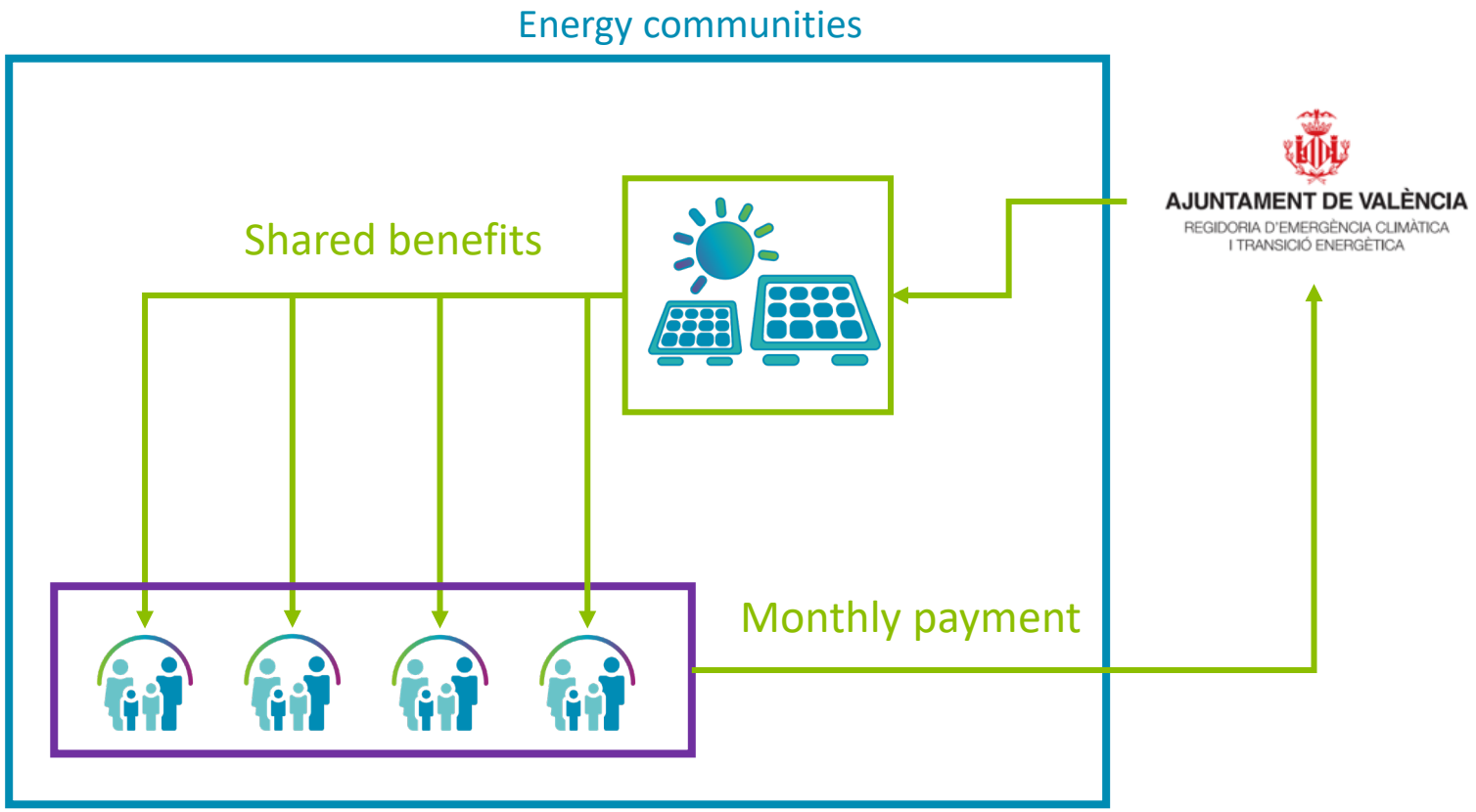
- According to the Italian regulation, the EC obtains incentives from GSE proportionally to the energy shared between members
- The Energy Community will share the obtained incentives between the households to reduce their energy costs
- A fraction on incentives can be shared with the owner of the plant to cover operational costs and to complement the revenue from energy sale

Involvement of vulnerable households: households may be part of the EC and benefit from a share of the generated incentives

Spain – Valencia Pilot



Spain – Valencia Pilot – Financial Scheme

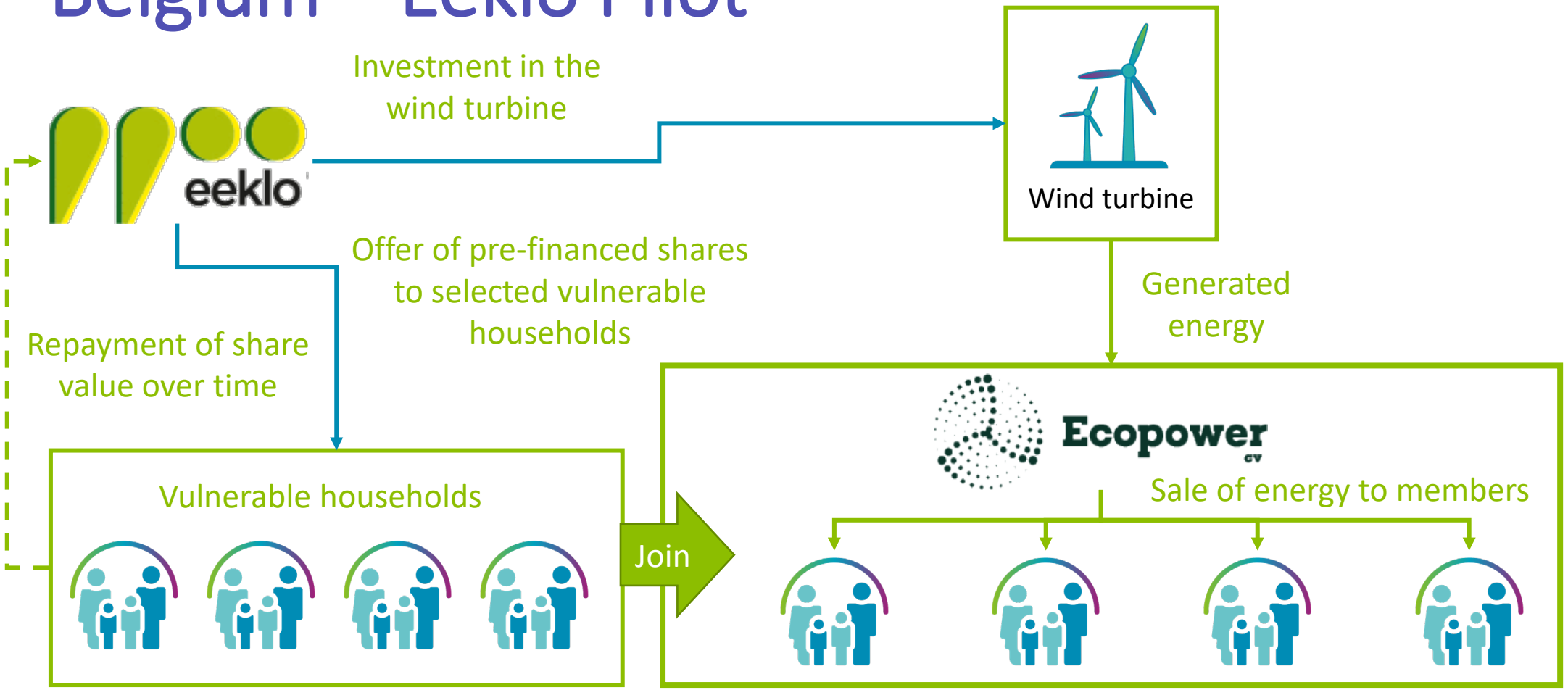


Main points

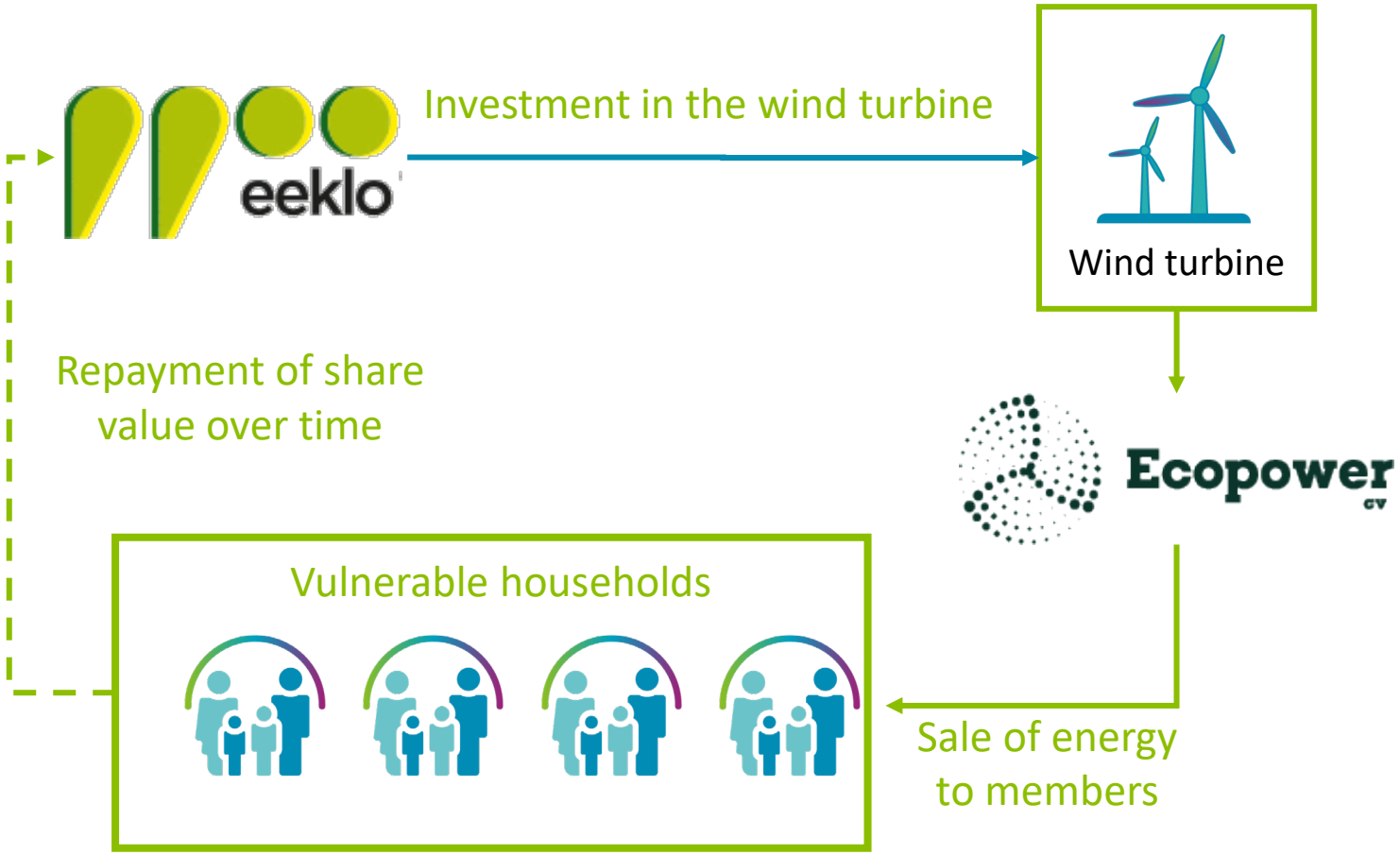
- The municipality or a public energy company directly invests in the plant installed on public roof and makes it available to citizen energy communities
- Households gets benefits by consuming and sharing the renewable energy produced by the PV plant
- Households will pay a small monthly fee to the Municipality/Municipal company to repay the initial investment
- The rent will be calculated to be lower than the benefit, as to leave a positive benefit

Involvement of vulnerable households: when awarding the shares of the PV, the Municipality may bond the EC to assign some shares to selected vulnerable households

Belgium – Eeklo Pilot



Belgium – Eeklo Pilot – Financial Scheme

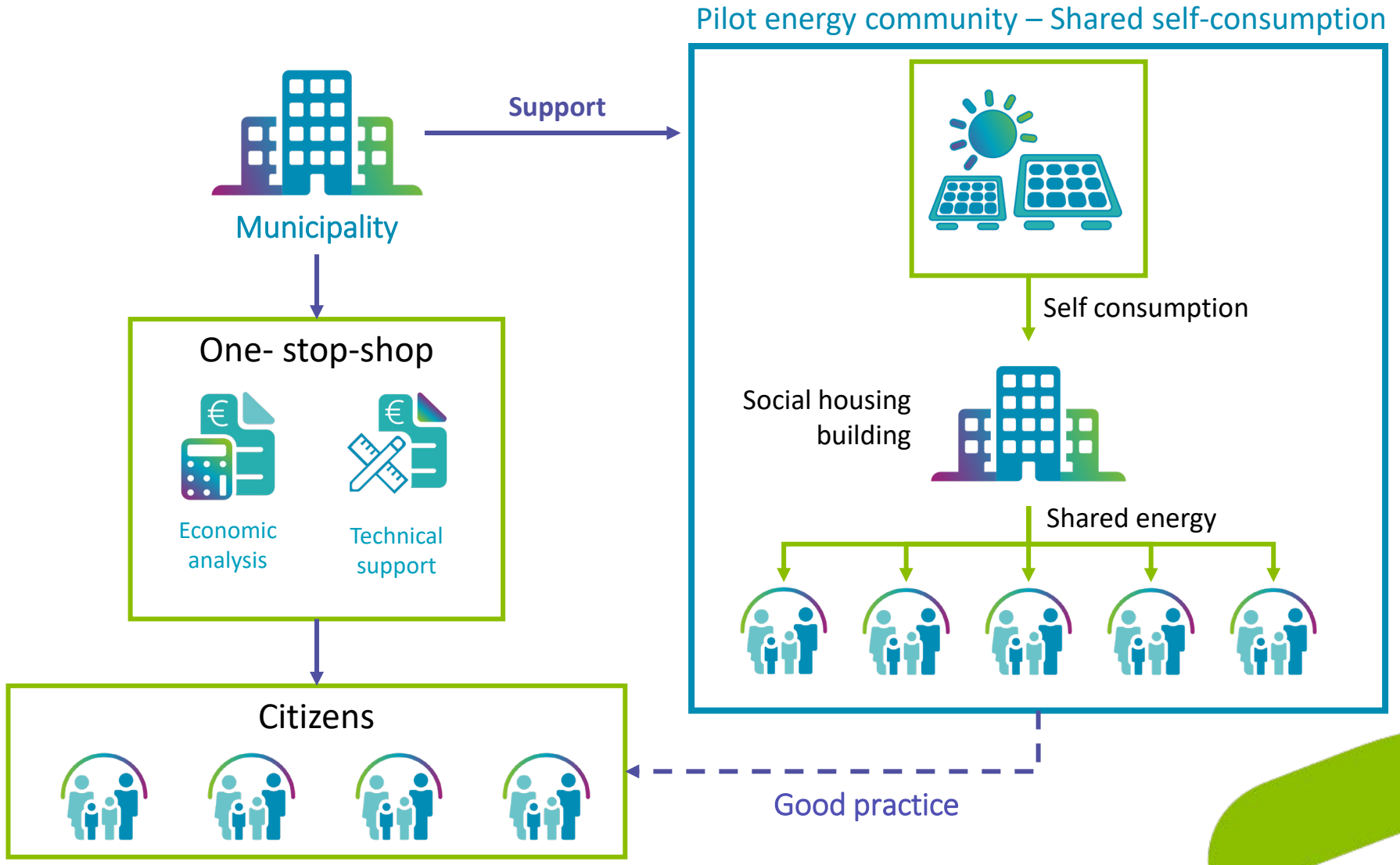


Main points

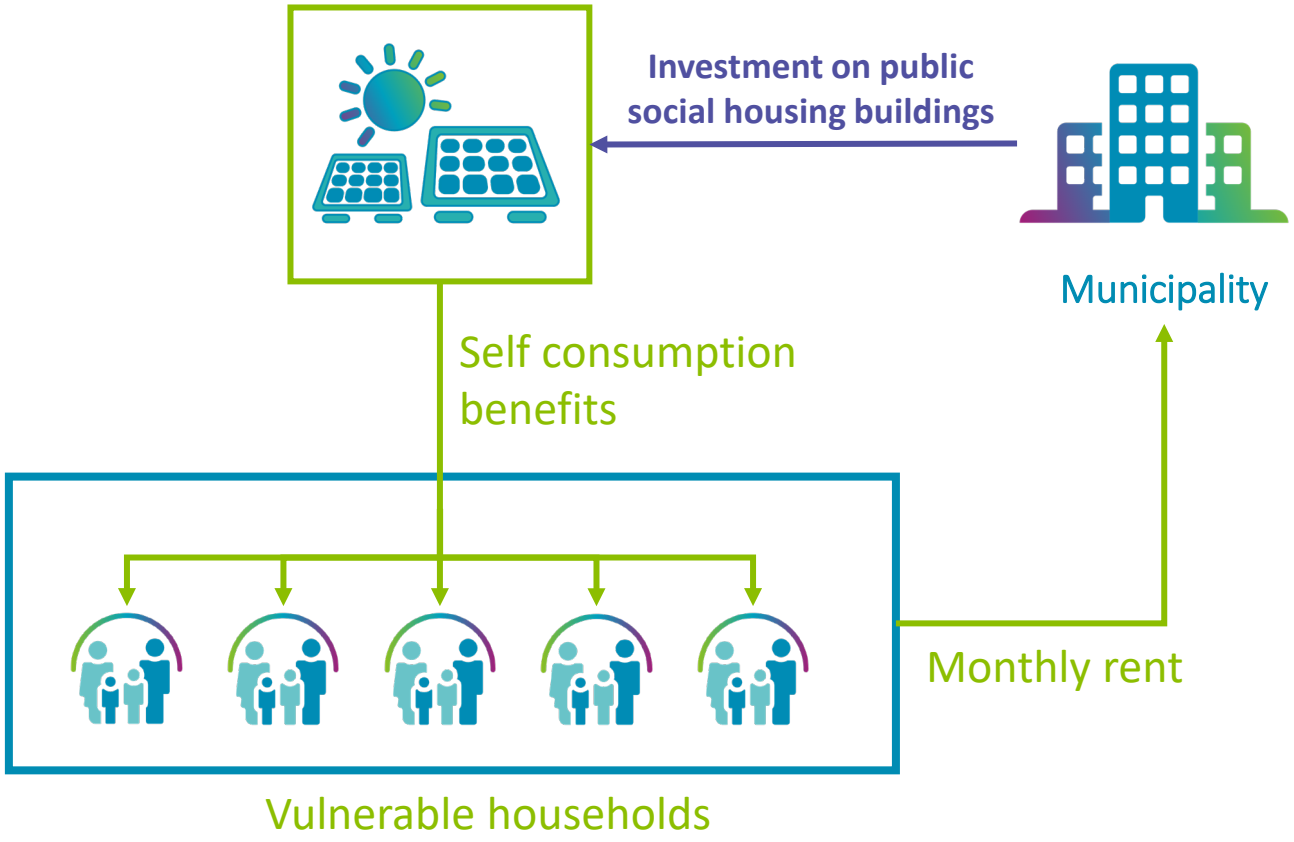
- The Municipality purchases shares of the renewable plant owned by the local energy cooperative (Ecopower), getting shares of the cooperative itself
- The Municipality assigns the shares to selected vulnerable households, who become member of the cooperative and can buy the renewable energy produced by the wind turbine at a fair price
- Households will be charged a small monthly fee in the bill to buy the shares

Involvement of vulnerable households: households eligible to get the shares of the cooperative are selected by the social services of the Municipality according to their situation

Czechia – Roznov Pilot



Czechia – Roznov Pilot – Financial Scheme

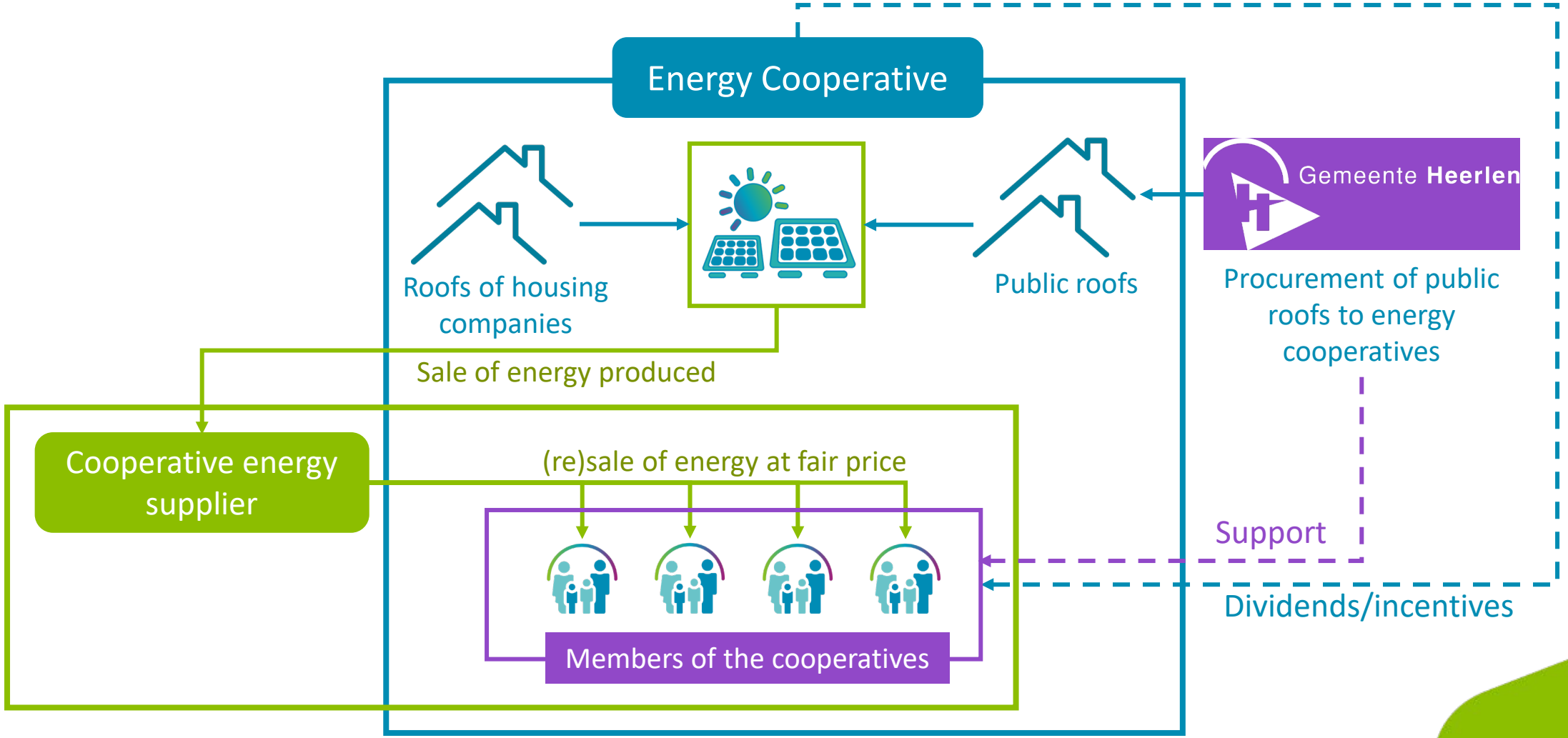


Main points

- The municipality directly invests in the PV installed on public social housing buildings
- The PV is used as collective self-consumption from households, who get benefits by self-consuming the renewable energy produced by the own PV
- The Municipality charges the households an additional fee in their rental contract for the repayment of the initial investment
- The rental increase will be calculated to be lower than the economic benefit for the households, as to generate a positive net effect

Involvement of vulnerable households: households living in public social housing buildings will benefit from lower energy bills, paying a monthly fee lower than the savings

Netherlands – Heerlen Pilot



Pilots Comparison

In the following table a qualitative comparison of the most relevant criteria of the different business model is provided

CRITERIA	UP-SCALABILITY	REPLICABILITY	BENEFITS FOR HOUSEHOLDS	NEED FOR PUBLIC SUPPORT	SOCIAL ENGAGEMENT
UCSA	●●●●○	●●●●○	●●○○○	●●●●○	●●○○○
VALENCIA	●●●○○	●●●●●	●●●●○	●●○○○	●●●●○
EEKLO	●●●●●	●●○○○	●●●○○	●●●○○	●●●●○
ROZNOV	●●●○○	●●○○○	●●●○○	●●●○○	●●○○○
HEERLEN	●●●○○	●●○○○	●○○○○	●●○○○	●●●○○

We are the catalyst for social innovation in the energy market