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Suggestions for Best Practices of Communication Strategies for Renewable Energies at Local Level

– First results from Activities 3.1 and 3.2

Twinning Project
“Renewables Development in Ukraine”



State Agency on Energy Efficiency
and Energy Saving of Ukraine



eurac
research



AUSTRIAN ENERGY AGENCY

umweltbundesamt^U
PERSPEKTIVEN FÜR UMWELT & GESELLSCHAFT

Federal Ministry
Republic of Austria
Sustainability and Tourism

Component 3 has three activities

Information, awareness raising, training programmes

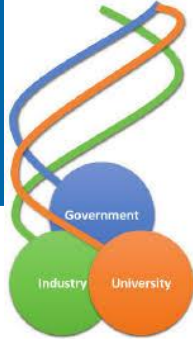
- This **Component 3** is focused on increasing the **availability of the information and guidance** in the public space for the support to the development of the renewable energy market and its integration in the energy sector in Ukraine
- **Mandatory result 3:** Assistance on implementation of the provisions of the **RES Directive** related to provision of information, awareness raising and training as set out in Article **13** (Administrative procedures) and Article **14** (Information and training) is provided with specific focus on the following:
 - (3.1) availability in public space and free of charge of **comprehensive information** on the processing of authorization, certification and licensing applications for renewable energy installations and on available assistance to applicants;
 - (3.2) **awareness of the benefits** of the renewable energy, including small-size distributed RES generation,
 - (3.3) **availability of information** in public space.

3.1:



What we did in Activity 3.2:

a guided interview with two dozen stakeholders in Ukraine from five sectors of society



- Stakeholders from the **triple helix of innovation**, enlarged to a “**quintuple helix**”:
 - **Research & University**, e.g. KPI, LPI, Academy of Sciences, Mohyla University etc.
 - **Civil Society & NGOs**, e.g. Ecodia, Dixi Group, Heinrich Böll F., 350.org, Greencubator
 - **Industry & Enterprises**, e.g. Ukrenergo, D.Tek Renewables
 - **Governance & Administration**, e.g. Verkhovna Rada Energy Committee
 - **Media**, e.g. Bloomberg
- **Result**: Draft recommendations for the SAEE website, based on expert interviews
- **Main message**: There should be **tailored information** for different **groups** of stakeholders, (**S + M + L**), such as individuals, house owners, energy cooperatives, small and medium businesses (SMEs), large businesses, industrial investors, and international actors



What we did in Activity 3.2:

a guided interview with two dozen stakeholders in Ukraine from five sectors of society

- We organize the answers according to *obstacles* and *gaps* – which then are to be *closed*
- The **key obstacles for further RES increase** were identified to belong to the following main five groups:

1. **Financial**, e.g. how to obtain suitable and cheap credits
2. **Administrative**, e.g. how to master the complex application process
3. **Technological**, e.g. types of RES installations and how to choose them
4. **Social**, e.g. energy cooperatives
5. **Fact-based information** on RES

- The above list was presented to SAEE experts on 5.11.2019 and we asked for feedback.

1. Financial obstacles - 1

What type of financial information do you think is needed for better promoting renewable energy installations?

The general assessment provided by interview partners was that (especially for **small and medium actors**) financial obstacles are of primary importance.

Generally, the most important parameter for potential future actors is the **payback period**.

Most important influences are:

- > (i) **prices** of the installation,
- > (ii) expectable **incomes** for electric energy are decisive,
- > (iii) the available **financial instruments**, including different **effective** interest rates,
- > (iv) **risks** in assessing all of the above, including a guaranteed possibility for **actually selling** electricity to the grid,
- > (v) evidently the **choice** of technological model for the installation which means divergent technical **lifetime**.

House owners, especially in villages, could therefore decrease their cost enormously, especially when aided by “self-construction initiatives” (providing professional expert advice) which were typical for the first RES epochs in Austria.

1. Financial obstacles - 2

What type of financial information do you think is needed for better promoting renewable energy installations?

Our report will go into details, here is one example:

One of the above parameters (item ii: expectable **incomes**) consists of the following sub-parameters:

- > (ii-a) means that received payment (the green tariff) is different from **region to region**
- > (ii-b) there are different **policies** existing in different regions, e.g. additional subsidies regimes by oblasts and municipalities.
- > (ii-c) the green tariff will not be stable over time, but **decrease** to a possibly predictable scheme, or, in case of unexpectable changes, also in unpredictable manner.
- > As a fourth argument for mainly large actors (ii-d), the transition to auctions is not yet **accompanied by experience** how this auction system will actually function in practice.

1. Financial obstacles - 3

What type of financial information do you think is needed for better promoting renewable energy installations?

... and another example:

Within the third obstacle (iii above: available **financial instruments**),

- > (iii-a) existing credits would become cheaper or more expensive as a result of market fluctuations or
- > (iii-b) or the financial instruments available from local banks could change as such or
- > (iii-c) fundamentally new instruments could be offered to the population for example by EIB or EBRD or other IFIs and be distributed to population through intermediaries such as local banks or local state administration or agencies.

1. Financial obstacles - 4

What type of financial information do you think is needed for better promoting renewable energy installations?

One interviewee pointed out, regarding *motivation*:

- > The electricity bill in Ukraine shows low consumption and consequently a low price (in Austria: 100€/month, in Ukraine: 20 €/month).
- > Therefore, **there is practically no incentive** and no rationale among population to cut down the **own** energy cost.
- > And consequently, there is no such popular argumentation in Ukraine, while such argumentation was decisive for the first phases of RES application in Austria, Germany and other EU countries.

And see the important civil society engagement bz singer Ruslana!

- > *Grassroots initiatives were portrayed for the Kyiv Comtech Forum on 5 Nov:*

Planning renewables at a local level: the historic roots - in Austria

- ▶ **Target of our meeting:** to strengthen *local* coordination and cooperation in the areas of energy efficiency, municipal infrastructure and climate change.
- ▶ The **Covenant of Mayors** is always at the forefront, as our *study* for the EU CoR showed
- ▶ **Epoch 1** in Austria: in the 1990s, enthusiasts and **idealists** construct *self-made* solar thermal collectors in **Gleisdorf** near Graz (resulting firm: **AEE-Intec**, Werner Weiss)
 - ▶ Austrian Ministry study: Why is there so much success in Gleisdorf? **Social Innovation!**
- ▶ **Epoch 2:** Municipal Energy Concept **Graz KEK**, 1995
 - ▶ City of signature of the "Climate Alliance of Cities and Regions", - Fridays for Future Movement **FFF** of the 1990s
 - ▶ **Key feature:** **consultative round tables** in each phase: consensus
- ▶ **Epoch 3:** Vienna Climate Protection Plan **KLiP**, 2000s
 - ▶ Institutionalised regular **procedures** at municipal and local level
- ▶ **Epoch 4:** self-responsible civil society decisions
 - ▶ Energy cooperatives = **social innovation!**

Logos: EUEnergy, Umweltbundesamt, REScoop EU

1. Financial obstacles - 5

What type of financial information do you think is needed for better promoting renewable energy installations?

Summary on item iii: the available *financial instruments*

- > a. The (quite complex) tables for the green tariff are already published by SAEE (on a possibly uneasily retrievable place in the website). The main uncertainty among interview partners consisted in knowing if and **how exactly the green tariff might be lowered systematically** during which years and which dimensions of installations are affected by such change.
- > b. It is needed to have a **special support mechanism**. For example, for efficiency measures, there is a *loan from state banks*, while initial investments are needed.
- > c. **People are not so sure about their return on investment in the future**. Feed-in tariffs might sink, is believed by population, thus they are unsure. Also, **energy cooperatives need special support**.
- > d. Analyses on the **functioning of the auction systems** are still absent.

1. Financial obstacles - 6

What type of financial information do you think is needed for better promoting renewable energy installations?

Consequences for better information policies:

What is needed by population is a comprehensive list of support schemes, including answers on the main questions:

- > Who is **eligible**?
- > Which types of **support schemes** are available?
- > Which **national, local and municipal options** are there?
- > Moreover, Ukraine should create an **efficient system of complaint** for cases when applications are not positively reviewed on technical or financial levels. It would mean an improvement if a “**business ombudsman**” (or how this role will ever be called) will be institutionalised by a legal act

2. Obstacles of administrative complexity - 1

What type of administrative information do you think is needed for better promoting renewable energy installations?

The key message: **too high administrative complexity**

The general assessment provided by interview partners focused **on the too high complexity of administrative procedures especially for small and medium actors**. For some interviewees, administrative hurdles are larger than financial hurdles, and they say that clear rules are needed.

According to many interviewees, obstacles are mainly

- > (α) **high prices of connection to the electric grid**
- > (β) **corruption** and
- > (γ) **high complexity** of the involved administrative procedures, and to retrieve necessary info.

2. Obstacles of administrative complexity - 2

What type of administrative information do you think is needed for better promoting renewable energy installations?

Main solutions: The administrative complexity can be mitigated by

- > (i) **simplifying** the administrative procedures to the extent possible
- > (ii) for mastering a then simplified procedure: **legal aid should be provided**, especially to **small and medium actors**
- > (iii) Additionally, the following general social effect is contributing: Ukrainian people **do not believe in state institutions**
- > (iv) Moreover, the general approach by presenters of projects should be: **“my submission is based on science”**.
- > (v) In surprisingly many cases, two thirds of interview partners expressed incidents of **alleged plain corruption** when it comes to applying RES installations to the grid; this may take the form of *too high grid connection fees* which are not transparently explained

2. Obstacles of administrative complexity - 3

What type of administrative information do you think is needed for better promoting renewable energy installations?

Good practice example:

- > One main suggestion is that there should be a “one-stop shop” for the administrative procedures.
- > In the perception of population, one main obstacle is: **not knowing where to go**.
- > A practical concern is: will the permitting procedure **eat up all the time** (e.g., of family life)?
- > One suggestion was that additional **assistance could come from apps**.
Into there, people should be led via commercials (e.g., published by state agencies).

2. Obstacles of administrative complexity - 4

What type of information do you think is needed for better promoting renewable energy installations?

Legal aid should be provided, especially to small (and medium) entrepreneurs, among others by

- > supplying **templates** on the SAEE websites, and defining the sequence of activities that need to be undertaken to obtain all the permitting procedures for SME
- > free-of-charge **consultatory support**, e.g. by a dedicated person in a responsible administrative body.
- > RES credits should be organised as the “**teplo**” (warm) credits.
- > Grid connection is a problem for the RES power plants (Ukrenergo)
A solution to this issue: an **independent body** that should assess the requests to the grid.
- > A proven, **objective “science-based” resolution mechanism is highly required** when it comes to solving unfounded rejections of proposals to connect to the grid (what *almost every* interview partner mentioned)

2. Obstacles of administrative complexity - 5

What type of administrative information do you think is needed for better promoting renewable energy installations?

Solving the issue, according to interviewees' answers:

- > “For such and similar cases, there should be a **possibility to anonymously report cases** of alleged corruption to an independent institution.
- > This above-mentioned new administrative structure certainly needs new faces.
- > What is important, is the **service attitude**.
- > Within the context, what is really needed is a **dispute resolution mechanism**.
- > **Information is needed** to overcome the obstacles.”

Idea: in case of a violation of rules (from the point of view of the applicant): there should be a “red line” telephone number that you can call anonymously so that the regulator knows. One of the most difficult type of cases is the connection to the existing grid, for which often high financial contributions are asked. Something certainly has to be done to prevent such obstacles. What is the regular mechanism? By which/whom to solve these disputed cases? This should be defined well. Persons under the “energy efficiency funds” could be in charge of such a solution process, because this is a separate (legal) institution. A highly important functionality is to install a call centre that can easily be outsourced, or installed at the regulator. Some complaint mechanism should be installed, probably under the regulator of such a mechanism. On the technical level, the fee for line connection to the grid should be calculated along methodically clear rules. Maybe there is an institution near the regulator who has knowledge of the grid and its physical/technical properties.”

2. Obstacles of administrative complexity - 6

What type of information do you think is needed for better promoting renewable energy installations?

Our findings are robust and were corroborated independently by other interviewees:

Another interviewee said that improvement and simplification of the process of creating new renewable energy facilities is needed:

- > to **simplify the procedures** for creating renewable energy objects,
- > to **accelerate the issuance of permits** and licenses through the pre-registration systems,
- > to implement a “**single window**” approach.

Another interviewee presented the main obstacles as follows:

- > Grid obstacles
- > Flexibility
- > Depreciated grids
- > Balancing (within the grid).

In Ukraine (especially outside Kyiv), there are very many electricity interruptions, lasting for several hours. In such cases, refrigerators lose their frozen content; and some businesses have backup diesel, as a solution. This is an audience, e.g. for biomass.

3. Obstacles regarding technological knowledge - 1

What type of technological information do you think is needed for better promoting renewable energy installations?

Measures:

- (i) For potential actors, technological knowledge can be improved by **knowledge platforms** or **discussion forums** for actors.
 - > (a) The SAEE should link to a platform with **outside links**.
 - > (b) As an example, the organisation Joule.ua developed help and **support for applicants**, and it would be enough to establish a link from SAEE to such a company of website.
 - > (c) Households: for informing them, there is an entire **ecosystem of private connectors**, it would be sufficient to link this info from the SAEE website.
 - > (d) SAEE could provide a **link to the market plus expert advice** and **information on relevant quality criteria**. Actually, an advisory text/support on how to select a good product (e.g. a PV panel model that does not degrade after 1-2 years).
 - > (e) Include information specifically for the **professionalisation of experts** in the regions, oblasts and municipalities
 - > (f) Give the **population good guidance**. Under a future Taiex-funded project, a team could write such guidance, teaching the fundamentals:
 - Regulation
 - Scale up for farmers, etc.

3. Obstacles regarding technological knowledge - 2

What type of technological information do you think is needed for better promoting renewable energy installations?

More measures:

- > (ii) conducting (online or face-to-face) **trainings** to **inform about the benefits** and feasibility of developing and using energy from renewable sources (RES) with professionals target groups

- > (iii) “*Best practice*” is the best type of information.
Target: Learn from the best practice owners and create a “best practice book” and teach the implementers.
 - (iii-a) Which PV panels will you use? Turkish, Ukrainian, German models?
 - (iii-b) Display information: on companies, and how much it will cost. Suggestion to add demo projects. On an improved SAEE site, it should be possible to choose the technology from a list of developers.
 - (iii-c) Households need information on the SAEE website on technology because they cannot pay consultants.

3. Obstacles regarding technological knowledge - 3

What type of information do you think is needed for better promoting renewable energy installations?

More measures (often linked to the excellent web site UA-Map):

- > (iv) There **exist technical limitations** of the energy system when attracting high volumes of electricity from RES, e.g. high **losses** during transmission, and weaknesses of grid lines.
 - It would be necessary to precisely and transparently inform about areas with sufficient vs. limited capacity of the grid. Improvements for UA-Map will be helpful.

- > (v) There exist RES potential maps, and these should be added to UA-Map.

- > (vi) Any grid-connected plant is more attractive when there exists a *storage* facility.

- > (vii) Issues in public discussions are main difficulties with (electro-administrative) peaks of energy loads, namely in the grid.

4. Social obstacles (organisation of energy communities) - 1

What type of social information do you think is needed for better promoting renewable energy installations?

The **key** message:

The **general assessment** provided by interview partners **focused on the importance of social innovation** (mostly through **self-responsible civil-society** structures) in order to put into practice the technological options which in principle are already here.

- (α) **identify experts** as cooperation partners
- (β) **energy cooperatives** and **OSBB**
- (γ) **best practice** examples

4. Social obstacles (organisation of energy communities) - 2

What type of social information do you think is needed for better promoting renewable energy installations?

In **more detail**, interview partners suggested the following analysis:

Still non-ideal cooperation among different societal partners, and solve this necessity, e.g. by creation of (or linking to) an effective platform for technological solutions and experience exchange, elaboration of consensus between market participants on the key issues of its development

- > (i) Identify competent **conversation partners**: Define (and inform the public) *with whom* an interested person *should speak* as this is still largely unknown. In this context, the cheapest way would be to provide info on the SAEE website, and advanced households will use this. A link should be provided: how to have your own solar roof. Most useful would be a possibility to straight away contact how to get energy efficiency on the building. Also, the same for RES: It is necessary that SAEE is result no.1 in a Google search.
 - On the SAEE website, a dedicated “part for consumers” is needed: what is the key steps for small actors? Something practical. Where can you order? Practical solution, as SAEE has the official role of state agency, placed above any private company and thus providing no commercials: provide at least a link to the provider of such a list.
 - On a (SAEE) website, the following is needed: when connecting to the grid, a guide should be available on how to solve upcoming issues. Clear info is needed: when you have problems, then write “here”. [Email address plus address + institution + person + telephone number]. Such a web page at least needs a person whom to contact if there are problems. This transparency will help to solve and to systematise the solution process.
 - It is also necessary to provide support to the city planning level, not only to single citizens, e.g. regarding badly insulated heating networks in cities; so this should be (1) with better insulation and (2) refurbished; afterwards coordinated. Also: badly insulated buildings.

4. Social obstacles (organisation of energy communities) - 3

What type of social information do you think is needed for better promoting renewable energy installations?

- > (ii) Persons / **employees** are needed for this task, presumably 2 persons per oblast, or else per “west, east, north, south, central Ukraine”
- > (iii) **Energy cooperatives:**
 - Example **Greencubator**. Now “Sunny City” in Slavutych is at the stage of preparation for a cooperative community (crowdfunding).
 - Ukraine tried the “**energy cooperative model**”, as an example, for solar PV on the roof, for example in Slavutych near Chernobyl.
 - **For energy cooperatives, the obstacles are: lack of clear guidelines.**
 - Generally in Ukraine, there exist difficulties for energy cooperatives and difficulties for agricultural entrepreneurs (farmers).
 - A suggestion is made to **report** about those (already successful) people who actually went through this process.
 - Energy cooperatives [should encounter a better situation], and what is needed is a better law beyond energy cooperatives.
 - Energy cooperative may be possible [better] with proper co-funding.
 - A (or the) house **owner association** is an important prospective actor: until now, most often it was not possible to have solar panels on the roof because of the property structure on a multi-storey building. Now it has to be possible everywhere.

4. Social obstacles (organisation of energy communities) - 4

What type of social information do you think is needed for better promoting renewable energy installations?

- > (iv) **OSBB and similar**: The work on the support mechanism of support for multi-storey houses.
 - Funds: also supported water collectors and heating boilers from biomass. Those citizens would receive a reduction from their loan.
 - Presently it is still unclear how municipal buildings can rent out their roofs. This should be clarified. Create the possibility to rent (a condominium's or private or other) roof for solar energy and provide clear legal regulation for such cases.
 - **OSBB** (= association of owners in a multi-storey house) can be urged by an external business. **Needed is trust**, actually (what is not present, in most cases). Maybe this is better in rural areas where people know each other.
 - Firms' management comes to the condominium meetings and say: "next years you pay exactly the same and after some years I take the profit". Such model could be very practical.
 - On **OSBB**: **IFIs published** (with World Bank and Swiss contribution) on condominiums (= an association of owners) a brochure and they explain that law, and the procedures, and provide a collection of all documentation to be collected, with examples, which should facilitate the application process.
First edition from http://myrgorod.pl.ua/files/images/Gkg/OSBB/dovidnyk_osbb.pdf.
This brochure:
 - lists the law
 - shows the process
 - shows a typical statute
 - provides example documents.

4. Social obstacles (organisation of energy communities) - 5

What type of social information do you think is needed for better promoting renewable energy installations?

- > (v) Trainings for SMEs, for agriproducers, for public about environmental benefits of RES, followed by information where they can get financing for it.
- > (vi) **A platform for information and cooperation would connect people**, namely **the ones with a roof and the ones with money and the ones with know-how**. An interactive website area is what is demanded for the population. For example, on Facebook or on other social media channels. More information is needed. Also, such an interactive cooperative website needs maintenance. (Remark: the existing UA-Map website seems to already have this functionality, the internal 'cabinets' where interested persons can exchange messages regarding their concrete RES projects, according to UA-Map author Yulia Usenko). What else could be used?
- > (vii): What **institutional structure** is needed for promoting RES in Ukraine? There is a **state fund for energy efficiency**. This was established by the former ministry of the regions.

Main conclusions

for how to improve RES deployment in Ukraine by means of enhanced information

- The two dozen interview partners identified the **key options for improvement in 5 domains**
- And provided **best practice examples** to be followed, regarding these types of obstacles:
 1. **Financial**, e.g. how to obtain suitable and cheap credits
 2. **Administrative**, e.g. how to master the complex application process
 3. **Technological**, e.g. types of RES installations and how to choose them
 4. **Social**, e.g. energy cooperatives
 5. **Fact-based information** on RES
- We thank you for your comments and feedback!



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