Regional Action Plan

for the integration of Renewable Energy Sources (RES) in the energy consumption of buildings in the North-East Region in Romania

North-East Regional Development Agency

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GENERAL INFORMATION

Project:	ENERSELVES – Policy instruments for energy self-consumption in buildings
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POLICY CONTEXT

The Action Plan will impact on:

☒ "Investments for growth and jobs" programme
☐ European territorial cooperation programme
☐ other instrument of regional development policy

THE POLICY INSTRUMENT ADDRESSED

The policy instrument addressed within the ENERSELVES project is *Priority Axis 3 – Supporting the transition towards a low-carbon economy*, and *Specific Objective 3.1 – Increasing energy efficiency in residential and public buildings, and public street lighting* within the Regional Operational Programme (ROP) 2014-2020, financed through the European Structural and Investment Fund (ESIF). The beneficiaries of this project are urban local authorities, as well as building owners' associations.

The measures for increasing the energy efficiency of residential buildings which are eligible for funding are as follows:

- Improving the thermal insulation and waterproofing the building envelope (the exterior walls, windows, frames, different floors, including the one over basement), the framing and coating, including consolidation work;
- Rehabilitation and modernisation of heat distribution network – the space heating and domestic hot water supply, which are shared facilities in apartment buildings (e.g. the installation of thermostatic valves etc.);
- Modernisation of the heating system: replacing/fixing the apartment building's shared boiler, purchasing and installing alternative renewable energy sources (e.g. photovoltaic and thermal solar panels, heat pumps and/or biomass boilers etc.);
- Replacing fluorescent and incandescent light fixtures in shared spaces with energy efficient light fixtures;
- Implementing energy consumption management systems – purchasing and installing smart systems to promote a conscious use of electricity;
- Any related activities which further the project's stated goals (e.g. replacing lifts and electric circuits in shared areas such as stairs and basements, removal of existing fixtures and installations, upkeep of the building's façade etc.);
- The formulation of strategies for energy efficiency (e.g. strategies for reducing CO2 emissions).

The indicators for *Priority Axis 3, Specific Objective 3.1* can be found in the table below:

Indicators for ROP Priority Axis 3, Specific Objective 3.1	Target values in the North-East Region (2023)
The no. of households with improved energy consumption	19.372 households
Reduction of annual primary energy consumption in public buildings	5 MWh/year
Reduction of annual consumption of greenhouse gasses	37.825 tonnes CO2
Reduction of annual primary energy consumption in public street lighting	563 MWh/year

REGIONAL ACTION PLAN

The Regional Action Plan details how the lessons learned from good practices previously applied within the ENERSELVES project will be applied/adapted to improve the policy instruments and implementation framework throughout the project.
A number of five actions resulted from interregional cooperation within the ENERSELVES project, through the analysis of good practices and consultation of local stakeholders (potential beneficiaries of energy efficiency projects and introduction of RES in buildings - local public authorities, owners' associations and universities, representatives of the construction industry, research etc.) to identify the needs in the North-Eastern region of Romania. This was done through a market survey, two focus group meetings and on the basis of individual discussions with them, activities designed to formulate actions adapted to the local context.

The measures detailed by this document will be implemented between January 2019 – December 2020 and will be monitored by the North-East Regional Development Agency.

ACTION 1 - Improving the public policy instrument ROP, Axis 3.1 A and B by recommending changes to the evaluation criteria in order to create an ethos of high ambition

1. Context

Investment priority 3.1 is directed at investment for the increasing Energy Efficiency (EE) in public buildings owned and used by local and central authorities, residential buildings, as well as street lighting systems. When meeting the demands of Directive 2012/27/EU on energy efficiency and of Directive 2010/31/EU on the energy performance of buildings (amended by Directive 2018/844/EU) and investment promoted as part of this priority axis will contribute to reaching Romania's annual renovation goals which pertain to energy efficiency targets.

This investment priority supports the transition towards a low-carbon economy through measures taken to increase the EE of buildings. These measures urge towards large-scale renovation projects, including insulation, rehabilitation and modernisation of systems (including RES integration), and other practices within EE sector.
Public and residential buildings account for the highest energy usage (84%) of the total energy consumption of buildings in Romania. Improving this instrument can support national targets regarding sustainable energy consumption. Despite the clear action points, the need for improvement is greater than the sources of finance (structural funds) are able to support. Thus, selecting the most efficient RES technologies or the best economic tools for RES integration in buildings is a viable way of ensuring the impact of the Regional Operational Programme (ROP) at regional level.

General conclusions regarding good practices within the ENERSELVES project show that the **majority** of projects:

- were implemented by public stakeholders (with the public sector setting an example for the private sector);
- received various levels of co-financing from public sources;
- did not aim for a high return on investment, but focused on the social and environmental outcomes;
- did not implement a sole RES, but rather a mixture of technological solutions which jointly ensured the supply of energy;
- for large-scale projects (Maltese Parliament building, the school in Sweden), integrated technologies were implemented despite the higher costs.

On the other hand, the policy instrument ROP should be adapted to the long-term 2050 objective of reducing greenhouse gas (GHG) emissions in the Union by 80-95% compared to 1990 in order to guarantee a national real estate stock with a high level of energy efficiency and decarbonised, and to facilitate the cost-effective transformation of existing buildings in nearly zero energy buildings. In this respect, the performance levels required for financing through public funding should be more ambitious than those required at the moment.

2. Action

The proposed action aims at analysing the eligibility and technical and financial performance requirements of projects under Axis 3.1 A and B of the Regional Operational Program (ROP), based on the implementation experience gained at the North-Eastern Development Region level and taking into account the evolution the national legal framework and European and national energy and environment policies.

It is envisaged to make recommendations for modifying the evaluation grids included in the current guidelines related to Axis 3.1 A and B of the ROP, as it follows:

- Updating the maximum values for specific primary energy consumption from non-renewable sources for heating the building, in accordance with the minimum energy performance requirements applicable to the major renovation of existing buildings.
- The introduction of nZEB standard in the evaluation grid for ROP, Axis 3.1 A and B aiming to stimulate the integration of RES in buildings, changes to be applied to the current financing period as well as to the next one.
- Provision of an additional score for performance levels higher than the minimum performance requirements (for meeting the nZEB requirements).
- Clarification of the eligibility conditions for buildings with seismic risk, so that there is the possibility of financing the technically qualified buildings classified as seismic risk class I or II where the execution of the interventions works is provided, with the condition that the works foreseen and requested in the project proposal to be coordinated and carried out along with structural consolidation works.
- Increased scoring for introducing requirements related to the professional qualification of economic operators (certification by ARACO - Romanian Association of Building Contractors and promoted together with PSC - The Ownership of Romanian Contractors and relevant professional associations in the building sector).

3. Players involved

North-East RDA

4. Timeframe

Current programming period (2019-2020)
The following programming period (2021-2027)

5. Costs (if relevant)

No additional costs for North-East RDA (own resources).

6. Funding sources (if relevant)

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ACTION 2 - Consolidating and extending current regional working groups into one Regional Action/Working Group for promoting Energy Efficiency (EE) and Renewable Energy Sources (RES) – RG-EE&RES

1. Context

As a consequence of the thematic complementarity of ENERSELVES and EMPOWERING (H2020) projects, *the Local Group for Sustainable Energy in the North-East* was set up. The group includes 12 municipalities in the North-East Region (Moineşti, Vaslui, Suceava, Roman, Miroslava, Holboca, Botoşani, Iaşi, Piatra Neamţ, Bacău, Victoria and Tomești), 2 universities which run subject-specific courses within the relevant departments ("Ştefan cel Mare" University in Suceava – the Faculty of Electrical Engineering and Computer Science, "Gheorghe Asachi" Technical University in Iaşi – the Faculty of Electrical Engineering, Energy Studies and Applied Information Studies and the Faculty of Construction and Installation) and Builders' Guild Cluster in Iasi.

A Regional Working Group for Energy Efficiency was set up in the North-East Region with the aim of elaborating the Regional Development Plan (composition updated in 2016). Part of its member base is formed of the Local Group for Sustainable Energy. This latter group counts 12 municipalities as its members (Bacău, Botoșani, Iaşi, Piatra Neamţ, Suceava, Vaslui, Buhuși, Săveni, Hîrlău, Tîrgu Neamţ, Gura Humorului, Negrești) as well as 3 universities ("Vasile Alecsandri" in Bacău, "Ştefan cel Mare" Suceava, "Gheorghe Asachi" Iaşi), one environmental protection agency (Bacau County Agency for Environmental Protection) and an intermediate organisation (Intermediate Body SOP Environment Bacău, North-East Region 1).

There is a need for continued activities from the LGE and the Working Group for Energy Efficiency beyond the end date of the ENERSELVES project, and for extending to other localities and relevant stakeholders in the North-Eastern Region. This action aims at using the **existing structure** in order to capitalise on project knowledge already gained, thus facilitating a peer-review process. Another proposal is to extend the two groups, with a focus on action points which facilitate the integration of sustainable energy sources in buildings.

It is of the utmost importance that local development strategies are actualised in response to new energy and climate policies, and new legal frameworks (the 372/2005 Law, with its subsequent modifications and completions). New legislation makes the following relevant demands on strategies:

(1) New buildings owned or in the administration of public authorities, which are to be commissioned based on building permits issued after 31st of December 2018, shall be nearly zero energy buildings (nZEB).
(2) New buildings for which the commissioning of works is carried out on the basis of the building permit issued from 31st of December 2020 shall be nZEB.

The main barriers identified in integrating renewable energy sources in buildings with a high energy performance (e.g. nZEB), both for newly built buildings as well as major renovation works are: high investment costs, limited experience and trust in nZEB, particularly amongst building owners and contractors, as well as specialists and other interested parties.

Therefore, there are two key aspects to be considered:

- Construction companies must gain an understanding of the implications of an nZEB project – particularly, that such a project involves applying a series of optimised technical solutions, rather than a singular solution.
- Building owners and contractors can rely on a guaranteed improvement of energy performance and thus a return on their investment in nZEB solutions. Thus, they can request and develop concrete offers which circumvent various difficulties created by the high cost of the initial investment. By raising confidence levels in the final result, and reducing relevant risks, there are higher chances that private investors will become interested. This makes possible the involvement of energy companies (ESCO).

In this context, market research has identified the need for **consultation partnerships between local public authorities and companies** (those which produce/supply technology, and contractors) has been identified. These partnerships would facilitate meetings, workshops, consultation meetings between these parties so each can map out the landscape of the others' aims. Local authorities will gain an understanding of what specification conditions need to be placed on companies, while companies can gain insight into the aims of the authorities.

This action will improve the policy instrument addressed by the project (ROP, Axis 3.1 A and B). The improvements in question will be focused on reaching the set targets and setting recommendations regarding the quality, complexity and sustainability of the projects or proposals (for nZEB-RES) for the next financing period. The need for this action resulted from the good practices presented by the project partners, which highlighted the following two points regarding regional collaboration:

(1) "Standard" projects or typical projects, with high replicability as seen by their high scores in the analysis of good practices (e.g. **Scuola Contigliano RI, Lazio, Italy, Listerby school - construction with focus on energy, S-E**

Sweden, project proposed by Marshal Office of Świętokrzyskie, Poland or Scuola Borgorose (RI), Lazio, Italy). Capitalising on these good practices requires the creation of a regional collaboration framework that includes representatives of the local authorities, EE-RES experts and economic stakeholders. The collaboration aims to outline the (economic and technical) performance requirements relevant in the local context, as well as identifying and disseminating regionally replicable projects.

(2) Complex, innovative projects, with a high level of community impact, e.g. Energy Agency for Southeast Sweden (plus energy houses), Malta Intelligent Energy Management Agency (PV System Ministry for Gozo or Tac-Cawla Housing Estate). These projects are particularly important for the development of the region through the social/economic effects which may be generated if there is enough collaboration between local initiatives at a regional level.

2. Action

The main objective of the RG-EE&RES is to ensure a regional framework to support the definition and application of activities for increasing the production of energy from renewable sources for their use in buildings with high energy performances.

This objective will be reached through the following activities:

- Proposal to the members of the 3 existing groups, meeting, identification of private stakeholders, invitation to private actors, set-up meeting,
- Identifying new sources of financing and development opportunities for RES (e.g. strategies for microgeneration, smart networks, RES and electric mobility etc.) including planning new financial products from public-private sources,
- Valuing local resources (including human resources),
- The coordination and monitoring of regional activities in the field of RES in buildings,
- Analysis and support for the implementation of RES initiatives within projects financed by structural funds. Putting forward proposals for improving application guides:
    - the possibility for higher performance and placing higher demands regarding quality and qualifications,
    - the possibility of combining public funds with other sources of public or private financing,
    - defining a methodology for monitoring the goals of the investment,
- Stimulating consultation partnerships between private stakeholders, public authorities and production companies/technology companies/contracting firms.

Stimulating continuous market consultation partnerships presupposes the definition of a collaboration framework between local public administration and the relevant economic environment for RES in high-performing buildings. The starting point for this endeavour is highlighting the strategic importance of communication so as to share robust information between building owners, contractors, and all professional groups involved in the renovation process of nZEB buildings.

For the effective implementation of the activities described, it is required that a common plan is devised between partners. Moreover, connections to ongoing projects must also be explored.
The events organized within RG-EE&RES will support both the exchange of good practices between local authorities (linking actions 4-5 of this plan) and facilitate interaction between local authorities and the business environment, and it is desirable that the working meetings within the RG are organized in conjunction with consultation events with business actors at a local or regional level. Moreover, the consolidated working group will bring its contribution to the elaboration of the new draft of the North-East's Regional Development Plan for 2021-2027 (which, in fact, represents the "application form" of the region for the respective programming period) with focus on prioritizing those interventions and priorities of the future regional operational programme related to energy efficiency and promotion of renewable energy in the region.

3. Players involved
   - North-East Regional Development Agency (formalising the RG, coordination of activities, organising working meeting, information exchanges inclusive of those regarding the implementation of nZEB obligations)
   - Pro-nZEB Cluster (https://www.pro-nzeb.ro/) & Breasla Constructorilor Ieseni Cluster - facilitating market interaction/up-take.
   - Local authorities (e.g. Municipalities: Suceava, Botoșani, Bacău, Moinești, Piatra Neamț, Roman, Gura Humorului, Miroslava Commune) – initiating dialogue and consultation or other type of partnerships on a local level.
   - Local business community, developers, banks, associations of business owners/professionals – participants in the activities.

4. Timeframe
   Short timeline (2019-2020) ensuring efficient functioning of the RG

5. Costs (if relevant)
   Costs of logistics/staff costs

6. Funding sources (if relevant)
   Committed from own resources

ACTION 3 - Setting up of Pilot One Stop Shops within the local public authorities to inform the beneficiary on the benefits of energy efficiency and RES integration in buildings

1. Context

The heavily bureaucratic process of investing in increasing the energy performance of buildings and integrating renewable energy systems into buildings is faced with important barriers to the local implementation of the legal framework for national transposition of EU policies on energy and climate. These barriers go beyond the lack of information, or the fragmentation of information.

Local public administrations must be able to provide those beneficiaries in possession of a building permit a package of information about technology, specialists, sources of funding etc. and to develop a database of good practices that can be presented to the beneficiary, thereby raising awareness of the benefits of RES.

The necessity of this action resulted from ENERSELVES activities, following the consultation of the local stakeholders through the market study conducted and the focus group meetings in which the examples of good practice proposed, as a whole, by the project partners were presented and analyzed. Thus, from the idea of disseminating the information from the fact sheets of the best practice examples, with special focus on the practice of ***Lazio Region, Italy - Creation of the web portal www.energia.cnr***, it was concluded that this objective could be materialized through a EE & RES One Stop Shop that would provide beneficiaries with project-specific information and project models by making use and in correlation with the activities of the Action 4 of the present action plan.

2. Action

The beneficiary of the services offered by the One Stop Shop will primarily be the citizen (the owner of the building or the dwelling), but may also be a real estate developer, an entrepreneur, a representative of a design firm or a construction company.

Informing the beneficiary with the purpose to raise awareness of the benefits of energy efficiency and the

integration of RES in buildings can be efficiently achieved by creating a One Stop Shop within the local public authority (City Hall) to provide information from specialists in the field.

The main purpose of the One Stop Shop is to provide a service to citizens (beneficiaries) and the wider market alike. The concept behind this facility rose from municipalities present at the Focus Group meetings organized for the elaboration of the Regional Action Plan who have, in various forms, realized the importance of such instruments.

The One Stop Shop-type facility will offer the following services:

- Information on the possibilities and steps to be taken for the energy renovation of an existing building and performance requirements under the legal framework in the implementation of a system for the use of energy from renewable sources in an existing building or in the construction of a building according to nZEB (regulations, technology, costs, benefits, information from funding institutions - for example, bank leaflets, GEFF funding programs etc.)
- Information on specialists or institutions which are competent in the field (link to Action Point 4),
- Correlation with businesses / business relations offices (link to Action Point 2),
- Information on the various existing sources of funding (e.g. Regional Operational Programme, Environmental Programmes or Environmental Fund Agency, financing instruments and tax incentives developed locally through Action Point 5),
- Information on the benefits of applying appropriate technologies and achieving certain goals (link to Action 4 - Best Practice Database / nZEB buildings introduced into the platform).

Although a number of financing programs have been developed/put into practice with the aim of implementing Renewable Energy Sources, experience of previous public funding programs points to a reduced absorption of the funds available. Better information is needed both on the existing technical solutions and the economic feasibility of their implementation, as well as on the financing instruments and related procedures.

To this end, the services provided by the One Stop Shop should include providing support to increase the implementation of programs funded by the environment fund (the Ministry of Environment / Environmental Fund Agency - AFM):

- Programme for the installation of photovoltaic panels for the production of electricity in order to cover the consumption needs and surplus delivery in the national network,
- Programme for the installation of photovoltaic systems for isolated households not connected to the electricity distribution network,
- The Green Dwellings Program for heating.

The Municipality will work with local / regional environmental agencies and the business environment (Action Point 2) to carry out a series of specialized activities that could be facilitated through the One Stop Shop:

- Advice given to the applicant in order to meet the eligibility criteria
- Advice on the eligibility of the project
- Identifying ongoing projects targeting EE & RES investments
- Identification of new funding opportunities for EE & RES promotion
- Identify / remove barriers to EE & RES promotion
- Promoting and disseminating the results of program monitoring

It is very important to implement a One-Stop Shop at the local level, but it can be a difficult and resource-consuming process. For the addressed time span (2019-2020), 2 one-stop-shops will be developed at the level of 2 municipalities and then the possibility of replication in other localities will be developed (defining the conditions of applicability / transferability and promotion within the activities foreseen in Action 2 of the RAP).

3. Players involved
   - Miroslava Commune Hall (Iasi) and Botosani City Hall - Initiation of 2 pilot "One Stop Shops".
   - Other municipalities in the North-East Region foreseen for replication: Bacău, Suceava, Roman, Gura Humorului, Piatra Neamţ, Moineşti etc.
   - Technology manufacturers/suppliers, financing institutions - demonstration spaces (technologies).
   - Building Knowledge Hub Romania (BKH RO) - Support for the development of demonstration sites.
   - Pro-nZEB Cluster + BKH-RO: coordination and organization of training courses in the North-East region.

4. Timeframe
   Defining the concept and piloting in 2 localities: 2019-2020
   Concept multiplication: Medium / long term

5. Costs (if relevant)
   The costs involved in this action depend on the level of local development (the existence of a specialized communication service with citizens, manager or energy / office / energy efficiency service etc.).

6. Funding sources (if relevant)
   Local budgets and contributions from relevant private stakeholders (producers of materials / technologies etc.)

ACTION 4 - Creating a pilot structured information platform for the support of RES implementation in buildings

1. Context

Information on existing sources of funding and access to a database of specialists in the field, knowledge / awareness of existing technologies and benefits, together with the availability of informative materials with clear instructions for accessing funding sources – these are the main measures that have emerged as most useful following the Market Study done in support of the RAP. These will aid the development of any projects aimed at increasing the energy performance and the introduction of RES in buildings.

The creation of an online platform in the North-East region that brings together stakeholders such as consultants, designers, funding sources, and provides relevant information and a platform for the consistent organisation of organizing meetings on energy performance and RES integration in buildings was considered appropriate by all participants in the market study.

The importance of developing information tools and the positive results obtained by using these tools, especially when it comes to promoting new technologies, is highlighted by the example of **good practice presented by the Lazio Region, Italy - Creation of the web portal *www.energia.cnr.*** It encourages the *participation of CNR employees in energy saving*, which stimulates, through a web platform, the active participation of members of a community in activities and initiatives to reduce energy consumption.

2. Action

A first step in building the online platform will be to create a **distinct section** (pilot platform) within the existing website of the North-East Regional Development Agency, which includes a structured database of industry specialists and provide information on technology, projects demonstrations, examples of good practice, training courses in nearly zero energy buildings (nZEB).

Beneficiaries of the pilot platform are citizens and legal registered companies who want to finance or implement a project for the energy renovation of an existing building, the construction of a new high energy performance

building, the installation of renewable energy systems in buildings or near buildings for personal consumption or export to the power supply network.

The activities to be carried out within the action point are as follows:

- Mapping of regional private stakeholders on areas such as: consultancy, design, architecture, energy audit for buildings, plumbers / installers, construction companies, technology providers etc. The starting point is already existing information that is fragmented to various authorities or organizations as follows:
  - Certified energy auditors for buildings (certified by Ministry of Regional Development and Public Administration - MRDPA):
  - Technical experts, project verifiers and technical responsible in execution (certified by MRDPA):
  - On-site supervisors
  - Energy managers and auditors (legal & natural persons); companies supplying energy services; authorized specialists / experts and specialized companies in the field of energy and natural gas supply (certified by National Authority for Energy Regulation - NAER):
  - Architects with certified signature right;
  - ARACO certified construction companies
- Structuring the database with relevant specialists and categories of actors and identifying information sources:
  - Designing: architecture, civil engineering, construction facilities,
  - Execution: construction contractors, construction and installation companies, PV systems installers / solar systems installers etc.
  - Specialists and experts certified / authorized in the design or execution activity in construction and energy efficiency,
  - Suppliers of building materials, technologies and systems for construction and installation, energy supply, energy efficiency and renewable energy sources.
- Structuring the distinct section within the existing North-East RDA website and placing this information on the websites of the municipalities of the region,
- Introducing information and launching / promoting the page,
- Ensuring the sustainability of the pilot platform and updating the information:
  - Designate a manager responsible for maintaining and completing the pilot platform + IT specialist,
  - Attracting supporters/sponsors - companies interested in supporting the development of the pilot platform.

3. Players involved
   - North-East RDA, supported by Constructor's Guild Cluster
   - Miroslava Commune (Iasi), Botoşani Municipality, Bacău Municipality - taking on the information from the North-East RDA website and placing it on their own websites.
   - Other municipalities in the North-East Region.

4. Timeframe
   2019-2020 and beyond

5. Costs (if relevant)
   Included in staff costs of North-East RDA and municipalities budgets.

6. Funding sources (if relevant)
   -

ACTION 5 - Development and promotion of financing tools and local incentives to use RES in energy-efficient buildings

1. Context

Economic feasibility (from the point of view of total costs over the lifetime of a building or investment recovery perspective) for energy efficiency initiatives or for the implementation of RES systems is crucial for attracting investment funds for such actions.

On one hand, the results of the market study show that energy savings and energy bills do not seem to be a sufficient financial incentive to drive energy efficiency and the introduction of RES in buildings in the NE Region. Raising awareness of these benefits is needed through examples of good practice and demonstration projects so that financial incentives are seen as a means to facilitate an investment that brings demonstrable benefits to building owners / occupiers.

On the other hand, energy poverty in the North-East Region is more pronounced than in other regions. In this context, reducing energy bills can be a solution for stimulating the beneficiary, particularly if they can access financial instruments. Developments in this area must address the cause, not the symptom: locally, municipalities can provide financial incentives to increase energy performance in buildings, from the budget it otherwise allocates, e.g. to heating aid, which stimulates excessive energy consumption.

In order to achieve an efficient mobilization of private funds and to achieve the highest possible multiplier effect of public investment, it is necessary to create and make available to building owners investment incentives to increase EE and use RES: grants, subsidized loans, tax incentives etc. These tools can be used either as defined on a national level, or tailored to local contexts.

The need for this action arose from the analysis of examples of good practices where the projects did not have funding from different programmes or public funds. For projects funded by private funds, it is essential to provide funding schemes that guarantee the sustainability of the investment. A relevant example from this point of view is the *Integrated electricity production at roof with sun tiles* presented by Energy Agency for Southeast Sweden, where a specific technical solution (replacing classical building materials with energy-active materials) combined with an adequate financing scheme leads to economically efficient results, thus becoming attractive to the private investor.

2. Action

The action aims at defining and applying financing or incentivising financial tools to facilitate the implementation of RES systems in energy-efficient buildings as follows:

- Identification of projects in the area to be implemented by the municipalities in the North-East region, within the ISDU, LDS, SEAP / SECAP + group meetings, others / consultation (is important that the projects to be assumed within the plans and financing instruments models to be developed based on specific cases)
- Identification of project categories (lighting, type of buildings, acquisitions etc.)
- Identification of common elements (eligible cost categories = object of the investment)
- Identification of the right financing solution (depending on the bankability of the project)
- Proposal of a financial tool model proposal (e.g. loan with subsidized interest for citizens, state guaranteed loan, credit line with subsidized interest for LPA - in partnership or not with Owners Associations - for larger interventions / projects / investments; green urban bonds etc.)

The identified/developed model(s) will be proposed to the MA and banks (if applicable) for analysis (feasibility and short-term development potential).

- **The ESCO-Energy Service Company (a company that offers an initial investment and recovers its money from reduced energy bills)** is not very easy to introduce in case of increasing the energy performance of buildings or implementing renewable energy sources in nZEB buildings due to the length of time necessary for

investment recovery. A local policy to stimulate ESCOs to enter the market of nZEBs should include fiscal facilities for this category of economic agents in the context of the development of projects of the aforementioned type.

- The partnership between a Bank, a Municipality and a Local Construction Company, where each party benefits (for example, exemption from taxes and investment tax for the construction company) may be another financing model. By quantifying the benefits, which, for example, are higher than the amount of taxes and fees the City Hall collects from companies, one can see if the partnership is an effective one.

- Defining funding programmes from the local budget - grant <100%: Programs dedicated to RES – one such programme is pending approval. It is dedicated to owners of residential buildings for the installation of photovoltaic panels systems for the production of electricity in order to cover consumption needs and surplus delivery to the national grid, and to technology vendors who are certified plumbers, based on the capacity of their firms and number of qualified installers. This is the program of the Ministry of Environment that will replace the "Green House" program. Should this program no longer be implemented, or if the amounts allocated from the environmental fund are insufficient, this type of program can be defined locally by allocating funds from the local budget to mobilize private funds (partial grant < 90%).
- Creating an ESCO in a public-private partnership after studying and analysing local conditions to implement RES solutions under well-established contractual conditions; The municipality, through the RES One Stop Shop, must analyse the particularities of implementing an ESCO programme and permanently monitor the implementation of the programme;

- Tax incentives - Fixed tax exemptions: Promotion of the Decision of Local Council for the reduction of local taxes and taxes on the use of renewable energy sources (RES) for energy autonomy of buildings - on the model of the exemption from taxes for green buildings or buildings with a high energy performance (Cluj-Napoca), respectively the use of the rehabilitation fee for crediting the owners of individual buildings or apartments in multifamily residential buildings to cover the individual share of the investment in the energy renovation of the building with the implementation of systems using renewable energy sources;

- Interest-free credits for the integration of RES in buildings: subsidies from local budgets, cooperations between City-Hall and banks;
- Study on local energy poverty and feasibility analysis of energy renovation solutions of buildings together with RES systems installation - to be applied instead of heating aids - Promotion of actions at the Local Council decision level regarding the partial investment of heating aid funds to RES;
- Adopt a local de minimis aid scheme for energy efficient buildings or RES investments;
- A combination of financial incentives & awareness: among the various financial incentives presented above, awareness actions (increase of understanding, benefits, availability of technology, demonstration etc.) must accompany any application of financial incentives to increase their effect, and to generate the multiplication effect.

3. Players involved

Coordinator – Municipalities in North-Eastern Region: Roman Municipality, ADL Bacău, Piatra Neamț, Botoșani
North-East Regional Development Agency
Participants: Municipalities, banks, the business environment, building owners

4. Timeframe

2019-2020 → continuously

5. Costs (if relevant)

The action point itself does not involve additional costs, but rather a commitment from the local authority to define financial and fiscal instruments that can generate local benefits by increasing the energy performance

of buildings, reducing CO2 emissions and increasing energy production from renewable sources (and implicitly increasing the share of green energy in the local or regional energy mix).

6. **Funding sources** (if relevant)
   Local budgets
   Other funds to be identified

Place and date: Piatra Neamt, 20.05.2019

Signature:

Vasile Asandei

Director General, North-East RDA
Intermediate Body for Implementation of Regional Operational Programme 2014-2020 in the North-East Region of Romania