

WP 5 Financing

Working group 3: Energy supply infrastructure

RAKVERE, 6 November 2009, 10:30-11:30h

Moderator: Andreas Dördelmann/ Energy Agency SH (DE)

Minutes writer: Kristina Peselyte/ IWO e.V. (DE)

Participants: Peter Busch (DE), Ines Stalinski (DE), Ieva Kascionyte (LT), Gunita Osite (LV), Kätlin Madis (EE), Andrzej Rajkiewicz (PL)

Summary

- 5 target areas were represented in this working group.
- Relevant to all target areas (except Brandenburg):
 - Bad condition of supply infrastructure
 - Lack of finances and financial schemes for the improvement of situation
 - Plans to use renewable energy sources (bio mass power plants) with the financial support from EU Structural Funds.
- Short summary from each target area in detail:

1) Siauliai

- 70% inhabitants are connected to district heating.
- The heating grids are in very bad condition, what cause the big energy loses (40%), however renovation of the grids are not planned, because of the lack of finances (EU Structural Funds can be used for extension but not for renovation of the heating grids)
- Due the bad condition of supply infrastructure and high energy loses, it is difficult to motive the inhabitants to renovate their houses.
- There is a lack of strong political will about using the renewable energy and the big pressure and lobbying from gas companies against that.



- It is planned to build a new power plant (bio mass), using 85% financial support from EU Structural Funds and 15% of investments will come from municipality.

2) Jelgava

- There are two district heating stations in the city to which 65% the inhabitants are connected and the stations are maintained by "Forum Jelgava".
- 70% of all heating grid are renovated (within project of the World Bank (1995-2007)). The remaining 30% are planned to be renovated with money from EU Structural Funds or "Fortum Jelgava" investments.
- New cogeneration station with EU financial support is planned.
- EU Structural Funds are available for construction of small cogeneration stations also and many small companies with a target to sell the energy are planning to build it. One of the problems in Jelgava: there are no regulations or requirements for these cogeneration stations (certain capacity, materials etc.).

3) Piaseczno

- Target area is connected to district heating: the company is 50% owned by municipality and 50% by housing cooperative that is why decision making processes are very difficult.
- The heating station, which belong to the owners of the buildings are renovated.
- One of the main problems is that hot water is prepared separately in each flat with gas boilers. Proposal within Urb.Energy project: the illumination of the gas boilers and preparation of domestic hot water centrally. For this goal the small cogeneration station, granted by red certificates must be build (with financial support from EU).
- There is a need for new financial scheme
- What concerns renewable energy, the installation of solar panels in 1 or 2 buildings of Piaseczno target area will be recommended.

4) Rakvere

- 50% of the inhabitants are using district heating. The grids are not in a good condition and need to be renovated. Though at the time no finances are available for this.

- The construction of bio mass power plant (owned by private heating company) is in the progress now. It is planned that in June 2010 the construction works will be finished and the energy from bio mass power plant will be ready for using.

5) Brandenburg

- 74% inhabitants of the state Brandenburg are connected to district heating.
- The main problem: oversized power plants in the areas with decreasing population. The grids and heating stations are renovated, but now they must be adjusted to new demand and capacities must be diminished (because of changed demographic situation). For this aim many programs and finance instruments were originated.
- Brandenburg is the leading state in Germany by using renewable energy. On the other hand - 60% of all energy is produced from brown coal and the main companies, which own the brown coal fields and power plants are selling this energy to the other German states. Till 2020 there are plans to diminish other energy sources and bring usage of renewable up to 20%.
- There is no lack of finance for implementation the strategies of the state of Brandenburg to increase the usage of renewable energy. Many possibilities i.e. KfW loans, "Innovation bonus" , etc. are available.