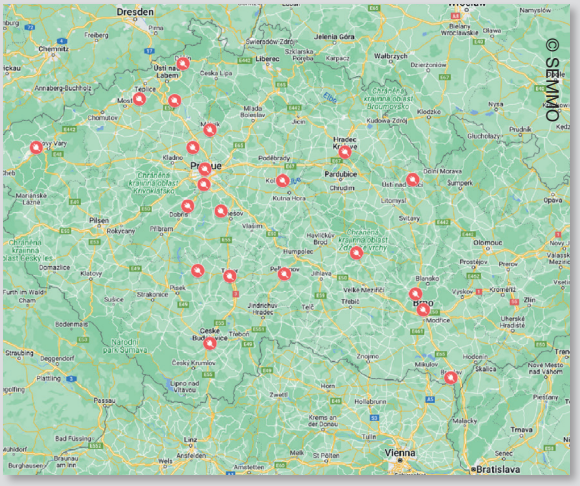
SEMMO: ASSOCIATION OF LOCAL ENERGY MANAGERS

About the organisation

SEMMO is a Czech Association of Local Energy Managers of towns and municipalities. Based in Prague, it gathers 23 cities with strong interest in sustainable energy, energy efficiency and community projects. The aim of the association is to support its members in energy transition towards modern cities and municipalities with lower energy consumption and long-term sustainable energy policy.

Key facts and figures

- **Location:** Prague
- **Type of organisation:** NGO
- **Number of employees:** 4
- **Founding year:** 2019
- **2 main services:**
  - platform to exchange information and educate on sustainable energy and transport
  - Involving cities and municipalities in innovative projects and activities
- **Website and email:** https://semmo.cz ; vanova@semmo.cz



Meet your mentor

Jaroslav Klusák, Chairman

Jaroslav is a Director of Prague Renewable Energy Community and a Chairman of the Association of Local Energy Managers. He has been active in municipal sustainable energy since 2004.

"Necessity of complex approach and combination of mitigation and adaptation measures. Combination of using different financial sources in the projects – for project preparation and also for investment."
Jaroslav Klusák, Chairman

Tereza McLaughlin Váňová, Project Manager

Tereza is involved in international projects aimed at assisting municipalities in improving their capacities and implementing climate-energy management.

"I believe staff motivation is key. The principle of dividing the net savings among relevant stakeholders is a very clever motivation element that ensures all stakeholders are involved and interested in achieving best results possible."
Tereza McLaughlin Váňová, Project Manager

- **Financing instrument:** ELENA, Fund of Energy Savings and Renewables
- **Thematic areas:** public buildings, cross-sectoral

PROSPECT+

SEMMO
SDRUŽENÍ ENERGETICKÝCH MANAŽERŮ MĚST A OBCÍ

Fund of Energy Savings and Renewables

Photo: City of Litoměřice by Divis

The Fund was established by a Local Authority, the City of Litoměřice, in 2014 as a part of its internal budget. The Fund aims to reduce long-term operating energy costs of the Local Authority and assets it runs, such as schools, museums and libraries by implementing energy efficient measures and installing renewable energy sources with a minimum impact on the municipal budget.

Each year net savings are calculated and distributed according to an agreed formula among various levels of the Local Authority. Savings are reinvested in new sustainable energy projects.

Situation in the city before the fund was established

The City of Litoměřice had showed a long-term support of energy independence. However varying degrees of commitment to energy savings among city levels could have been observed. Measures had been implemented without evaluating the long-term economic and energy effects, and low investment measures had been preferred. Energy efficient measures were implemented mostly in a line with current legislation, as there was no ambition to strive for higher standards. Only limited funds had been available for the preparation of the necessary documents, such as energy audits, expert services, project documentation and conceptual documents.

With energy prices rising and energy expenses leaving the region the Local Authority decided to establish the Fund in the autumn of 2013. It took almost six months of negotiations and discussions among various city departments to reach the final stage of setting the Fund. The Fund is also strongly linked to return on investment and education of involved staff and citizens.

Photo: City of Litoměřice

Benefits for the city and its Organisations / Fund Justification

It provides several direct benefits for the LA and its organisations:

- Reducing the burden on the city budget in the preparation of project documentation and expert studies;
- Reducing of fluctuations in the cash flow of the city budget due to unexpected expenses;
- Strengthening the local economy by retaining funding in the region;
- Appreciating city property and higher user comfort;
- Implementing the Strategic Development Plan of the city.

Local Authority leads by example in energy planning and implementation and inspires citizens and local companies' involvement in energy transition. Implemented measures provide objective and transparent evidence of actions taken by the LA, making the most of public resources to deliver benefits for its citizens. Funds re-invested in energy saving and utilization of renewable energy sources have a long-term multiplying effect for the municipality.

Fund Use

The Fund finances preparation of quality documentation (including project studies, energy audits, assessments, grant proposals). City organisations can use their share of money to cover operational costs: repairs, maintenance, material costs, and small investments, such as purchases for educational purposes or teaching. In future, once the Fund allocation is higher, it is anticipated it will be used to finance implementation of EE and RES measures directly. Currently measures are financed using a mix of sources: municipal budget, grant funding, EPC and/or bank loans.

Potential for Learning

Municipalities with established energy management could fairly simply adopt this practice. The fact that no upfront ring-fencing of funds is needed could be attractive to other municipalities.

The principle of dividing the net savings among relevant stakeholders is a very clever motivation element that ensures all stakeholders are involved and interested in achieving best results possible.

It is beneficial to start a dialogue with the subsidised organisations at an early stage, and to explain in detail how the Fund operates, how savings can be achieved and how net savings are calculated.

The Fund Achievements

To maintain a long-term sustainability of the Fund, net savings are calculated each year and distributed among key stakeholders as follows:

- 35% allocated directly to the city budget;
- 30% allocated to the Fund of Energy Savings and RES;
- 30% of the allocated specific organisation where saving energy or using renewable energy sources have been implemented;
- 5% allocated to the reward fund; the decision how rewarded is split among the involved staff is approved by the mayor.

Because of the Fund existence, having sufficient resources to prepare good quality pilot projects the municipality was able to implement many EE and RES projects and achieved these results.

Net Savings:

- 2016 €55 000
- 2015 €51 000
- 2014 €98 400

Overall total energy savings since 2012 in Local Authority buildings – over €886 000

Other Benefits (figures from 2014):

- 752 000 kWh/year saved
- 80 000 kWh/year renewable energy produced
- 650 tonnes/year CO_2 saved

The PROSPECT+ project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101023271

Contact
Tereza McLaughlin Váňová, Pplk. Sochora 693/23, Praha 7
vanova@semmo.cz, https://semmo.cz

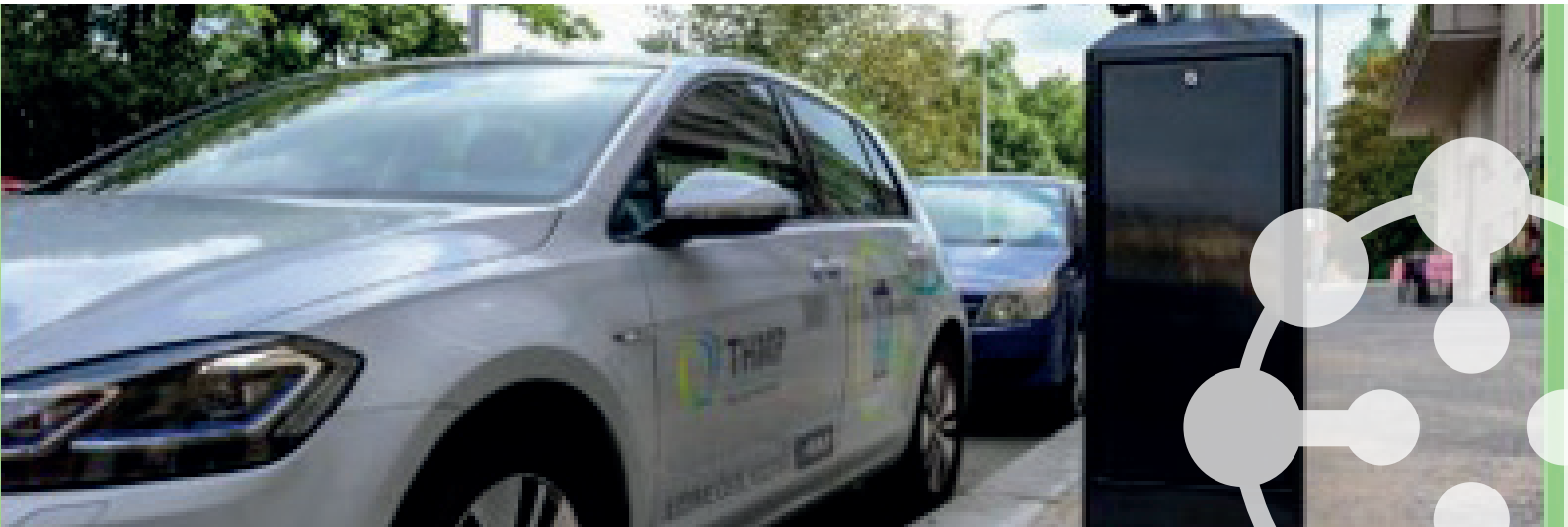
Prague Renewable Energy Community

The Prague Renewable Energy Community (PSOE) was founded in 2021 as a city organisation of the Capital City of Prague. The organisation was established for the purpose of providing comprehensive services related to the preparation, implementation and operation of electricity generation (hereinafter referred to as "production RES"). At the same time, these production facilities will be located both on real estate assets (buildings or land) owned by the City, and additionally on real estate and other natural and legal persons who are interested in participating in the entity. PSOE owns a licence for the production and sale of electricity and will be able to purchase surplus electricity produced on cost-effective conditions and supply it to other points of consumption also on cost-effective conditions.

Situation in the city before the PSOE was established

In May 2021 the City of Prague adopted a Climate Plan with the aim of reducing greenhouse gas emissions by 45% by 2030 compared to the initial state of 2010. An important area of the Climate Plan is the building sector, where planned measures can ensure up to 10% reduction in greenhouse gas emissions. In addition to the city's property, the Climate Plan also pays attention to the private housing sector, where the city of Prague is the first in the Czech Republic to come up with the concept of energy communities.

One of the priority projects of the Climate Plan is the development of energy communities. The first energy community will be established as part of a pilot project in Prague, district Černý Most, where a pilot installation is currently being prepared. In order to develop other installations, a municipal organisation was established on 1 October 2021 - the Prague Renewable Energy Community (PSOE), which will be the entity producing electricity from the installed photovoltaics, and will also be the supplier.



Benefits for the City and its Organisations / Justification

It provides several direct benefits for the City and its organisations:

- Prepares new projects of RES production and energy savings, the investor of which will be City or private owners of family homes and apartment buildings;
- Ensures suitable financing for their implementation with the use of subsidy sources;
- Operates new production RES owned by the city and supplies the energy produced by PSOE to the consumption sites of the City of Prague;
- Runs a single contact point ("one-stop-shop") for the inhabitants of the capital and provides services, including preparation of energy assessments, energy studies, applications for support, etc. in energy savings and RES projects;
- Performs all administrative activities necessary for the operation of renewable resources for individual investors (family homes and apartment buildings).

PSOE services

The PSOE helps with preparation of quality documentation (including project studies, and grant proposals) for citizens and municipal property. City organisations and citizens can use its services to help cover costs of projects studies, costs for operational licences for electricity market and reduce transaction costs of each PSOE member.

PSOE has its own licence for electricity market and this licence is therefore not required to be held by each PSOE member (household, etc.).

Potential for Learning

Municipalities with interest to energy communities could fairly simply adopt this practice. The fact that no legislation support is established yet in the Czech Republic can also enable using this approach to support pilot implementation in other countries.

In any municipality similar organization to PSOE can serve as a motivator and unique contact point for citizens and other organisations with guarantee, that their services are independent and valuable.

The Fund Achievements

PSOE is a newly established organisation, however as of 2021 it has achieved the following:

- Ensured project preparation financing for the preparation of pilot 100 PV installations owned by the city from the ELENA project – total subsidy of EUR 1.9 million
- Prepared approximately 60 pilot projects for financing (Structural Funds, Modernization Fund) - total investment support of EUR 4 million
- Currently it registers more than 300 people interested in its services from private owners of family and apartment houses
- Within all planned projects in the years 2022 - 2023, it has the potential to realize up to 400 installations
- It has the potential for the following quantified impacts within the prepared projects:
  - Reduction of energy consumption - 16 GWh / year
  - Reduction of CO_2 emissions - 60 tons / year
  - Newly installed RES power - 70 MW_p
  - Energy production from RES - 65 GWh / year
  - Cost savings - EUR 5.5 million / year

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Contact
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klusak@semmo.cz, https://semmo.cz