

# Insights from the **ENERGATE** Workshop in Riga

## ENERGY EFFICIENCY FINANCING IN PUBLIC BUILDINGS

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# INTRODUCTION

The 2nd ENERGATE Regional Training Workshop “Driving energy efficiency in public buildings: a focus on financing, incentives and effective tools” was held on the 29th May 2024 in Riga, Latvia. It was organised by ENERGATE Latvian partners [Riga Planning Region](#).

The event was divided into 2 sessions. The 1st session aimed to present the ENERGATE project’s concept, vision and objectives, as well as the current version of the ENERGATE Energy Efficiency Marketplace, focusing on the services developed for the public sector. During the 2nd session invited speakers presented their perspectives on the status of energy efficiency in buildings in Latvia’s public sector, while also sharing and exchanging knowledge and experience related to energy efficiency financing. See more [here](#).

The event has successfully brought together various stakeholders involved in the energy efficiency value chain, expressing different perspectives and discussing the diverse aspects of energy efficiency financing, the barriers and issues faced in the public sector, the future trends, and the potential of the ENERGATE marketplace.

# Profiles of the respondents

The workshop was attended by 30 participants representing different market actors involved in energy efficiency financing, both in the private and public sector. A survey was also distributed. The survey targeted stakeholders involved in energy efficiency projects in the public sector. Half of the respondents consisted of stakeholders that could use the platform through the role of the “Public Body” (municipalities and regions). More specifically, the “Public Body” user type refers to entities that manage public buildings and can create building profiles in the platform for public assets that need to be renovated. The perspective of the other side (actors involved in the implementation and financing of energy efficiency projects) was also represented (ESCo responses).

## Key Factors in Evaluating EE Projects in Buildings

Workshop participants highlighted several factors as pivotal when evaluating an energy efficiency project in public buildings. It appears that the environmental impact of the project is the key priority for most participants, followed by CAPEX and payback time. Other factors that the workshop participants would consider to assess an energy efficiency project include its sustainability and its potential contribution to local, national, or even EU level objectives. The building side (municipalities, regions, asset managers) prioritise indicators that are less important for ESCOs, such as the occupant’s comfort. Furthermore, it appears that indicators such as “social perception” and “leading by example” are particularly important for municipalities, even as significant as environmental impact in some cases. The fact that each stakeholder group emphasises the influence of different indicators highlights the need to bridge the gap between the different sides. This will allow the deployment of projects that bring added value to all involved parties thanks to both energy and non – energy benefits.

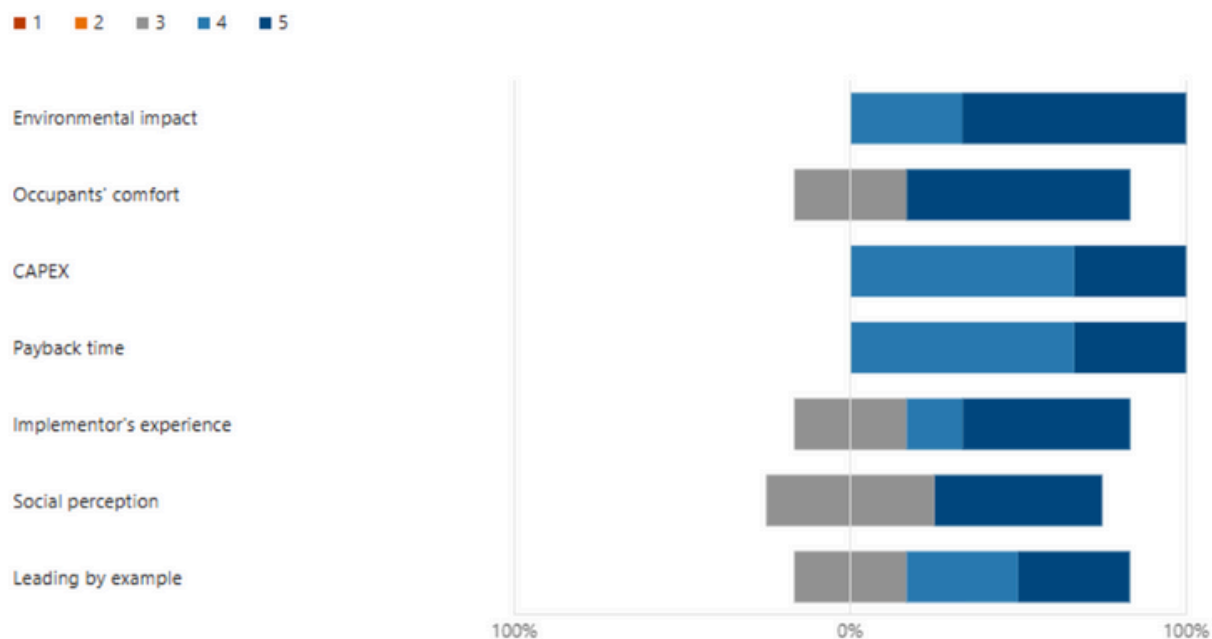


Figure 2. Key Factors in Evaluating EE Projects in Public Buildings (1-> insignificant, 5-> very important).

## Financing public energy efficiency projects

Workshop participants were asked to specify which financing sources are most commonly used for energy efficiency projects in the public sector of Latvia. As it has also been highlighted through discussions during the workshop, typically energy efficiency projects are funded mostly through the government and the EU. The experience on public – private partnerships is very limited, since there are several legislative and bureaucratic barriers to be addressed. However, to reach the energy transition targets it is necessary to renovate 3% of public buildings annually, and it is hard to achieve that relying only on public sources, such as grants and subsidies. Therefore, tools that can facilitate public – private partnerships are very useful, and the ENERGATE platform can provide services towards this direction.



Figure 3. Financing Sources For Energy Efficiency Projects in Public Buildings in Latvia, Ranked According to How Often They Are Applied

Some financial barriers that the Latvian region is facing when it comes to financing building renovation are:

1. Energy efficiency projects in Latvia are done only based on the availability of EU grants.
2. The use of energy subsidies instead of any other financial mechanisms significantly reduces any motivation to implement energy efficiency projects.
3. "One building | one project | one application" rule is a common pattern, so no project aggregation is not so popular.
4. There are regulatory barriers for long-term Energy Performance Contracting, which requires the application of complicated Private Public Partnership principles.
5. No incentives at the local level to use Energy Performance Contracting.

## Rating the potential services of the platform for the public sector

The ENERGATE project has explored various functionalities that could be provided to public sector's stakeholders in order to facilitate them to improve the energy performance of the buildings they manage. The great majority of services received good ratings, although there is some skepticism regarding the direct matchmaking of implementors and public projects through the platform (if the project is small and therefore can proceed with direct award instead of public procurement). It appears that the most promising service of the platform for public bodies is the information about available funding mechanisms, both in EU and national level. It becomes clear that the public bodies would benefit from a reliable and comprehensive library, containing key information, and allowing them to compare and evaluate the different financing mechanisms, so as to find the one that is most suitable for their project.

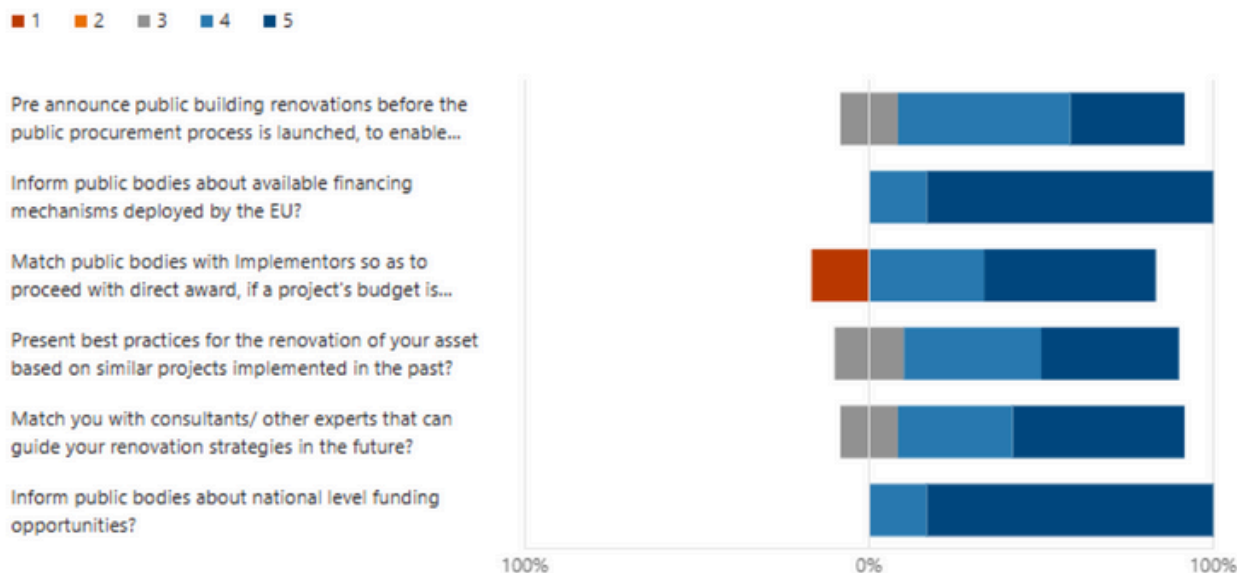


Figure 4. Usefulness of different features of the platform in (1-> not useful at all, 5-> extremely useful).

## Assessing the ENERGATE platform

The ENERGATE use cases and workflow were generally well-received, scoring an average of 3.65/5 rating in reflecting the needs of the participants. This proves that although the services identified are useful for the public stakeholders, there are additional elements that should be considered and answered, in line with the established realities, policies and legislation of the target countries of ENERGATE. According to the feedback received during the workshop, the pre-announcement of public building renovations might pose concerns in terms of equal opportunities, maybe by creating a disadvantage for market actors that want to participate in the public procurement but are not part of the platform. Nevertheless, the implementors and financiers in the platform will have the opportunity to know more about the project and prepare better offers, which is positive according to some respondents.

Workshop participants made suggestions to improve the platform, including the possibility of seeing all projects and not just those that match the users' KPIs to allow further flexibility, having prefilled options and descriptions to avoid mistakes in free text fields, and incorporating verification processes for the input of the users to prevent frauds and misinformation.

# CONCLUSION

The ENERGATE regional training workshop in Riga and the survey have provided an opportunity to understand the perspectives, pain points and goals of various stakeholders involved in EE projects in public buildings. These insights prepare the ground for fine tuning ENERGATE and other platforms to better reflect and address the evolving needs and preferences of the involved parties.

Stay tuned for more results and highlights of the 2nd ENERGATE Regional Training Workshop in Riga.