

Improving the performance of District Heating Systems in Central and Eastern Europe

Pilot projects

Report on local working groups

Latvia

Horizon 2020 (H2020-EE-2017-PPI)
Project N°784966



This project has received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement N°784966.



This project received co-funding from the German Federal Ministry of Economic Cooperation and Development.

PROJECT INFORMATION

Lead partner for the deliverable	North-West Croatia Regional Energy Agency (REGEA)
Document type	report
Dissemination level	public
Date of submission	September 15, 2020
Author(s)	Signe Martinkrista, Inga Kreicmane (ZREA)
Reviewer(s)	Stefanie Schaedlich, GIZ Magdalena Sperl, GIZ Marko Čavar, REGEA

List of Abbreviations

AT	Austria
CEE	Central and Eastern Europe
CoM	Covenant of Mayors for Climate and Energy
CZ	Czech Republic
DisComEx	Dissemination, Communication and Exploitation
DG	Directorate-General of the European Commission
DHS	District Heating System
EBRD	European Bank for Reconstruction and Development
EU	European Union
GHG	Greenhouse Gas
HR	Croatia
KPI	Key Performance Indicator
LV	Latvia
LWG	Local Working Groups
NGO	Non-Governmental Organisation
RES	Renewable Energy Source(s)
SI	Slovenia
SRB	Serbia
UKR	Ukraine
WP	Work Package

Summary of the project

The project “KeepWarm - Improving the performance of district heating systems in Eastern Europe” is funded under the EU Horizon 2020 programme. Its objective is to accelerate cost-effective investments in the modernisation of District Heating Systems (DHS) in Central and Eastern Europe (CEE). KeepWarm is most active in seven countries: Austria (AT), Croatia (HR), Czech Republic (CZ), Latvia (LV), Serbia (SRB), Slovenia (SI) and Ukraine (UKR). The project focuses on this region, and these particular countries, because in most cases DHSs are frequently still inefficient and for the most part overly reliant on fossil fuels (especially gas, coal or oil).

The aim of this initiative, launched in April 2018, is to modernise DHSs around the whole region in a more sustainable manner. By improving system operations and promoting a switch to less-polluting sources, like renewable energy sources (RES), KeepWarm will contribute to reducing greenhouse gas (GHG) emissions. The eleven project partners strive to ensure that best practices for environmentally-friendlier heating and cooling will be taken up across Europe, replicating KeepWarm’s approach in other countries and regions, even beyond the end of the project in September 2020.

Project objectives

KeepWarm’s specific objectives are:

- At least 450 relevant stakeholders with increased capacities on technical, organisational, financial and managerial aspects – includes 150 DHS operators;
- At least 95 **DHS operators** are able to **develop business plans** and to identify the most suitable **financial model** for modernisation of their own DHS;
- At least 23 **business plans for the modernisation** of DHSs have been developed and **sources for investment** have been identified;
- DHS network **retrofitting** is addressed in at least 10 local **energy plans** and 7 regional or **national strategies** or plans;
- At least 23,300 **relevant stakeholders** (directly) and 125,000 (indirectly) **reached** across Europe in order to **replicate the project outputs** in primary and secondary target regions and ensure the project’s impact;
- **Support EU policies and initiatives**, such as the Covenant of Mayors for Climate and Energy (CoM) and DecarbHeat, by exploiting key lessons from KeepWarm activities and pilots to disseminate best practices across Europe.

KeepWarm consortium partners

LOGO	PARTNER NAME	SHORT	COUNTRY
	Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH	GIZ	Germany
	University of Zagreb Faculty of Mechanical Engineering and Naval Architecture	UNIZAG FSB	Croatia
	Landeskammer für Land- und Fortwirtschaft in Steiermark	LWK	Austria
	Regionalna Energetska Agencija Sjeverozapadne Hrvatske	REGEA	Croatia
	Jožef Stefan Institute Energy Efficiency Centre	JSI	Slovenia
	ICLEI European Secretariat GmbH	ICLEI Europe	Germany
	Teplarenske Sdruzeni Česke Republiky	TSCR	Czech Republic
	Biedriba Zemgales Reģionālā Enerģētikas Aģentūra	ZREA	Latvia
	Zavod Energetska Agencija za Savinjsko Salesko in Korosko	KSENA	Slovenia
	LLC KT-Energy Consulting	KT-Energy	Ukraine
	Institut za Nuklearne Nauke Vinca	VINCA	Serbia

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Executive summary

The switch from a fossil fuel and inefficient DH system to clean and renewable alternatives with low level of losses is a challenging task. Moreover, other competitive heating solutions in heating sector make it difficult for other heating alternatives, such as DH to compete. Besides DH systems often were not able to provide appropriate value of their services from technical, environmental, societal as well as economic perspective. In other words, DH systems often are often in a difficult position due to many reasons. As a results, they often lack of ambitious plans and performing relevant activities such as development of feasibility studies, complicated public procurement procedures, evaluation of RES potential, successfully negotiation with both existing and future end-consumers, identification and application to both local/regional/national and EU funds (lack of investment strategy). On the other hand, they often lack work force and capacity to achieve ambitious plans due to lack of financial funds or know-how. To foster modernization of above-mentioned DHSs, the KeepWarm project focuses on modernization of pilot DH systems in 7 partner countries (Austria, Croatia, Czech Republic, Latvia, Slovenia, Serbia and Ukraine).

Project partners committed to provide support to DHSs representatives throughout an interdisciplinary approach with the aim of achieving investments developed in previous activities of projects such as feasibility studies, business plans and selection of pilot DHSs. After identification of current state and barriers which hinder successful investments, KeepWarm consortium organized local working groups in each country the aim of providing tailor-made assistance to remove barriers. The goal of the local working groups was to include all relevant stakeholders, which can be identified through the stakeholder analysis, to provide input for business plan development and feedback on future retrofitting plans as well as on barrier removal for DHS. This report is created as country-by-country overview of organized local working group meetings with the aim of presenting systematic and continuous activities of KeepWarm partners toward DHSs representatives and other stakeholders with the aim of achieving investments. In addition to this, each project partner used a tailor-made KeepWarm approach which is a result of previously taken activities such as feasibility studies, business plans and selection of DHSs to be retrofitted.

In case of Latvia, project partner ZREA organized seven meetings on different topics with respective DHSs representatives which were attended by 44 participants. In each initial meeting with DHSs, feasibility studies created through the project have been presented, as well as discussed in terms of modifications and further steps. Meetings taken afterwards have been a result of a continuous collaboration between Latvian partner and DHSs representatives toward achieving investments.

DHS Jekabpils C13A: implementation of scenario 3 of the elaborated feasibility study. Change of wood chips boiler, installation of new gas boiler and automatization of old gas boiler

DHS Lielaucē: implementation of scenario 4 of the elaborated feasibility study. Modernisation of the heat source without replacing the existing boiler: frequency changer for network pumps, change of heat grid, installation of automated wood chip feeder.

DHS Bene: implementation of scenario 2 of the elaborated feasibility study. Installation of a new pellet boiler with an automated pellets delivery system.

It should be mentioned that due to the pandemic situation (COVID-19), last two planned and already organized meeting have been cancelled and adjusted to virtual platforms. Following table presents basic information:

LOCAL WORKING GROUP MEETING 1
Pilot: DHS Lielaucē and DHS Bene Number of stakeholders: 6 Main topics: introduction to LWG, presentation of feasibility study
LOCAL WORKING GROUP MEETING 2
Pilot: DHS Lielaucē and DHS Bene Number of stakeholders: 6 Main topics: Future plans, identification of external funds, twinning programme and future inspire activities
LOCAL WORKING GROUP MEETING 3
Pilot: DHS Jekabpils C13A Number of stakeholders: 7 Main topics: Introduction to LWG, presentation of feasibility study, identification of available external funds, twinning programme and future inspire activities
LOCAL WORKING GROUP MEETING 4
Pilot: DHS Jekabpils C13A Number of stakeholders: 8 Main topics: status of the project, identification of external funds – status, twinning programme and Inspire even
LOCAL WORKING GROUP MEETING 5
Pilot: DHS Lielaucē and DHS Bene Number of stakeholders: 7 Main topics: Status of the project, identification of external funds – status, twinning programme and Inspire event
LOCAL WORKING GROUP MEETING 6
Pilot: DHS Jekabpils C13A Number of stakeholders: 5 Main topics: Status of the project, potential of investment attraction to elaborated business model identification of external funds – status, twinning programme and Inspire event
LOCAL WORKING GROUP MEETING 7
Pilot: DHS Lielaucē and DHS Bene Number of stakeholders: 5 Main topics: Status of the project, potential of investment attraction to elaborated business model, identification of external funds – status, twinning programme and Inspire event

Introduction

As defined in the Grant Agreement, this deliverable N°4.2 Report on local working groups is closely tight with the work package 4's objective – achieve at least 15 DHS investments in at least 5 countries, using suitable technical and financial approaches (developed in Work Package 3), which will lead to increased efficiency and RES use. Throughout the task 4.2 Support to DH operators/owners to remove barriers and achieve investments, it is stated in the Grant Agreement that the main objectives are to provide a tailor-made support, remove barriers and achieve above mentioned investments.

The specific topics and focus of the conducted meetings were defined based on the needs of each DHS operator/owner and related stakeholder which is defined throughout the Task 4.1 Selection of DHS for retrofitting, investments and working groups. Working groups are established for each DHS to be retrofitted and include at least representatives of DHS operators/owners, local government and end consumers (and possible other key stakeholders if needed). The local working groups are responsible for the implementation and monitoring of the DHS retrofits. KeepWarm partner were mainly facilitator, discussion leader and triggering reflections and provide support in planned actions

In addition, the working groups will consider results of the Work Package 3 in order to provide an adequate support to secure investments:

- Supporting choices in the optimal financial approach and business model (combination of public and private capital, financing schemes like on-bill financing and similar)
- Support and guidance in preparation and application for potential grants (for example, EU structural funds through the Integrated Territorial Investment mechanism, and others)
- Supporting negotiations with customers (joint meetings with project partners as facilitators)
- Support on specific technical issues (in addition to the ones analyzed in WP3)
- Support with legal issues (e.g. unclear ownership/responsibilities of heating substations)
- Exchange with twins – and including lessons learnt
- Conclusions for future scenarios – long-term orientation

The outcome of Task 4.2 is the realisation of 15 actual investments in DHS retrofits. Therefore, this document presents steps taken towards the above-mentioned goal through the activity of local working groups in terms of identification of problems, discussions, exchange of knowledge, remove of barriers and proposing relevant solutions.

Local working group – meeting 1

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	Auce county, Latvia / “Auces komunālie pakalpojumi”, Ltd., which participates in KeepWarm project with DHS Lielauce and DHS Bene
Date	July 10, 2019
Location	Jelgava, P. Brieža 26, Latvia
Number of participants/ Stakeholder groups	3 participants from “Auces komunālie pakalpojumi”, Ltd. (pilot DHS Lielauce and pilot DHS Bene); 1 participant from Auce county municipality; 1 participant from Riga Technical University (expert); 1 participant from ZREA (energy agency)
Topics	Introduction to LWG Presentation of feasibility study
Minutes by	Signe Martinkrista

Agenda



Šis projekts ir saņēmis finansējumu no Eiropas Savienības izpētes un inovāciju programmas Apvēršnis2020 saskaņā ar grantu līgumu Nr. 784966



Biedrība “Zemgales reģionālā enerģētikas aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros),

10.07.2019., Jelgava, P.Brieža ielā 26, Plkst. 13:00

Darba grupas izveides mērķis:

SIA “Auces komunālie pakalpojumi” izvirzīto pilot-centralizētās siltumapgādes sistēmu (CSAS) – “CSAS Lielauce” un “CSAS Bēne” izstrādāto Tehniski ekonomisko pamatojumu (TEP) novērtēšana – biznesa modeļa izstrādei (T3.5) un pilot CSAS izvirzīšana modernizēšanai un investīciju piesaistei (T4.1).

Darba grupas 1.spaulce

Darba kārtība

1. ZREA projektu vadītājas S.Mārtinkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
2. TEP izstrādes stadija, nepieciešamās darbības, papildus informācija.
3. Vietējā Darba grupa – nepieciešamība, dalībnieki, tikšanās biežums.
4. Twininga programma.
5. Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).
6. Dažādi.

Minutes and main Conclusions

ZREA presented short information on current status quo of Feasibility studies for DHS Lielaucē and DHS Bene, which have been started. Partners discussed the content of drafts, on additional information needed. The meeting participants discussed possible scenarios for the modernisation of DHS Lielaucē and decided to incorporate three modernizing/operational optimisation scenarios that would increase the energy efficiency of boiler house:

- Upgrading the heat supply without replacing the existing boiler by setting up a frequency changer for grid pumps, installation a flue-gas condenser and change the heat grid routes.
- Replace existing wood chip boiler with pellets boiler and reconstruct heat grid.
- Installation of a new wood chip boiler combined with automated wood chip feeder and heat grid reconstruction.

Meeting participants also discussed possible scenarios for the modernisation of DHS Bene and decided to develop two optimisation scenarios that would make DHS Bene independent:

- The construction of a new wood chip boiler house combined with an automated wood chip feeder.
- Construction of pellet boiler house.

The meeting participants agreed to prepare, by 22.07.2019., all the information necessary for the development of scenarios (possible costs of equipment and works, estimated cost savings, etc.), so that the calculation could be carried out and the development of technical economic justifications could be completed by 01.08.2019.

ZREA gave information on Local Working groups purpose – which aims to provide support to pilot DHS in the ongoing process of preparation for and implementation of optimisation of the DHS. Also, different stakeholders are involved in the group – in case of DHS Lielaucē and DHS Bene – representatives from “Auces komunālie pakalpojumi”, Ltd., Municipality of Auce county, representative of Riga Technical University (RTU). Partners decided to have next meeting in autumn 2019.

ZREA gave information on Twinning program purpose and nearest activities – introduction of twin from Austria (in next meeting), purpose of twinning on possible time frame for twinning activities.

Twinning activities

Not started yet.

Monitor of retrofit implementation steps

Currently DHS Lielaucē and DHS Bene are not making any retrofitting. Currently local Central Finance and Contracts Agency has not announced any call in the field of district heating systems retrofitting, it is planned to announce the call at the end of 2019.

Local working group – meeting 2

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	Auce county, Latvia / “Auces komunālie pakalpojumi”, Ltd., which participates in KeepWarm project with DHS Lielaucē and DHS Bene
Date	September 18, 2019
Location	Jelgava, P.Brieža 26, Latvia
Number of participants/ Stakeholder groups	3 participants from “Auces komunālie pakalpojumi”, Ltd. (pilot DHS Lielaucē and pilot DHS Bene); 1 participant from Auce county municipality; 2 participants from ZREA (energy agency)
Topic(s)	Future plans Identification of external funds Twinning programme and future inspire activities
Minutes by	Signe Martinkrista

Agenda



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Biedrība “Zemgales reģionālā enerģētikas aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros),

18.09.2019., Jelgava, ZREA birojā, P.Brieža ielā 26, Plkst. 13:15

Darba grupas izveides mērķis:

SIA “Auces komunālie pakalpojumi” izvirzīto pilot-centralizētās siltumapgādes sistēmu (CSAS) – “CSAS Lielaucē” un “CSAS Bēne” izstrādāto Tehniski ekonomisko pamatojumu (TEP) novērtēšana – biznesa modeļa izstrādei (T3.5) un pilot CSAS izvirzīšana modernizēšanai un investīciju piesaistei (T4.1).

Darba grupas 2.spulce

Darba kārtība

- ZREA projektu vadītājas S.Mārtinkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
- Izstrādāto TEP CSAS Lielaucē iespējamo optimizēšanas scenāriju rezultātu novērtējums:
 1. labākā scenārija izvēle biznesa modeļa izstrādei,
 - 2.2. apspriede par iespējamo biznesa modeļa īstenošanu – investīciju piesaistei;
- Izstrādāto TEP CSAS Bēne iespējamo optimizēšanas scenāriju rezultātu novērtējums:
 - 3.1. labākā scenārija izvēle biznesa modeļa izstrādei,
 - 3.2. apspriede par iespējamo biznesa modeļa īstenošanu – investīciju piesaistei;
- Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).
- Dažādi.

Minutes and main Conclusions

According to advice of the expert the most optimal scenario for DHS Lielaucē looks No.3 - the installation of a new wood chip boiler combined with an automated wood chip feeder and the reconstruction of heat grid. DHS Lielaucē shall understand whether the tender (Central Finance and Contracting Agency-CFCA) could be opened with the support intensity of 40% (hence the calculation needs to be adjusted). On the basis of the information available on the CFCA website, next project selection planned for Round 3 (No 4.3.1. "Promoting energy efficiency and the use of local RES in district heating") – in fourth quarter of 2019 or the 1st quarter of 2020. Tendering conditions specified in Rules of Cabinet of Ministers 22.08.2017., No 495: "Operational programme "Growth and employment" specific objective No. 4.3.1. "To promote energy efficiency and the use of local RES in district heating".

Given the ongoing administrative territorial reform, which foresees merging Auce county with Dobeļe city in 2021, it is unsafe to take on large loans, so as the DHS Lielaucē boiler house needs to be improved anyway, the company's representatives want to develop another scenario that involves less investment and some small resource savings.

It was therefore decided to make a new scenario No. 4 on the basis of scenario 1, without the installation of the flue-gas condenser, but with the installation of a frequency changer and the replacement of the heat grid. It would be the minimum programme: to implement with own capacity and resources plus add the automated wood chip feeder. Plus, model 2 options with EU support (40%) and without EU support, with own capital and borrowing in the bank.

ZREA during next 4TH SCM meeting will clarify, whether additional scenarios can be developed in the already prepared/released Feasibility study. If new scenarios can no longer be created in the project, we will remain in line with the existing scenario No. 3 (with EU funds support) for development of a business model. The participants agreed that the company's representatives will prepare all the information necessary for the development of the new scenario No. 4 by 27/09/2019. in order to make calculations and preparation of business models by the end of September, in case of 4th SCM approval.

According to advice of the expert, for DHS Bene the most optimal scenario looks No.2. ZREA clarified, whether participation in CFCA call could be possible (to get support in tune of 40%, hence the calculation needs to be adjusted).

Participants decided to select scenario No. 2. The business model should be developed, on the basis of what a project application would be elaborated in order to use it in case of need/appropriate time. DHS Bene would look forward to changing situation in the country with the state aid for electricity producers, which can be cut off for the existing biogas producer (for which it is buying heat) in result of what it would stop operate further.

The primary object (pilot DHS) for optimisation after developing the business model for investments attraction is DHS Lielaucē with the existing scenario No. 3, if it is not allowed a new scenario to be developed or the new scenario No. 4, if possible. The business model

of scenario No. 2 for DHS Bene is necessary for the company's usage.

The next meeting will be organised upon necessity in order to review progress of project tasks related to business models elaboration and potential implementation – not later than the 1st quarter of 2020.

Twinning activities

ZREA informed participants on planned study visits to Austrian Twinning partners. Participants will be introduced with twin pairs in local working groups through presentations received from participating companies. In addition, it should be recalled that it is currently agreed that a delegation of Latvia will travel to Austria at 4th week of January 2020, currently provisional dates:

- 22/01/2020 arrival
- 23/01/2020 Central European Biomass Conference in Graz/Austrian partner LWK Stmk KeepWarm project Inspire event in Graz;
- 24/01/2020 exchange of experience with Austrian pilot DHS;
- 25/01/2020 departure

These dates are provisional, but the fourth week of January, 2020 should certainly be booked. ZREA will offer maximum 4 representatives from each pilot city to go on this visit (all costs: travel expenses, hotel will be covered by the KeepWarm project). All participants accepted the proposed dates.

ZREA should organise an Inspire Event (seminar) to inform interested stakeholders on the results of the project. We will also invite representatives from the Austrian side to this event. Currently, ZREA has the idea of organizing KeepWarm workshop on 19.05.2020 in Jelgava, where LV Pilot DHSs, including from Auce, should also participate. In the following days, we then bring Austria's pilot DHS to Auce on 20/05/2020, to Jekabpils on 21/05/2020. The participants agreed to set these dates/schedule them for the organisation of these events.

Monitor of retrofit implementation steps

Currently DHS Lielaucē and DHS Bene are not making any retrofitting. Currently local Central Finance and Contracts Agency has not announced any call in the field of district heating systems retrofitting, it is planned to announce the call at the end of 2019.

Local working group – meeting 3

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	DHS Jekabpils C13A
Date	October 16, 2019
Location	Jekabpils, Nameja iela 4a, Latvia
Number of participants/ Stakeholder groups	4 participants from “Jekabpils siltums”, Ltd. (pilot DHS Jekabpils C13A); 1 participant from “JK Namu parvalde”, Ltd. (house maintenance company of Jekabpils city); 1 participant from Jekabpils city municipality; 1 participant from ZREA (energy agency)
Topics	Introduction to LWG, presentation of feasibility study, identification of available external funds, twinning programme and future inspire activities
Minutes by	Signe Martinkrista

Agenda



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Biedrība “Zemgales reģionālā enerģētikas aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros),

16.10.2019., SIA “Jēkabpils siltums”, Jēkabpilī, Nameja ielā 4a, Plkst. 11:00

Darba grupas izveides mērķis:

SIA “Jēkabpils Siltums” izvirzītā pilot-centralizētās siltumapgādes sistēmas - CSAS “Jekabpils C 13A” izstrādātā Tehniski ekonomiskā pamatojuma (TEP) novērtēšana – biznesa modeļa izstrādei (T3.5) un pilot CSAS izvirzīšana modernizēšanai un investīciju piesaistei (T4.1).

Darba grupas 1.spaulce

Darba kārtība

1. ZREA projektu vadītājas S.Mārtiņkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
2. Izstrādāto TEP CSAS Jēkabpils C13A iespējamo optimizēšanas scenāriju rezultātu novērtējums:
 - 2.1. labākā scenārija izvēle biznesa modeļa izstrādei,
 - 2.2. apspriede par iespējamo biznesa modeļa īstenošanu – investīciju piesaistei;
3. Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).
4. Dažādi:
 - 4.1. Trūkstošā informācija pie CSAS Jēkabpils C13A 2. un 3.scenārija – CO2 apjomi.
 - 4.2. Twinninga programma ar Austriju 2020.gada janvārī (AT semināra programmas jautājumi)
 - 4.3. Twinninga partneru uzņemšana Latvijā 2020.gada maijā.
 - 4.4. U.c.

Minutes and main Conclusions

Partners reviewed elaborated Feasibility study.

Scenario No. 1 does not pay off according to financial calculations, so it is not debatable. Scenario No. 2, although economically justified, does not, however, include impacts from possible increase in gas prices and a potential CO2 tax (which will be established in the near future) in the calculation, and it cannot be supported from the project's point of view as it involves a transition from RES to fossil fuels. Scenario No. 3: is the optimal recommended for developing and implementing a business model in practice with the EU support in the near future.

The ongoing administrative territorial reform, which foresees Jekabpils city merging with the surrounding municipalities in 2021, creates uncertainty about the future when it considers borrowing for investment. However, if the 3rd round of the EU Cohesion Fund (which was intended to be done in the late autumn of 2019, but did not) is announced in 2020, and there would be an acceptance by the existing municipality and available loan to the Treasury (currently the municipality's loan portfolio is full), the company would seek to implement scenario No. 3.

Participants discussed borrowing options from ALTUM (governmental financial institution), which offers:

- loan for energy efficiency and renewable energy projects (total 7 million EUR), loan up to EUR 2 850 000 and up to 85% of the total project, maturity up to 5-7 years, energy savings should cover at least credit payments, cash flow is important, so no additional provision is required.
- In the framework of State aid programmes, a new financial instrument is available for energy service companies (ESCO), a loan (in total EUR 15 million) for the provision of energy services to businesses and individuals in order to promote the use of energy-efficient equipment and renewable energy sources. Loan up to 2.85

million EUR. The possibility of building a portfolio of customers – each installation or energy efficiency project is not a separate credit but should be added to the total approved amount of credit (portfolio). So much easier! No additional collateral is required - ESCO's client savings must provide a loan repayment. A low ESCO investment of 15-20%, an opportunity to refinance an existing investment portfolio or liabilities.

- Grant for the development of energy-efficiency projects - grant is up to 85% of the cost of the energy efficiency project and the investment rate of the project should be at least x 25 higher than the grant received. Investments in energy efficiency measures shall be made by the end of 2021.

For DHS Jekabpils C13A ALTUM offer seems expensive.

ZREA gave information on Local Working groups purpose – which aims to provide support to pilot DHS in the ongoing process of preparation for and implementation of optimization of the DHS. Also, different stakeholders are involved in the group – in case of DHS Jekabpils – representatives from “Jekabpils siltums”, Ltd., Municipality of Jekabpils city, representative of Riga Technical University (RTU), representatives from house maintenance company “JK Namu parvalde”, Ltd. The next meeting will be organized upon necessity in order to review progress of project tasks related to business models elaboration and potential implementation – not later than the 1st quarter of 2020.

Twinning activities

ZREA informed participants on planned study visits to Austrian Twinning partners. Participants will be introduced with Twinning pairs in local working groups through presentations received from participating companies. DHS Jekabpils is paired with DHS Eibiswald (Nahwärme Eibiswald eGen), Austria. ZREA gave short information about this Twinning partner.

In addition, it should be recalled that it is currently agreed that a delegation of Latvia will travel to Austria at 4th week of January 2020:

21.01.2020. Arrival

22.01.2020. Central European Biomass Conference in Graz/Austrian partner LWK Stmk KeepWarm project Inspire event in Graz;

23.01.2020. exchange of experience with Austrian pilot DHS;

24.01.2020. Departure

These dates are agreed with Austrian partners and certainly shall be booked. ZREA will offer maximum 4 representatives from each pilot city to go on this visit (all costs: travel expenses, hotel will be covered by the KeepWarm project). All participants accepted the proposed dates.

ZREA should organise an Inspire Event (seminar) to inform interested stakeholders on the results of the project. We will also invite representatives from the Austrian side to this event.

Currently, ZREA has the idea of organising KeepWarm workshop on 17.04.2020 or on 15.05.2020 within monthly meeting of Heating association of Latvia, where LV Pilot DHSs, including from Jekabpils, should also participate. In the next day after workshop we then bring Austria's pilot DHS to Auce and to Jekabpils. We will clarify these dates as soon as possible and inform pilot DHSs.

Monitor of retrofit implementation steps

Currently at DHS Jekabpils C13A doesn't make any retrofitting. Currently local Central Finance and Contract Agency has not announced any call in the field of district heating systems retrofitting, it is not known when it will be.

Local working group – meeting 4

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	DHS Jekabpils C13A
Date	March 4, 2020
Location	Jekabpils, Nameja iela 4a, Latvia
Number of participants/ Stakeholder groups	3 participants from “Jekabpils siltums”, Ltd. (pilot DHS Jekabpils C13A); 1 participant from “JK Namu parvalde”, Ltd. (house maintenance company of Jekabpils city); 2 participants from Jekabpils city municipality; 2 participants from ZREA (energy agency)
Topic(s)	status of the project identification of external funds – status twinning programme and Inspire even
Minutes by	Signe Martinkrista

Agenda



Šis projekts ir saņēmis finansējumu no Eiropas Savienības izpētes un inovāciju programmas Apziņināšana 2020 saskaņā ar grantu līgumu Nr. 784966



Biedrība “Zemgales reģionālā enerģētikas aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros), 2.sapulce

04.03.2020., SIA “Jēkabpils siltums”, Jēkabpīlī, Nameja ielā 4a, Plkst. 11:00

Darba grupas izveides mērķis:

SIA “Jēkabpils Siltums” izvirzītās pilot-centralizētās siltumapgādes sistēmas -katlu mājas, Celtnieku ielā 13A (CSAS “Jēkabpils C 13A”) modernizēšanas/uzlabošanas ieviešana un uzraudzība.

Darba kārtība

1. ZREA projektu vadītājas S.Mārtiņkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
2. CSAS Jēkabpils C13A izstrādātā biznesa modeļa realizēšanas perspektīvas – investīciju piesaistei:
 - 2.1. Aktuālā/nākotnes ES fondu, u.c. kapitāla pieejamība,
 - 2.2. Jaunā administratīvi teritoriālā reforma.**CSAS modernizēšanas shēmu/modeļu izstrāde investīciju piesaistei.*
3. Rīcības plāns CSAS modernizēšanai (reģionālais/nacionālais līmenis)-izstrāde un apspriede ar ekspertiem.
4. Latvijas KeepWarm seminārs.
5. Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).

Minutes and main Conclusions

ZREA informed participants on actual issues within the project: We are expecting a long-term impact assessment of the training received from September 2018 till May 2019 (20 questions will have to be completed); on the website of KeepWarm, a section on capacity building (how to get to:/Countries/Latvia/Latvian/Capacities strengthening) is available – all presentations and materials are opened by clicking on the topic sections; Jekabpils Business Model completed; Next 5th SCM.

In GA is foreseen, that from 29 involved pilot DHSs` business models (from 6 countries) 15 will be selected as forward-looking for attraction of investments in the near future. Therefore, we need to know what the potential of Jekabpils C13A business model is to be selected for this purpose. Representatives of DHS Jekabpils C13A approved that they are ready and willing to implement their business model (3rd scenario of feasibility study) in appropriate positive conditions (i.e. availability of EU funding, availability of loan in the Treasury and clear situation with municipal territorial reform). The pilot DHS will stick to the actions schedule, which is included in the business model, as much as possible.

On availability of current/future EU funds, etc. capital – currently there is no information on the 3rd round of the EU Cohesion Fund programme (which was expected to be done in the end of 2019 but did not). Pilot DHS will not realise the project fully on own costs, without the EU funds, if there were a contest right now, it would apply, but it is unlikely to be so fast.

Alternative financing:

Opinion on the available ALTUM¹ loan for energy efficiency – a loan for the energy efficiency of an undertaking and the introduction of renewable energy projects (total EUR 7 million), a loan of up to EUR 2 850 000 and up to 85% of the total amount of the project, a maturity of up to 5-7 years, energy savings must cover at least a credit payment, cash flow is important, so no additional security is required. Participants admitted it as expensive

¹ A state-owned development finance institution

with high interest (6-7%), Treasury interest was 0%, now 0.04% + Service Fees. Therefore, this alternative is not beneficial.

ALTUM is cooperating with ESCO in financing the equipment to be purchased or replaced by their customers. A loan (of a total of EUR 15 million) for the provision of energy performance contracting to businesses and individuals to promote the use of energy-efficient equipment and renewable energy resources. Loan up to 2.85 million, low ESCO investment of 10-15%. This alternative is not under consideration, as pilot DHS is owned by the local government, political considerations will not allow it to be done.

New administrative territorial reform – lot of uncertainties, very political issue currently. Pilot DHS thinks that it will not allow an expansion of a business in remote areas - where the DHS services will be more expensive, there is no clarity on the way utilities will be divided (including DHS), no predictable impact, nor positive, nor negative, but it is expected that projects` development/implementation might be stopped for a while.

Action plan on retrofitting DHS – meeting participants expressed view that it shall be on strong line with already approved National energy and climate plan for 2030 of Latvia. Agreement on keeping their expressed directions regarding district heating, the role of DHS shall be strengthened, district heating shall be kept, because nothing else is cheaper than district heating and it is the most beneficial heating from climate perspective. Legislation shall be reviewed regarding district heating (nature resources tax, DHS tax burden, funding for sun, wind technologies, etc.).

Latvian Inspire Event: changed, now is planned as separate Event on 12-13 May: 12 May 2020 in Jelgava 3 hours seminar followed by study trip to Auce DHS on 13 May, study trip to Salaspils Siltums and study trip to Jekabpils DHS. Discussions on possible topics of seminar, potential speakers. Discussion on DHS Jekabpils C13A study content/plan.

Twinning activities

Regarding twinning activities, participants discussed follow up after study visit to Austria (to visit DHS Eibiswald): evaluation forms of study visit were discussed. Delegates, who were visiting Austria in January 2020, admitted that it was worthful and inspiring trip and that they are keen to host their twin partners in their house.

Monitor of retrofit implementation steps

Currently at DHS Jekabpils C13A doesn`t make any retrofitting. Currently local Central Finance and Contract Agency has not announced any call for application to EU funds in field of district heating systems retrofitting, it is not known when it will be. Pilot DHS is waiting for possibility to apply for EU funding. Internally company has reviewed business plan and actions to be done.

Local working group – meeting 5

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	Auce county, Latvia / “Auces komunālie pakalpojumi”, Ltd., which participates in KeepWarm project with boiler house “Niedras” in Lielaucē parish (further in the text – DHS Lielaucē) and with heating network in Bene parish (further in the text - DHS Bene).
Date	March 6, 2020
Location	Auce, Miera iela 29, Latvia
Number of participants/ Stakeholder groups	4 participants from “Auces komunālie pakalpojumi”, Ltd. (pilot DHS Lielaucē and pilot DHS Bene); 1 participant from Auce county municipality; 2 participants from ZREA (energy agency)
Topic(s)	status of the project identification of external funds – status twinning programme and Inspire event
Minutes by	Signe Martinkrista

Agenda



Šis projekts ir saņēmis finansējumu no Eiropas Savienības izpētes un inovāciju programmas Apvēršis2020 saskaņā ar grantu līgumu Nr. 784966



Biedrība “Zemgales reģionālā enerģētiskā aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros), 3.sapulce

06.03.2020., SIA “Auces komunālie pakalpojumi”, Aucē, Miera ielā 29, Plkst. 9:30

Darba grupas izveides mērķis:

SIA “Auces komunālie pakalpojumi” izvirzīto pilot-centralizētās siltumapgādes sistēmu -katlu mājas “Niedras”, Lielaucē (CSAS Lielaucē) un siltumapgādes tīkla Bēnē (CSAS Bēnē) /uzlabošanas ieviešana un uzraudzība.

Darba kārtība

1. ZREA projektu vadītājas S.Mārtiņkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
2. CSAS Lielaucē un CSAS Bēnē izstrādāto biznesa modeļu realizēšanas perspektīvas – investīciju piesaistei:
 - 2.1. Aktuālā/nākotnes ES fondu, u.c. kapitāla pieejamība,
 - 2.2. Jaunā administratīvi teritoriālā reforma.**CSAS modernizēšanas shēmu/modeļu izstrāde investīciju piesaistei.*
3. Rīcības plāns CSAS modernizēšanai (reģionālais/nacionālais līmenis)-izstrāde un apspriede ar ekspertiem.
4. Latvijas KeepWarm seminārs.
5. KeepWarm partneru semināri (Horvātija, Čehija, Slovēnija)
6. Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).

Minutes and main Conclusions

This was the third meeting of local working group of Auce county. The second meeting took place on September 18, 2019 in Jelgava and the main focus of it was assessment of elaborated feasibility study for DHS Lielaucē and DHS Bēnē, also selection of best alternatives for retrofitting of boiler house of DHS Lielaucē for business model development and for building new boiler house in Bēnē for business model development.

ZREA informed participants on actual issues within the project: We are expecting a long-term impact assessment of the training received from September 2018 till May 2019 (20 questions will have to be completed); on the website of KeepWarm, a section on capacity building (how to get to:/Countries/Latvia/Latvian/Capacities strengthening) is available – all presentations and materials are opened by clicking on the topic sections; Jekabpils Business Model completed; Next 5th SCM.

In GA is foreseen, that from 29 involved pilot DHSs` business models (from 6 countries) 15 will be selected as forward-looking for attraction of investments in the near future. Therefore, we need to know what the potential of DHS Lielaucē business model is to be selected for this purpose. Representatives of DHS Lielaucē approved that they are ready and willing to implement their business model (4th scenario of feasibility study), but it will depend from appropriate positive conditions (i.e. availability of EU funding, availability of loan in the Treasury and clear situation with municipal territorial reform). Retrofitting of DHS Lielaucē is priority of the company. Municipality supports it, but not financially. Regarding DHS Bēnē business model (the 2nd scenario of feasibility study) it is important, too, but behind DHS Lielaucē. For DHS Bēnē perhaps ESCO services could be used but definitely after conclusion of municipal administrative reform.

On availability of current/future EU funds, etc. capital – currently there is no information on the 3rd round of the EU Cohesion Fund programme (which was expected to be done in the end of 2019 but did not). Pilot DHS will not realize the project fully on own costs, without the EU funds, if there were a contest right now, it would apply, but it is unlikely to be so fast .But DHS Lielaucē is waiting for the call for application and will apply for EU funding when

it will be possible.

Alternative financing:

Opinion on the available ALTUM² loan for energy efficiency – a loan for the energy efficiency of an undertaking and the introduction of renewable energy projects (total EUR 7 million), a loan of up to EUR 2 850 000 and up to 85% of the total amount of the project, a maturity of up to 5-7 years, energy savings must cover at least a credit payment, cash flow is important, so no additional security is required. Participants see as the only option for loans in Treasury, because it provides the cheapest interest rates.

ALTUM is cooperating with ESCO in financing the equipment to be purchased or replaced by their customers. A loan (of a total of EUR 15 million) for the provision of energy performance contracting to businesses and individuals to promote the use of energy-efficient equipment and renewable energy resources. Loan up to EUR 2.85 million, low ESCO investment of 10-15%. This alternative is could be considered in case DHS Bene business model for building new boiler house.

New administrative territorial reform – lot of uncertainties, very political issue currently. It is known that Auce county will be unified with two neighbour municipalities, where also is operating one district heating company. As pilot DHS is municipal company, the reform process could slow down development of pilot DHS.

Action plan on retrofitting DHS – meeting participants expressed view that it shall be on strong line with already approved National energy and climate plan for 2030 of Latvia. Are ready to express view and comments.

Latvian Inspire Event: changed, now is planned as separate Event on 12-13 May: 12 May 2020 in Jelgava 3 hours seminar followed by study trip to Auce DHS on 13 May, study trip to Salaspils Siltums and study trip to Jekabpils DHS. Discussions on possible topics of seminar, potential speakers. Discussion on DHS Lielaucē and DHS Bene study content/plan.

Twinning activities

Regarding twinning activities, participants discussed follow up after meeting with representatives of DHS Ligist from Austria: evaluation forms of study visit were discussed. Delegates, who were visiting Austria in January 2020, admitted that it was worthwhile and inspiring trip and that they are keen to host their Twin partners in their house.

Monitor of retrofit implementation steps

Currently at DHS Lielaucē and DHS Bene don't make any retrofitting. Currently local Central Finance and Contract Agency has not announced any call for application to EU funds in field of district heating systems retrofitting, it is not known when it will be. Pilot DHS is waiting for possibility to apply for EU funding.

² A state-owned development finance institution

Local working group – meeting 6

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	Jekabpils city, Latvia / “Jekabpils siltums”, Ltd., which participates in KeepWarm project with boiler house at Celtnieku street 13A, Jekabpils (further in the text - DHS Jekabpils C13A)
Date	July 3, 2020
Location	Virtual - Tele conference
Number of participants/ Stakeholder groups	2 participants from “Jekabpils siltums”, Ltd. (pilot DHS Jekabpils C13A); 1 participant from “JK Namu parvalde”, Ltd. (house maintenance company of Jekabpils city); 1 participant from Jekabpils city municipality; 1 participant from ZREA (energy agency)
Topic(s)	Status of the project Potential of investment attraction to elaborated business model Identification of external funds – status Twinning programme and Inspire event
Minutes by	Signe Martinkrista

Agenda



Šis projekts ir saņēmis finansējumu no Eiropas Savienības izpētes un inovāciju programmas Apvāršni2020 saskaņā ar grantu līgumu Nr. 794966



Biedrība “Zemgales reģionālā enerģētikas aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros), 3.sapulce

03.07.2020., Tele-konference. 11:00

Darba grupas izveides mērķis:

SIA “Jēkabpils Siltums” izvirzītās pilot-centralizētās siltumapgādes sistēmas -katlu mājas, Celtnieku ielā 13A (CSAS “Jēkabpils C 13A”) modernizēšanas/uzlabošanas ieviešana un uzraudzība.

Darba kārtība

1. ZREA projektu vadītājas S.Mārīņkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
2. CSAS Jēkabpils C13A izstrādātā biznesa modeļa realizēšanas – investīciju piesaisti statuss, pieejamie ES fondi.
3. Twinninga partneru uzņemšana (attālināti).
4. Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).

Minutes and main Conclusions

ZREA informed participants on actual issues within the project: We have distributed a long-term impact assessment of the training received from September 2018 till May 2019 (20 questions will have to be completed); Latvian Inspire events concluded successfully; project extension by the end of 2020;

Regarding status quo of selected business model for investments attraction – boiler house Jekabpils C13A – investment attraction has started by partly implementation of selected business model (change of gas boiler) in May 2020 and it is planned finish by the end of August 2020.

On availability of current/future EU funds, etc. capital – currently there is known that the 3rd round of the EU Cohesion Fund programme (which was expected to be done in the end of 2019 but did not) in 2020 will not be announced. Within new EU funding period 2021-2027 will be open Operational programme: Use of RES and increasing energy efficiency in local and individual heating and cooling. Objective of the programme: the development of new, energy-efficient local heating where it has not historically been established; increasing the energy efficiency of existing local and individual heating, increasing the share of RES and reducing CO₂ emissions; development of new, energy-efficient local refrigeration systems.

Beneficiaries of the EU 2021-2027 programming period: DHS and LHS (local heating systems) service providers which plan to install a capacity of 0,2 -1 MW and/or to construct or reconstruct heat transmission and distribution networks within the project concerned; local governments, municipal capital companies, state institutions, state capital companies; local government companies and authorities; associations of apartment owners of multi-apartment buildings, building managers.

Activities to be supported by the EU 2021-2027 programming period: development of the LHS (including internal and external heat management and distribution networks and heat sources); the development of an efficient LHS (including internal heat grid and heat source of the building); changing the source of low-efficiency renewable energy production to more efficient; construction and reconstruction of the source of production by installing a heat source operated by the RES; installation of non-emission technologies or biomass combustion plants; the installation of intelligent heating systems; rebuilding LHS networks by reducing losses; transition to low temperature LHS where economically justified; switching to electricity as a heating source for LHS, where it is cost-effective and reasonable; the deployment of RES technologies in cooling supply; the purchase, upgrading or replacement of air/flue-gas purification plants, dust and other emission reduction plants, including electrostatic filters. The amount of planned allocations for improvement of heating systems: 65 million EUR. Jekabpils C13A boiler house with planned change of old wood chips boiler to new meets the conditions/requirements of new support program.

Twinning activities

Regarding twinning activities, participants discussed planned study visit of Twinning partners to Latvia – it will be done in virtual form (video presentation via GoToMeeting platform).

Monitor of retrofit implementation steps

Retrofitting of DHS Jekabpils C13A has started. On 19/05/2020 a contract has been concluded regarding the installation of two new gas boilers and the dismantling of the old gas boiler. There have been made minor changes in the business plan – automation of old gas boiler replaced by its change to new one. In result, two new boilers will be installed instead of the existing old gas boiler: GREENOX. E 140 with a capacity of 1,4 MW and GREENOX. E 40 with a capacity of 0,42 MW (for summer/peak loads). These boilers will operate in automatic mode and will provide the boiler house to operate without the servicing staff. This measure is financed from the company's resources, it is planned to finish started works by the new heating season-September 2020. The contract amount is EUR 79170 excluding VAT. The installation of a new biomass boiler with a capacity of 1 MW remains in force. It is planned to wait for the EU funds to tender for the programming period 2021-2027, hopefully next year. Until a new biomass boiler is installed, only natural gas will be used as a fuel in the boiler house. It must be stressed that by these activities, energy efficiency of this boiler house will be increased, staff costs decreased, meaning that total efficiency will be much higher (increase by 20%). After the installation of a new biomass boiler, the main fuel will be wood-chips, but natural gas will be a spare fuel. Important aspect is that diversification of fuel in this pilot DHS will be provided.

Local working group – meeting 7

General Info

SHORT INFORMATION ABOUT THE LOCAL WORKING GROUP MEETING	
Country	Latvia
Pilot city name	Auce county, Latvia / “Auces komunālie pakalpojumi”, Ltd., which participates in KeepWarm project with boiler house “Niedras” in Lielaucē parish (further in the text – DHS Lielaucē) and with heating network in Bēne parish (further in the text - DHS Bēne).
Date	July 9, 2020
Location	Virtual – GoToMeeting platform
Number of participants/ Stakeholder groups	4 participants from “Auces komunālie pakalpojumi”, Ltd. (pilot DHS Lielaucē and pilot DHS Bēne); 1 participant from ZREA (energy agency)
Topic(s)	Status of the project Potential of investment attraction to elaborated business model identification of external funds – status twinning programme and Inspire event
Minutes by	Signe Martinkrista

Agenda



Šis projekts ir saistīts finansējumu no Eiropas Savienības izpēti un inovāciju programmas Apvērsums2020 saņemti ar granta līgumu Nr. 784966



Biedrība “Zemgales reģionālā enerģētikas aģentūra” (ZREA)

ES “Horizon2020” programmas finansēts projekts “Centralizētās siltumapgādes sistēmu darbības uzlabošana Centrāleiropā un Austrumeiropā” (KeepWarm Nr. 784966)

Darba grupa (4.Darba pakas, 4.1.Uzdevuma ietvaros), 4.sapulce

09.07.2020., SIA GoToMeeting – virtuālā sapulce 11:30 ar SIA “Auces komunālie pakalpojumi”

Darba grupas izveides mērķis:

SIA “Auces komunālie pakalpojumi” izvirzīto pilot-centralizētās siltumapgādes sistēmu -katlu mājas “Niedras”, Lielaucē (CSAS Lielaucē) un siltumapgādes tīkla Bēnē (CSAS Bēne) /uzlabošanas ieviešana un uzraudzība.

Darba kārtība

1. ZREA projektu vadītājas S.Mārtiņkristas atskaite par paveikto un aktualitātēm KeepWarm projektā.
2. CSAS Lielaucē un CSAS Bēnē izstrādāto biznesa modeļu realizēšanas – investīciju piesaistei statuss, pieejamie ES fondi.
3. Twinninga partneru uzņemšana (attālināti).
4. Nākamās Darba grupas sapulces plānošana (laiks, vieta, saturs).

Minutes and main Conclusions

ZREA informed participants on actual issues within the project: We have distributed a long-term impact assessment of the training received from September 2018 till May 2019 (20 questions will have to be completed); Latvian Inspire events concluded successfully; project extension by the end of 2020.

Regarding status quo of selected business models for investments attraction –DHS Lielaucē and DHS Bene – selected business models still is waiting its implementation, not yet started (results and possible impact from administrative territory reform, availability of EU funding).

On availability of current/future EU funds, etc. capital – currently there is known that the 3rd round of the EU Cohesion Fund programme (which was expected to be done in the end of 2019 but did not) in 2020 will not be announced. Within new EU funding period 2021-2027 will be open Operational programme: Use of RES and increasing energy efficiency in local and individual heating and cooling. Objective of the programme: the development of new, energy-efficient local heating where it has not historically been established; increasing the energy efficiency of existing local and individual heating, increasing the share of RES and reducing CO₂ emissions; development of new, energy-efficient local refrigeration systems.

Beneficiaries of the EU 2021-2027 programming period: DHS and LHS (local heating systems) service providers which plan to install a capacity of 0,2 -1 MW and/or to construct or reconstruct heat transmission and distribution networks within the project concerned; local governments, municipal capital companies, state institutions, state capital companies; local government companies and authorities; associations of apartment owners of multi-apartment buildings, building managers.

Activities to be supported by the EU 2021-2027 programming period: development of the LHS (including internal and external heat management and distribution networks and heat sources); the development of an efficient LHS (including internal heat grid and heat source of the building); changing the source of low-efficiency renewable energy production to more efficient; construction and reconstruction of the source of production by installing a heat source operated by the RES; installation of non-emission technologies or biomass combustion plants; the installation of intelligent heating systems; rebuilding LHS networks by reducing losses; transition to low temperature LHS where economically justified; switching to electricity as a heating source for LHS, where it is cost-effective and reasonable; the deployment of RES technologies in cooling supply; the purchase, upgrading or replacement of air/flue-gas purification plants, dust and other emission reduction plants, including electrostatic filters. The amount of planned allocations for improvement of heating systems: 65 million EUR. DHS Lielaucē and DHS Bene with planned actions of modernization meet the conditions/requirements of new support program.

Twinning activities

Regarding twinning activities, participants discussed planned study visit of Twinning partners to Latvia – it will be done in virtual form (video presentation via GoToMeeting platform).

Monitor of retrofit implementation steps

Currently DHS Lielauce and DHS Bene don't make any retrofitting. Elaborated business plans are in "waiting mode". This is due to several reasons/problems. The first existing problem - emergency state in the main boiler house of "Auce komunālie pakalpojumi", Ltd. in Auce city occurred, which now requires prompt reaction – unexpected investments in repairing works of Auce city boiler house. This definitely will hinder planned investment attraction in pilot DHS Lielauce as it was chosen as priority project - as the costs of repair works are unexpected high (~ EUR 70000, partly from company, partly will be taken as loan in the Treasury). The second problem – the result of administrative territorial reform which foresees to add Auce county municipality to neighbour municipality – Dobeles county together with another neighbouring municipality Tervete county. This is approved by law and must be implemented within one year, when next municipal elections will take place – middle of 2021. There is information received, that "Auces komunālie pakalpojumi", Ltd. whether will be liquidated whether be re-organised as branch of Dobeles municipal energy company "Dobeles energija" Ltd. This puts the company in uncertain situation, when definitely all investment plans are postponed until the end of re-organisation of municipality and its capital companies, including "Auces komunālie pakalpojumi", Ltd.

Future activities of local working groups

It has been decided in last local group meetings that at least one concluding meeting will be organized – whether physical or virtual (depends on COVID-19 risks) for each pilot DHS in order to follow up latest activities and information. It must be admitted that besides local working group meetings, ZREA are in regular contacts with pilot DHSs via phone calls and e-mails.

Meeting with “Auces komunalie pakalpojumi”, Ltd (DHS Lielauce and DHS Bene)

Planned topics to discuss will be:

Status quo with investment attraction for business models in DHS Lielauce and DHS Bene in terms of administrative reforms of municipalities and its impact on the DH company, in terms of availability of EU funding or other investment sources.

Finalisation of Latvian Inspire Events (side events/study visits) - in virtual mode.

Other actual issues, on which support to pilot DHSs is needed.

Meeting with “Jekabpils Siltums”, Ltd (DHS Jekabpils C13A)

Planned topics to discuss will be:

Status quo with investment attraction for business model in terms of availability of EU funding or other investment sources.

Finalisation of Latvian Inspire Events (side events/study visits) - in virtual mode.

Other actual issues, on which support to pilot DHSs is needed.