

One-stop-shop for **RESIDENTIAL BUILDING RENOVATION** in the Plovdiv Region – Energy Agency of Plovdiv



Figure 1: Map of the Plovdiv Region

The Energy Agency of Plovdiv (EAP)¹ was awarded a C4T GROUNDWORK TA assignment as part of the first call for applications. The assignment started in December 2023 and was completed in June 2024.

C4T GROUNDWORK was launched by the European Commission, DG REGIO, to support the implementation of sustainability transitions investments funded by ERDF and CF, under Policy Objective 2 (PO2) “A greener, low carbon transitioning towards a net zero carbon economy”.

C4T GROUNDWORK provides eligible regions with tailor-made capacity building and advisory support covering areas such as the energy transition, circular economy, water management, climate adaptation or biodiversity.

The first Bulgarian agency – Energy Agency of Plovdiv (EAP), was established in 1999 under the SAVEII programme of the EC. EAP is the founder of the Association of the Bulgarian Energy Agencies, and have been part of over 60 EU projects, and numerous local and national projects and initiatives. EAP advocates for decisive energy efficiency (EE) and renewable energy actions and policies in the local communities and cooperates with local and national bodies to deliver the Bulgarian and European energy targets. EAP develops energy concepts and projects for municipalities and small and medium-sized enterprises (SMEs), manages energy investments, and secures financing.

EAP reckons that with limited public funding, the Renovation Wave in Plovdiv Region will not happen unless there are alternative funding models mobilising private investments. At the moment, there are no public or private financing sources for residential renovation; moreover, there are no guarantee instruments to support the households in applying for commercial loans.

Therefore, the TA to EAP is supporting the establishment of the one-stop shop (OSS) for residential building renovation in Plovdiv Region as a self-sustaining service, independent of public financing. The OSS will facilitate the private energy renovation processes, reduce the complexity and simplify the decision-making process on behalf of the building owners/managers.



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The main activities of the TA were:

- Overview of funding possibilities and pricing options for a one-stop-shop service with a focus on the EU financial framework, best practices from EU countries, and an overview of pricing strategies.
- Organising three capacity-building workshops introducing business models for one-stop-shops, engagement with financial bodies, and best practices and learnings in renovation financing from Slovenia, Latvia, Spain, and Belgium.
- Development of a compendium of financing options for residential building renovation as inputs to the next steps in developing the one-stop-shop service.

¹ [Energy Agency of Plovdiv \(eap-save.eu\)](https://eap-save.eu)

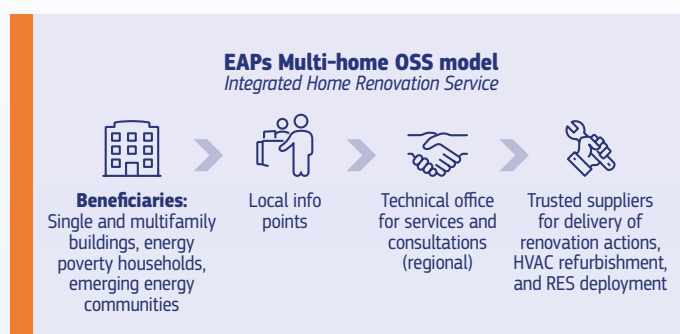
Activity I – Establishing an overview of funding possibilities and pricing options for a one-stop-shop service

The C4T GROUNDWORK team looked at funding possibilities and pricing options for a one-stop-shop service. These findings were presented in a workshop.

The first part of the workshop detailed the EU funds available to all Member States, related to the recovery and resilience funds, EU renovate, and cohesion policy resources. It also shortly addressed leveraging private financing with EU Funds. This provided some examples for funding for EE renovation: Zero-Interest Eco-Loans in France (“Prêt à taux zero”), the Green Funding Scheme in The Netherlands (Regeling Groenprojecten), an Incentive Scheme for Building Envelope Improvement in Malta, and the reconstruction of Apartment Blocks in Estonia (“Korterelamulaenu Käendus”).

Regarding the costs for operation and pricing policies for OSS, observations were:

- The services of the OSS can be costly.
- OSS either charge a fee or incorporate the costs into the overall price of the renovation².
- OSS can facilitate multifamily EE renovation at lower costs than the cost for the renovation of an individual dwelling due to economies of scale



Activity II – Capacity-building workshops

C4T GROUNDWORK facilitated knowledge sharing and capacity building in a series of three workshops focused on the financing models for residential energy efficiency renovation across the EU.

Workshop I. The Slovenian Energy Agency (KSEENA) shared how they established a full service for the energy transition of local communities, including examples of energy renovation of buildings. KSEENA emphasized that growth is essential (long-term development potentials should guide development), and that human resources are the most important asset. European transnational co-operation is a good way to develop organizational capacity.

Workshop II. The Institute of Energy Systems and Environment (IESE) from the Riga Technical University went deeper into the economics of energy efficiency of buildings and presents several financial models: Grants and mixed financing, Soft loans, Energy Service Company (ESCO) Investment, and Local Authority Loans.

The Spanish Extremadura Energy Agency (AGENEX) shared their experiences and lessons learned with setting up an OSS for EE in renovation of residential buildings.

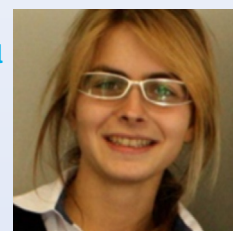
Workshop III. The Flemish LIFE project “Flemish One Stop Shop Towards Energy-efficient Renovation” (FOSSTER) presented their experiences with financing EE in renovation of residential buildings. FOSSTER aims to create an integrated, unified approach for renovation advice, including 3 tools, to cover the entire customer journey and avoid dropouts during renovation process. They also presented current thinking in financing options, the LIFE-project CondoReno as well some alternative financing options under consideration.



Activity III – Outline of relevant financing options

The final activity developed a compendium of the options and models presented and shared during the workshops. The compendium also provided a detailed description as well as relevant cases of five innovative financing models for energy renovation of residential buildings presented by FOSSTER, including *Annuity* (pay for the property in instalments rather than all at once), *Property-Linked Financing* (a unique form of funding that offers several advantages by attaching the loan to the property itself rather than the property owner), *Pre-financing of grants* (reduction of financial burden on homeowners makes energy renovations more accessible to a wider audience), *Transfer of ownership* (transferring the property ownership to a cooperative or a nonprofit organization to enable them to take on the responsibility of renovating the property), and *Energy performance contracting* (funding of energy upgrades through cost reductions).

We received real value added from C4T GROUNDWORK. From the initial overview of funding possibilities and pricing options for a one-stop-shop service, to the organization of tailored workshops where the network of experts in C4T community of practice turned out very helpful as well.



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² 2nd EU Science Hub analysis made in 2021 among 23 EU OSS