

JASPERS support for the **clean energy transition**

November 2023



WHO WE ARE?

JASPERS stands for Joint Assistance to Support Projects in European Regions. Established in 2006, JASPERS is a partnership between the European Commission (EC) and the European Investment Bank (EIB). JASPERS support is intended to enhance project quality and improve the prospects for receiving financing from the European Union. Combined in JASPERS, the policy expertise of the Commission and the project experience of the EIB are available for beneficiaries of EU grant funds such as European Cohesion Policy funds (such as ERDF, Cohesion Fund, JTF), the Connecting Europe Facility (CEF) and the Instrument for Pre-accession Assistance (IPA). JASPERS is part of the EIB Advisory activities, which constitute the third pillar of the Lending, Blending and Advising strategy pursued by the EIB Group.

Since 2007, JASPERS has supported projects with a total project cost of €317 billion and an EU grant volume of over €144 billion. In addition, JASPERS has completed over 2 240 assignments since its establishment.

The total number of JASPERS experts currently stands at around 120 people, of whom about 80% are located in five regional offices to ensure proximity to beneficiaries: Bucharest, Sofia, Vienna, Warsaw and Brussels. This local presence is a crucial advantage when advising Member States as it enables better responses to the client's needs and the use of local country knowledge and experience.

JASPERS has experts with a background in engineering, economics, environment, and state aid. These experts usually have vast experience working in different countries across various sectors and throughout the whole project cycle.

JASPERS also leverages its knowledge of the broader EIB expertise in specific sectors, and in financing projects. As a result, the client has direct access to our experts during the various steps of the project cycle. The earlier our experts are involved in the project, the higher our value added to the beneficiary. The primary approach of our support is to provide hands-on, high-quality in-house advice with limited involvement of external consultants.

The European Foundation for Quality Management (EFQM) recognised JASPERS' commitment to excellence on three occasions. EFQM is a globally recognised practical framework for organisational change and performance improvement. EFQM recognition shows an organisation's performance against a globally proven management framework – the EFQM Model. In 2017, JASPERS was awarded the "Committed to Excellence" label, recognising its strengths in adding value for customers and managing with agility. Two years later, it achieved the "Recognised for Excellence" certificate. More recently, in November 2023, it obtained the "Outstanding 5-star" certificate.

WHAT CAN JASPERS DO FOR YOU?

In the energy sector, JASPERS seeks to support projects and initiatives that are aligned with the objectives of EU energy policy, notably the Green Deal and the Cohesion Policy objectives in the energy sector. Our support over the 2021-2027 Financial Perspective will focus on:

- Energy efficiency, notably in buildings, also by applying the Energy Performance Contracting approach,
- Decarbonisation of district heating systems,
- Renewable energy, including renewable energy communities,
- Smart grid projects, including storage,
- Innovation and new types of energy infrastructure, such as green gas infrastructure, notably for hydrogen.

JASPERS clients are typically Managing Authorities (MAs) and project promoters, looking to secure EU financing from the Cohesion Fund, ERDF, JTF or IPA. JASPERS support is provided at different levels: strategic level, capacity-building level and finally project level.

At **strategic level**, we advise EU Member States, typically Managing Authorities, either at the central government or regional level. At strategic level, JASPERS can advise in:

- identifying, screening and evaluating projects;
- structuring calls for projects, notably in the area of selection criteria, evaluation criteria and grant modulation, and in order to ensure compliance with the Common Provisions Regulation (EU) 2021/1060 requirements;
- ensuring compliance with relevant state aid provisions;
- ensuring compliance with climate proofing requirements.

At **project level**, we advise specific energy project public and private promoters and beneficiaries in all phases of the project cycle: planning, preparation and implementation. Our support would typically focus on key, strategic (notably Operations of Strategic Importance or projects supported outside call for projects procedures) or model projects.

Our services at project level may include support and guidance on:

- preparing funding application;
- feasibility studies;
- cost-benefit analysis aspects (demand analysis, options analysis, financial and economic analysis, risk assessment);
- ensuring compliance with environmental legislation;
- meeting climate proofing requirements;
- state aid;
- financing opportunities;
- other appropriate technical assistance instruments provided by either the EIB or other institutions.

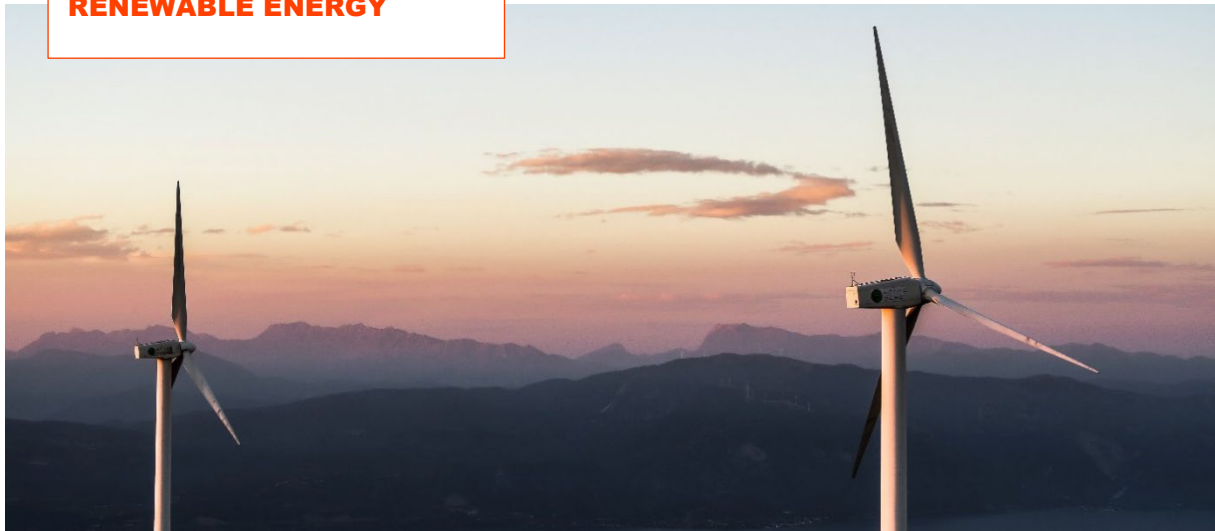
In terms of **capacity building**, we transfer the technical and financial knowledge to public authorities and private promoters to make sure projects are carried out to the highest standards and comply with all the requirements. JASPERS builds capacity by working together on project-specific assignments as well as during dedicated events: webinars, workshops, training, and other networking events, which can be delivered in specific countries, in Brussels or online. We also publish working papers to disseminate best practices and address issues commonly encountered during project preparation.

HOW CAN I REQUEST JASPERS SUPPORT?

The areas of JASPERS assistance are broadly defined in the Country Work Programmes (CWP), agreed upon between JASPERS, the Member States and the European Commission (DG REGIO). The specific support request needs to be aligned with the objectives of a CWP, while the CWP is typically aligned with the objectives of the cohesion policy in a given country.

In practical terms, requesting JASPERS assistance only takes a few steps. Potential beneficiaries interested in JASPERS assistance can call or email one of its offices, which can be found [here](#). The scope of collaboration is then discussed between JASPERS and the beneficiary, and when agreed, summarised in the brief Assignment Fiche document. The Assignment Fiche will later need to be submitted for EC tacit approval, through a national coordinating body (typically a Managing Authority at central government level). As soon as the Assignment Fiche is approved by the EC, the collaboration can formally start.

The process does not require a formal contract between JASPERS and the beneficiary, nor is procurement necessary. Where JASPERS support is provided, the beneficiary is not obliged to borrow from the EIB for the investment project, nor is the EIB obliged to co-finance the investment. Last but not least, **JASPERS assistance is free for public authorities and promoters** as the European Commission and the EIB cover the costs of our experts.

RENEWABLE ENERGY

We support local public authorities in developing their strategies and plans for increasing the use of clean energy sources in their area and the region's energy mix. These plans could be part of the local or regional Sustainable Energy and Climate Action Plans (SECAPs) or be separate action plans in specific sub-areas, like using clean energy sources in municipal buildings or on municipal land. Our support includes:

- Assisting in developing and drafting these plans.
- Reviewing and evaluating the existing programmes.
- Providing recommendations for the improvements.

Framed within the European Regional Development Fund (ERDF), we can also support project developers and owners in developing large wind farms, photovoltaic parks, and renewables in the built environment, such as solar rooftop and geothermal electricity generation projects, by advising on various project development aspects.

Renewable energy communities (RECs) are gaining momentum as individuals, communities and local authorities increasingly set up, control and produce their own renewable energy sources. In the context of EU cohesion policy investing in renewable energy, communities can also help address energy poverty and provide affordable and clean energy solutions to vulnerable consumer groups. Yet, many Member States are still largely in the preparation phase for a larger-scale launch.

We can facilitate the enabling framework, identify and elaborate suitable solutions and recommendations for the establishment of renewable energy community projects in relation to ERDF. By examining possible partnerships with municipalities, we can help them to identify a suitable business model, which could then be replicated in a region or across the country.

Examples of JASPERS support for REC projects are presented in the table below.

Support area	JASPERS to advise on
Governance/legal	<ul style="list-style-type: none"> • Develop a model for municipality-led (or other local actor-led) REC investment. • Support MAs in developing selection/evaluation criteria for RECs' calls. • State aid compliance (when undertakings are part of RECs). • Capacity-building events (for example, support MAs in RECs' workshops).
Financial/economic	<ul style="list-style-type: none"> • Support with financial analysis/simplified CBA – as required by specific MA rules to comply with Article 73(2)(c) and (d) of the Common Provisions Regulation (CPR). • Support in identifying aggregation mechanisms to bundle small RECs to facilitate access to debt financing. • Support in designing RECs' financial set-up (such as cost sharing among members, distribution of revenues – also considering energy poverty).
Technical	<ul style="list-style-type: none"> • Prepare ToR to hire a consultant to develop FS for RECs. • Support in demand analysis of targeted REC members and identification of investment potential. • Support in option analysis for identification, dimensioning and optimisation of RECs' generation/storage/grid assets.

Example | Floating offshore wind farm of Provence Grand Large

JASPERS supported the French Provence-Alpes-Côte d'Azur Region and the promoter (EDF Renouvelables) in the preparation of an innovative renewable energy solution: a floating wind farm.

The “Provence Grand Large” project comprises the design, installation, operation and maintenance of a **24 MW floating offshore demonstration wind farm in the Mediterranean Sea about 15 km off the coast of France** (Rhone Estuary), in about 100 m water depth. The project will consist of three 8 MW wind turbines, each mounted on a floating substructure fixed to the seabed by tensioned mooring lines.

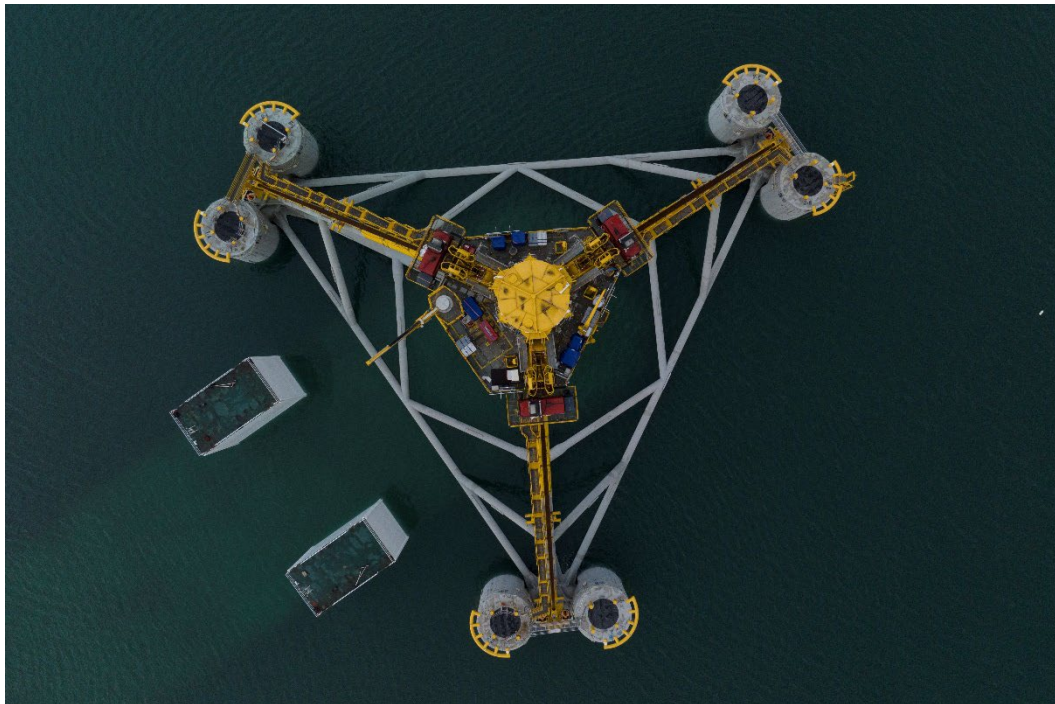
The development of offshore wind energy supports EU and national targets for renewable energy generation and greenhouse gas emission reduction, contributing to climate mitigation and environmental objectives. Floating turbines in particular can allow projects to access project sites with better wind resources (for which the fixed-foundation solution would likely be too costly or technically not viable) and generate potential savings with regard to foundations and installation costs.

The JASPERS team supported the promoter in the process of applying for ERDF financing under the 2014-2020 regional Operational Programme of Provence-Alpes-Côte d'Azur and

assisted with the preparation of the required analysis and documentation. The JASPERS assignment focused on the following aspects: demand analysis; objectives and coherence with the Operational Programme; option analysis and technical feasibility; cost-benefit analysis (CBA); environmental and climate change issues.

One interesting work stream related to JASPERS' support in the preparation of the CBA. Innovative renewable energy projects are usually not able to generate power at a competitive cost. Nonetheless, their financing with public funds is justifiable because of the knowledge and learning they generate, which in turn contribute to further technological development. JASPERS helped the promoter to define a methodology to estimate and monetise in the CBA the benefit of the economic value of learning, based on the "learning curves" that depict the expected reduction in unit costs as a function of cumulative technology deployment.

Once completed, the project is expected to generate clean, renewable electricity for the equivalent of the annual consumption of 45 000 inhabitants.



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ENERGY EFFICIENCY IN BUILDINGS

Buildings are responsible for approximately 40% of EU energy consumption and 36% of energy-related GHG emissions. Buildings are therefore the single largest energy consumer in Europe. Heating, cooling and domestic hot water account for 80% of the energy that we citizens consume. That is why the improvement of energy efficiency in buildings is a cornerstone of the EU energy policy, where the recent legislative package calls for, among others: doubling renovation rates by 2030, mandatory renovation of at least 3% of all public buildings annually to NZEB levels, mandatory renovation of 15% of worst performing buildings by 2030, and an even more ambitious overall EE target by 2030, with 11.7% energy consumption reduction compared to 2020 reference scenario projections.

The European Commission has set aside substantial funds to make energy efficiency renovations happen. Under the Multi-annual Financial Framework 2021-2027 €1.8 billion package, one-third is supposed to support the objectives of the Green Deal, which gives an indication of the total funding that is potentially available there for Member States to renovate their buildings.

Making use of these funds in a timely, efficient and effective manner may be challenging. The role of JASPERS is to help the Member States in addressing these challenges. JASPERS has prepared a comprehensive advisory offer in the area of energy efficiency in buildings, addressed to Managing Authorities and project promoters, including to support the following services:

- identifying, screening and evaluating energy efficiency projects;
- structuring calls for projects, notably in the area of selection criteria, evaluation criteria and grant modulation, and in order to ensure compliance with Common Provisions Regulation (EU) 2021/1060 requirements;
- preparation of a robust technical approach for project preparation — providing guidelines and capacity building in the areas of energy auditing, energy performance certification and minimum energy performance requirements;
- preparation of key, strategic or model projects in the area of energy efficiency in buildings, notably in the area of preparation of funding applications with required attachments (feasibility study, CBA, etc.);

- structuring effective Energy Performance Contracting schemes;
- ensuring compliance with relevant state aid provisions;
- ensuring compliance with climate proofing requirements.

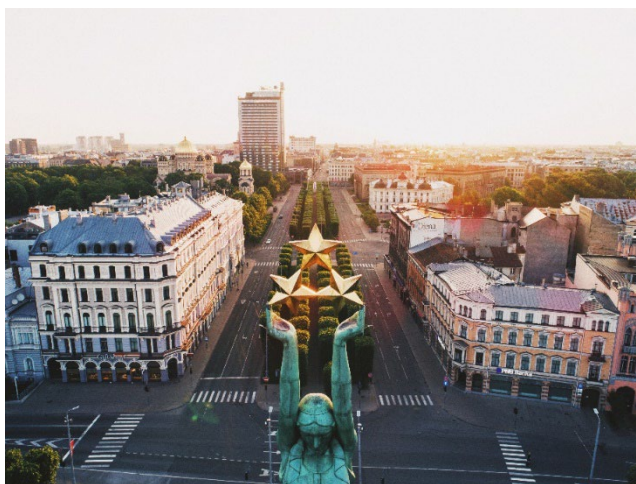
Example | A model Energy Performance Contract for Latvia

Energy Performance Contracting (EPC) is an approach for implementation of energy efficiency projects. Under this approach, the renovation is prepared, implemented, and co-financed by an energy services company (ESCO). The ESCO guarantees an agreed level of savings and is paid an agreed compensation over the term of the contract once the guaranteed level of savings is achieved. The amount the ESCO is paid covers the investment expenses, the cost of financing of the ESCO as well as the services delivered over the operation phase. In the event that the EPC contract is "Maastricht neutral" according to the Eurostat guidance note, the contract with the ESCO is not considered as a long-term liability of the public body and is treated off-balance sheet for the building owner.

Historically, Energy Performance Contracting in Latvia has been quite successful in the private sector, notably in multi-family housing, but has lagged behind in the public domain. Back in 2016, the Latvian government decided to engage JASPERS to help unlock EPC investments in the public sector. It was expected that EPC could be a useful tool for the renovation of the public building stock of more than 2 000 000 m² in total floor area. Particularly given that, at the time, public funds were scarce, and the lending capacity of the public sector was very limited.

JASPERS work was delivered in two phases over the period 2016-2020. In the course of work during the first phase, JASPERS analysed the existing EPC situation in Latvia and identified the barriers impeding the development of the EPC market in the public domain. JASPERS prepared a report with some general conclusions and recommendations on how the barriers could be addressed to unlock the investment potential and attract ESCOs.

In the second phase of work, JASPERS was specifically asked to support the development of a model Energy Performance Contract that would be compliant with Eurostat guidance on the recording of EPC in government accounts and that would enable the off-balance sheet treatment of the contract-related liabilities for the public sector. The model contract was successfully developed and eventually endorsed by Eurostat. With the model contract in place, approved by both national authorities and Eurostat, one of the key barriers for the development of the EPC market in the public domain reported initially was removed.



DISTRICT HEATING SYSTEMS

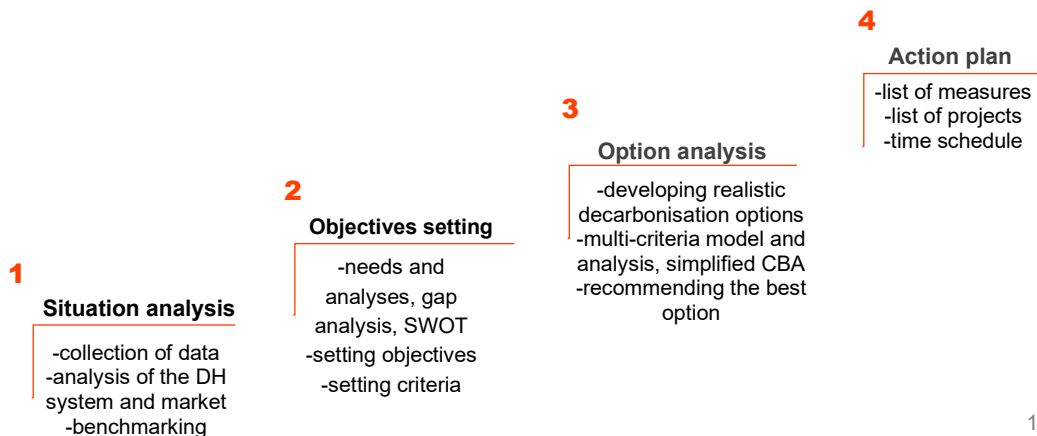


Our experts advise the clients in developing their strategies and action plans for district heating (DH) system decarbonisation and DH system investment. It includes mapping the current situation, benchmarking the recent DH system performance against the best international practices, setting business objectives, developing alternative scenarios for decarbonisation, setting criteria for evaluating strategies, and providing independent assessment and recommendations for business models and planning.

Transitioning to district heating decarbonisation

Our approach to assisting beneficiaries is based on a methodological, multi-level, and holistic approach. We will consider all the actors across the DH value chain: fuel suppliers, producers, DH network operators and end-customers. Local spatial development strategies and plans are also essential to the transition.

Our process of providing advice on the project includes various steps, as described briefly in the chart below. We start with the current DH system's context mapping and data analysis; the technical and economic assessment will usually result in a SWOT (strengths, weaknesses, opportunities, and strengths) matrix. An essential part of our analysis is benchmarking against the best international DH systems. After developing a set of heat supply alternatives, we set objectives and criteria for the multi-criteria analysis. Even though the overall goal is decarbonisation, other criteria might be critical, like security of supply, social acceptance, levelised cost of heat (LCOH) and risks. Lastly, we help the local authorities and DH company identify an optimal decarbonisation path and the related measures/action plans based on the analysis.



Example | Geothermal energy for the district heating system in Košice

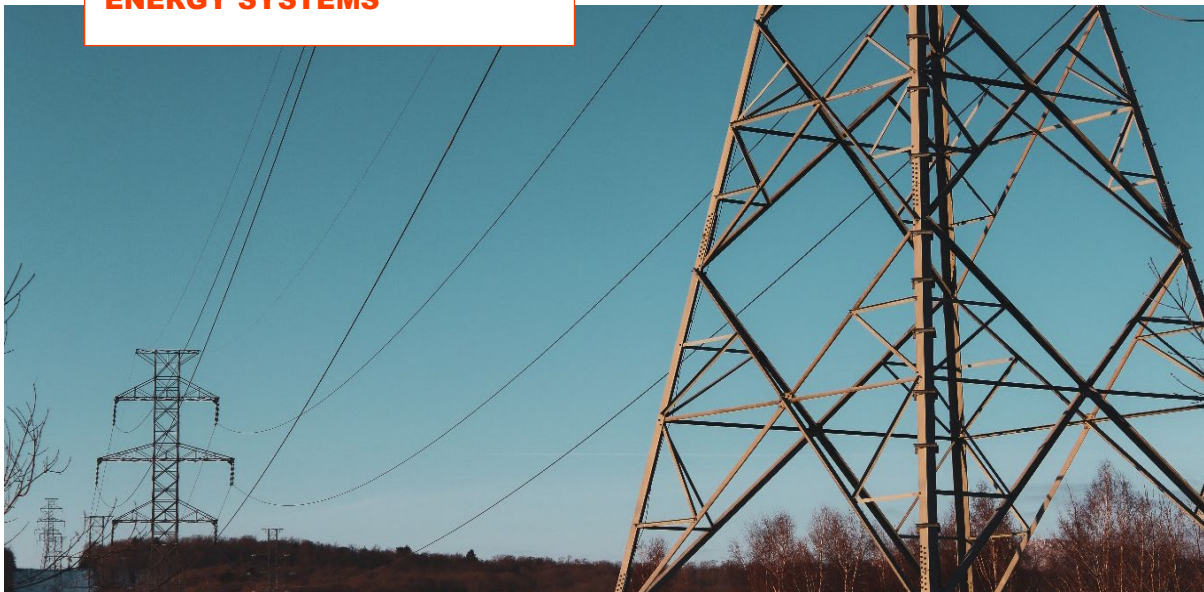
The city of Košice and its surroundings are among the most polluted areas in Slovakia. This fact is mainly caused by the present steel industry, but also by inadequate heat sources in the city itself. Currently, heat production in Košice is 100% produced by incineration: using fossil fuels (gas and coal), municipal waste and biomass. **The primary goal of the project is to utilise the potential of geothermal energy in the Košice basin and replace part of the heat production by using geothermal wells located 15 km from the city of Košice.**

The project consists of two parts: finalisation of the geothermal heat extraction infrastructure, and expansion of the district heating network to connect the new heating source. **JASPERS was asked to help prepare the project documentation necessary to apply for funding from the Just Transition Fund.** Specific support areas included a review of project funding documentation, assistance in application of state aid rules, identification of the EU grant amount, and preparation of the project's financial and economic analysis.

The project will help reduce greenhouse gases in the region. Production of heat from geothermal water will help fulfil Slovakia's commitment to increase the share of RES in energy production. In addition, the project will create both temporary and sustainable jobs, thereby partially compensating for the loss of jobs in the transforming industries.



ENERGY SYSTEMS



In electricity networks, the priority is the transition of current, mainly fossil fuel-based electricity systems that mainly hinge on large, centralised sources, to a more decentralised, RES-based system that requires more flexible and digitalised grids. We can assist grid owners and operators in developing and integrating smart grid solutions and energy storage projects into the grids. In addition, our experts can advise on putting together a wide range of solutions addressing the whole electricity system value chain, taking into account the production, delivery, storage and consumption of electricity.

Example | Interconnecting Crete to displace tonnes of oil products

The project consists of the interconnection of Crete with the mainland power system. It includes two new 150 kV submarine cables, each with a length of 135 km, upgrades of existing transmission lines, underground cables and substations and the construction of new ones in both the Peloponnese and Crete, and the installation of a static synchronous compensator in Crete. The project contributes to meeting around one-third of the total electricity demand of Crete. The total investment cost of the project was €356 million and ERDF financing was €95 million.

The project results in the annual displacement of some 400 000 tonnes of oil products previously used in Crete for power generation, enabling both a cut in the average fuel cost component of electricity supplied by thermal power by some €50/MWh and a considerable improvement in the climate and environmental footprint. Also, the investment enables an estimated reduction of €180 million in annual surcharges on Greek electricity bills.

JASPERS assistance helped meet the European Commission requirements for “major projects” with the assessment of various options and justification of the selected option,

financial and economic analysis, determination of the EU grant amount and identification of other issues, such as climate change due diligence and environmental impact assessment. JASPERS also provided support for the second stage of interconnection of Crete (DC cable to Attica).



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