

# One-Stop-Shop for Energy Renovation: Examples of Local Interventions in Residential Sector in Achieving SDG 7.3

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# Innovate Project

Develop and roll out deep energy renovation packages through One-stop-shops (OSS)

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## Who is behind the project?

Coordination & expertise



Project partners



# Introduction

- ❖ In the EU 40% of energy , 55% of electricity consumption and 36% of CO<sub>2</sub> emissions is associated with the building sector.
- ❖ 40% of the residential buildings in EU are built before 1960s (higher energy demand)
- ❖ Av pace of energy renovation is 1.2% per year (quite slow ) ([Economidou et al, 2019](#)).
- ❖ The revised Energy performance of buildings directive (EPBD-2018/844/EU) urges the member states to facilitate OSS and provide energy advisory services to speed up energy renovations of buildings.
- ❖ OSS is an emerging concept and various research and development work is ongoing in different countries.
- ❖ The energy renovation or deep renovation of houses not only contribute to realize the target associated with energy efficiency goal (SDG 7) and climate goal (SDG 13) but will be instrumental in meeting targets associated with employment (SDG 8) and in addressing poverty issues (SDG 1).

# Objective and methodology

## Objective:

- ❖ Analyse the possible challenges and opportunities in OSS establishment journey with case examples from Public owned ([Cyprus](#)); public-private partnership with Municipal support ([Netherlands](#)); privately owned ([Sweden](#)) OSS models
- ❖ Compares and analyze cross-model learnings from these OSS.

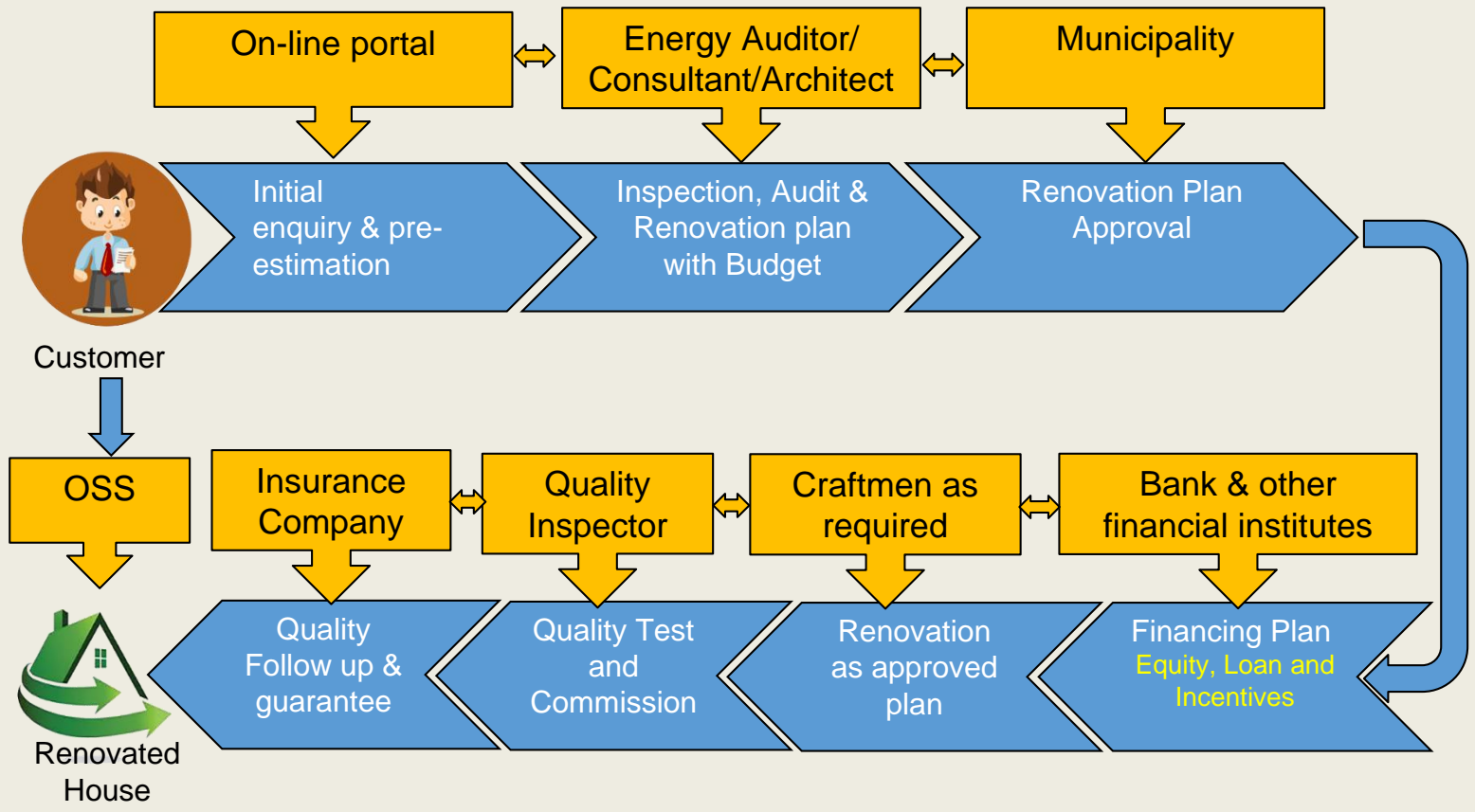
## Methodology:

- ❖ Situational analysis with market gaps identification for energy renovation and experience of OSS establishment journey with three case studies
- ❖ [Canvas framework](#) has been applied to analyze and compare the OSS models (Osterwalder and Pigneur, 2010)
- ❖ The analysis has been cross-validated via interviews with experts from respective OSS



# Customer Journey in the Deep renovation process

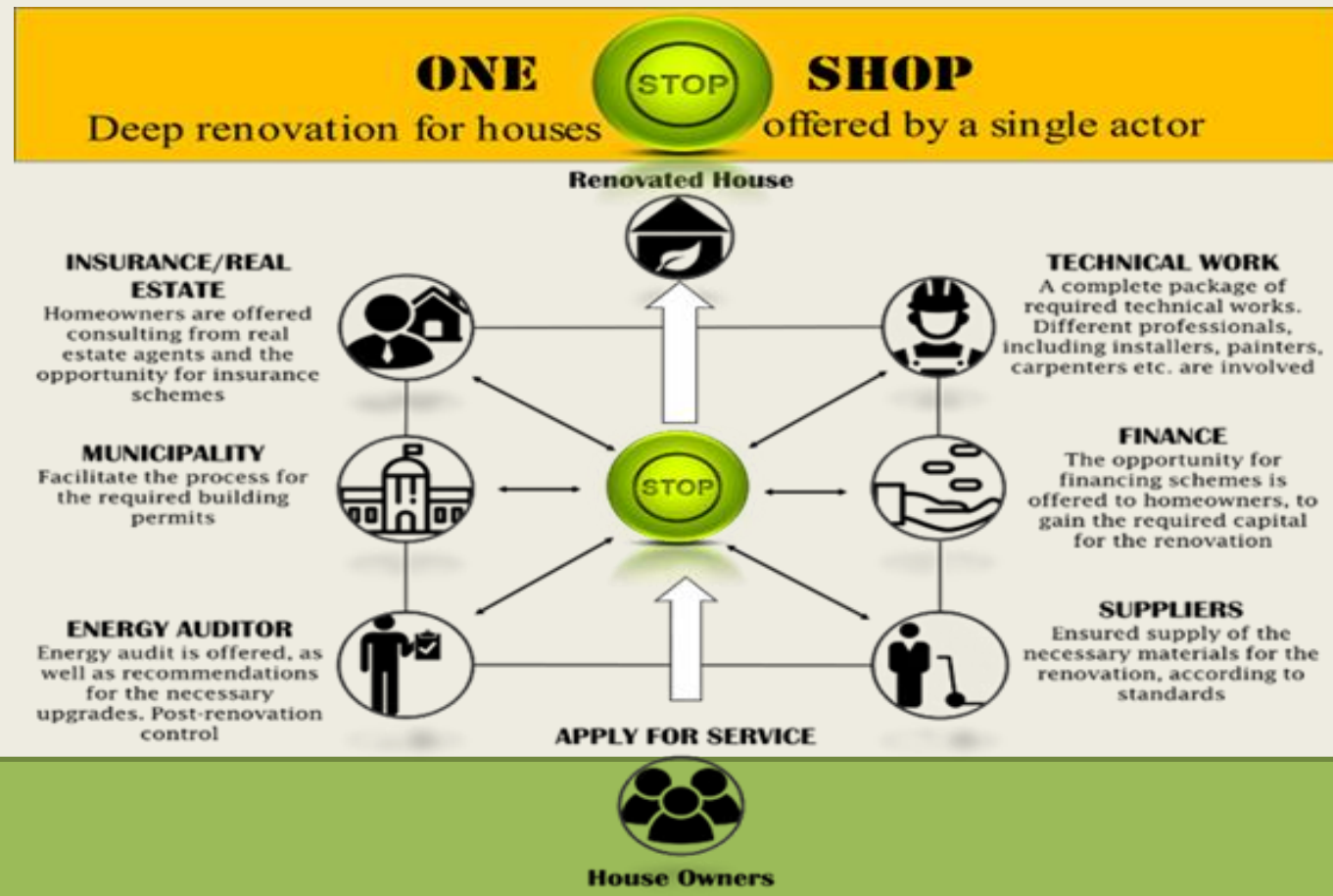
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# One-Stop Shop for Deep Renovation

OSS is a single contact point, perhaps in collaboration with other actors, offering full renovation services including energy renovation

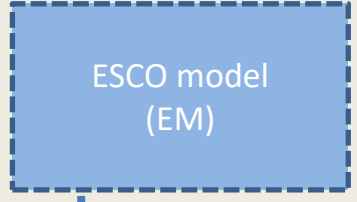
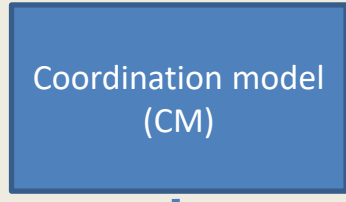
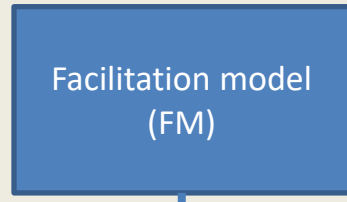
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# Various types of OSS Models

Level of Support/ responsibility

Low 
→
 High



Ownership Types may also decide which of the above model to choose

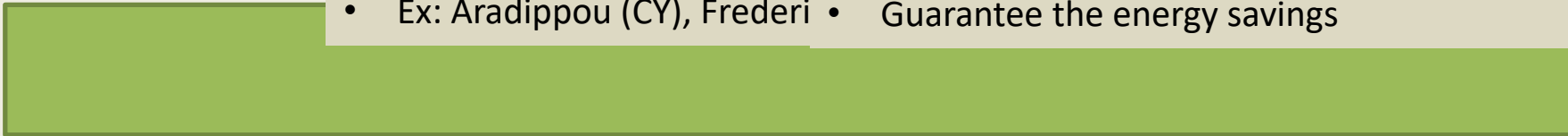
- Simplest form
- informing, advising and motivating
- Limited guidance in the Customer Journey
- European municipalities have FM-OSS

- Single actor coordinate
- Supports homeowner with the suppliers and
- No direct responsibility for the performed work
- Make sure of quality through installer/suppliers
- Ex: Aradippou (CY), Frederi

- fully guided customer journey.
- single contract
- renovation package based on homeowners' need
- full responsibility on the quality of the

- OSS operated and managed in association with Energy Service Companies (ESCOs)
- Single contract
- Full renovation package as needed by clients
- Full responsibility of quality of the renovation
- Guarantee the energy savings

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# OSS Journey: Three Typical Examples

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Description	OSS in Cyprus	OSS in Netherlands (Reimarkt)	OSS in Sweden
<b>OSS location</b>	Aradippou,	Enschede, Den Bosch Zoetermeer, Hoogeveen	Kronoberg
<b>Ownership</b>	Public (Municipality)	Private & PPP (KAW and Municipalities)	Private (Klimatfastigheter Småland AB)
<b>Business Model</b>	Co-ordination	Co-ordination	Development



**OSS in Cyprus**

**OSS in Netherlands (Reimarkt)**

**OSS in Sweden (Kronoberg)**  
 Initiated as an academic research at Linnaeus University (LNU)  
 Conducted market gap analysis (Supply and demand side actors)  
 Huge market but Renovation market is fragmented and dominated by SMEs  
 Limited support from municipality (Energy renovation advices) but no direct support for OSS establishment  
 LNU proposed Market based OSS  
 One start-up company Klimatfastigheter Småland AB has launched OSS in the Kronoberg

**OSS expert interview**  
 Large number of detached houses needs renovation (Big business potential)  
 More renovation work needs to be done than the homeowners knows or thinks while approaching the OSS  
 OSS also perceives supply side constraints to scale up



# CANVAS Analysis-Business Model-I

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Description	OSS in Cyprus	OSS in Netherlands	OSS in Sweden
<b>Customer Segments</b>	Middle to higher income households (Detached houses)	<i>Direct:</i> Owner-occupants of series-produced Apartments (Owners' Association Boards) Renters of series-produced apartments <i>Indirect:</i> Social housing Corporations	high-income single family in Urban/semi-urban areas Later mid-income households when soft loan for energy renovation are available (Detached houses)
<b>Key activities</b>	Engagement process, Communication & marketing, advice/information		
	Tailor-made energy renovation and financial plan		
	Coordination of the renovation process		
	Own long term and affordable financing	Not available	Not available
	No interference in the contract process	Co-ordinate contract between homeowners and suppliers/installers	Single contract with OSS with sub-contracting suppliers/installers
	Post-work monitoring	OSS itself is not responsible for the quality of work but it assures the quality of the work through suppliers/installers, Post-work monitoring	Guaranteed quality & Post-work monitoring

# CANVAS Analysis-Business Model-II

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Description	OSS in Cyprus	OSS in Netherlands	OSS in Sweden
<b>Value propositions</b>	<ol style="list-style-type: none"> <li>Integration of OSS services within municipal existing instructional frame and providing them free advice information to the citizens</li> <li>Innovative financing scheme named "Citizen Rewards Card"</li> </ol>	<ol style="list-style-type: none"> <li>Standard ready-made renovation solutions for apartment residents.</li> <li>Choices among the available standard solutions based on their need and affordability of the homeowners.</li> </ol>	<ol style="list-style-type: none"> <li>High quality renovated house, guarantees improvement in their aesthetic values and thermal comforts to the homeowners.</li> <li>OSS offers the opportunity to broaden customer base and enhance the service quality to the partners collaborating with OSS</li> </ol>
<b>Cost and resource structure</b>	Municipality staffs, physical infrastructure assigned for OSS are key resources.	Equipment, appliances and materials for the renovations are key resources to implement the OSS activities. Cost associated with OSS are mainly marketing, coordination cost and various services charges to perform the renovation viz. purchasing materials & installation, sales personnel, Automation/IT (Depending upon the type and scale of renovation this may vary)	
	Cost associated with are staff for advisory services, coordination, promotion and the OSS activities has been integrated within municipal regular activities and infrastructure to minimize the operational cost.	Physical shop, relatively larger cost for marketing sales personnel.	No physical shops, Online quotation, cost associated are mainly promotional cost, coordination and advisory.

## CANVAS Analysis-Business Model-III

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Description	OSS in Cyprus	OSS in Netherlands	OSS in Sweden
<b>Revenue streams</b>	<p>Since this is Municipality owned, services during the start-up period will be provided free.</p> <p>Fees to be charged on the offered services in a later stage (no clear plan at this stage)</p>	<p>Main revenue is the sales margin from the renovation work (10% of the total renovation cost) and fees from advisory services.</p> <p>Besides, it also depends on municipality subsidy for its operation.</p>	<p>Homeowner in principle pays the bill for the renovation. OSS covers its coordination and management cost mostly by special discounts that OSS gets on the goods and materials from its consortium partners.</p>
<b>Key Partners</b>	House owners associations, Concern departments of municipalities*, service providers, material suppliers, Banks		
<b>Customer relations &amp; Channels</b>	<p>OSS Website Partners Direct mail One Stop Shop / Pop-up Building visits</p>	<p>OSS Website Partners Direct mail One Stop Shop / Pop-up Building visits</p>	<p>OSS Website Partners Direct mail Door-to Door campaign Building visits</p>

\*Except OSS in Kronoberg, Sweden

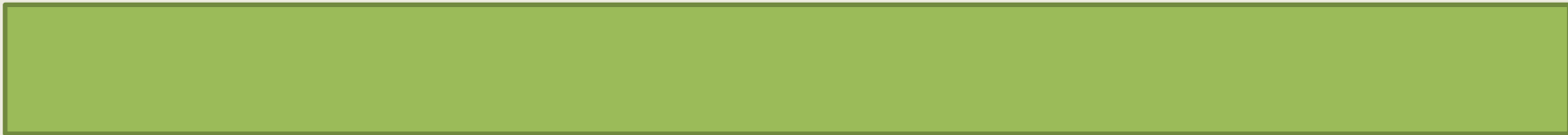
# Conclusions and way forward-I

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- OSS is relatively new concept, too early to say which model is more effective
- Privately owned business model has a big challenge at the initial phase and market expansion especially when there is no conducive environment (Ex from Sweden).
- PPP model could be a good starting point with municipality support in OSS establishment.
- PPP needs a clear plan for the sustainable business expansion phasing-out municipal support (Ex from Netherlands)
- Public owned OSS business model is effective for advising and motivating homeowners but its role is limited
- Innovative financing schemes “Citizen Rewards Card” is a strength
- Free services for citizen is a challenging for its long term sustainability (Ex from Cyprus)

# Conclusions and way forward-II

- OSS journey/model may vary depending upon
  - the market conditions, readiness,
  - existing level of government support, and
  - nature of the organization willing to initiate the OSS
- In any case, one model could not fit in all conditions.
- All OSS concern on impact of COvid-19 on their business
- If stays longer, there might be a need to refine the business model.



# Questions?



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THANK YOU FOR YOUR ATTENTION