

Regions 4 GreenGrowth
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European Union
European Regional Development Fund

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Flevoland

December 19, 2014 Pescara

Development and Investment Organisation

Accelerating investments

Nobody doubts the necessity of the transition towards a sustainable energy supply, but:

- Are we moving fast enough?
- Can we speed up investments?
- Can we organise it in such a way that our region profits in an optimal way?



We need a new concept:

DIO

Contents

- What is a DIO?
- What is the added value of a DIO?
- How does it work?
- How to establish?
- Examples of successful organisations and projects

Why DIO?

- High ambitions energy policy
- Wish to accelerate the transition
- Classical instruments do not suffice

**There is a need
for a new role of
local authorities
and partners
in order to accelerate
energy transition!**



The market fails ...

We can not leave energy transition to the market

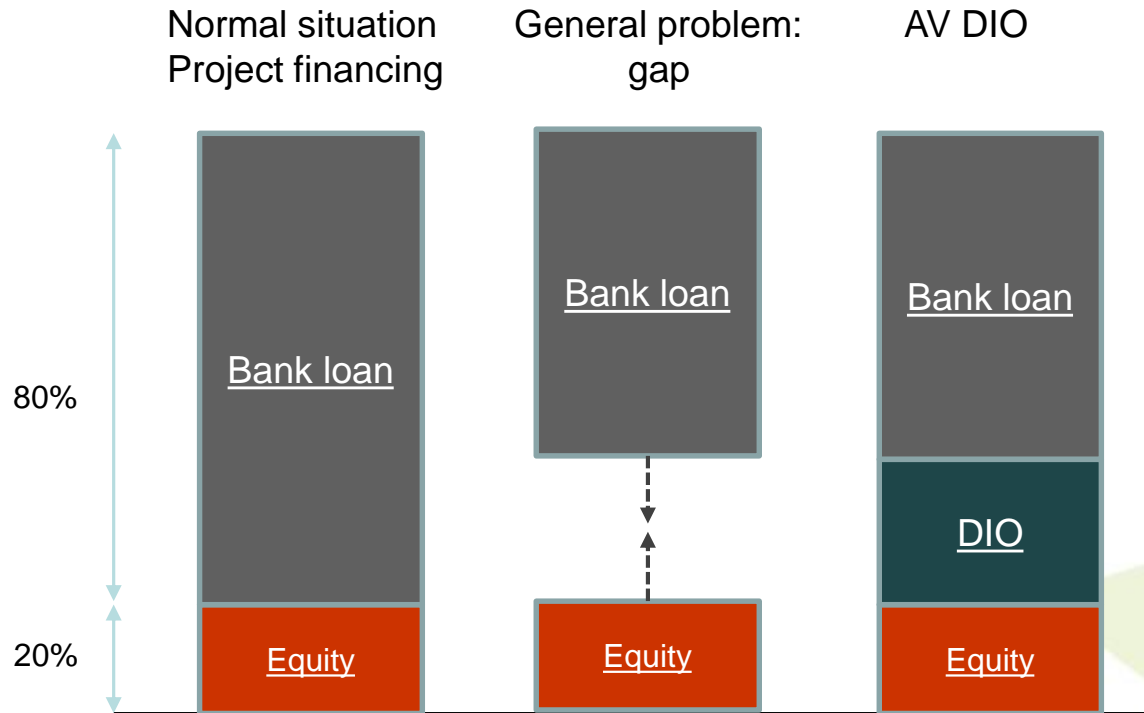
- Projects are too small (banks will not finance)
- Projects are too much hustle (barriers)
- Projects are not profitable enough in relation to risks
- Lack of know how

DIO as an initiative of local authorities should **act:**

- Considering the societal advantages
- In a business like (entrepreneurial) manner

DIO principles/added value

- ✓ Concentration of know how
- ✓ Economy of scale
- ✓ Professional and efficient approach
- ✓ Portfolio of projects (risk mitigation)
- ✓ Local authorities: reliable partners for financial institutions → lower costs financing
- ✓ Relatively low return on equity acceptable
- ✓ Optimisation of societal benefits (jobs, local economy, social cohesion)



By participation of DIO in project financing
the risks are perceived as lower by third parties
resulting in:
will to participate/finance
lower interest rates

DIO: Revolving Fund

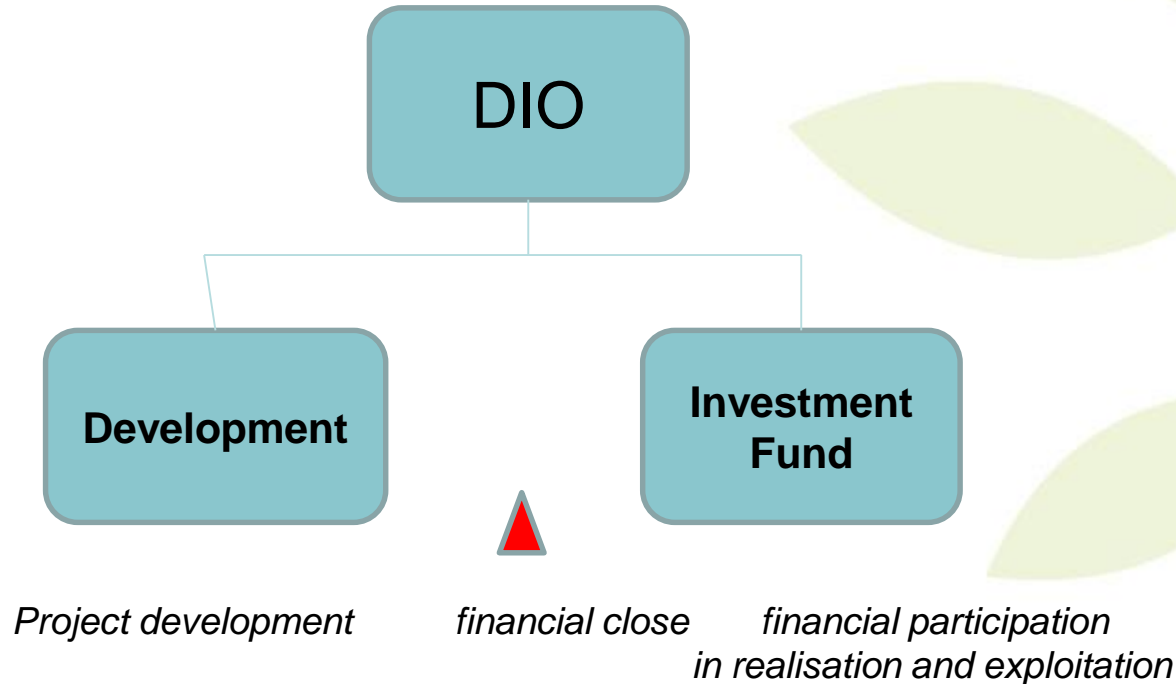
- Once project in exploitation phase
- Risks are known and can be assessed
- New partners
- Refinance project
- Exit DIO
- Invest in new projects



DIO: two ventures

Project development: know how,
project management

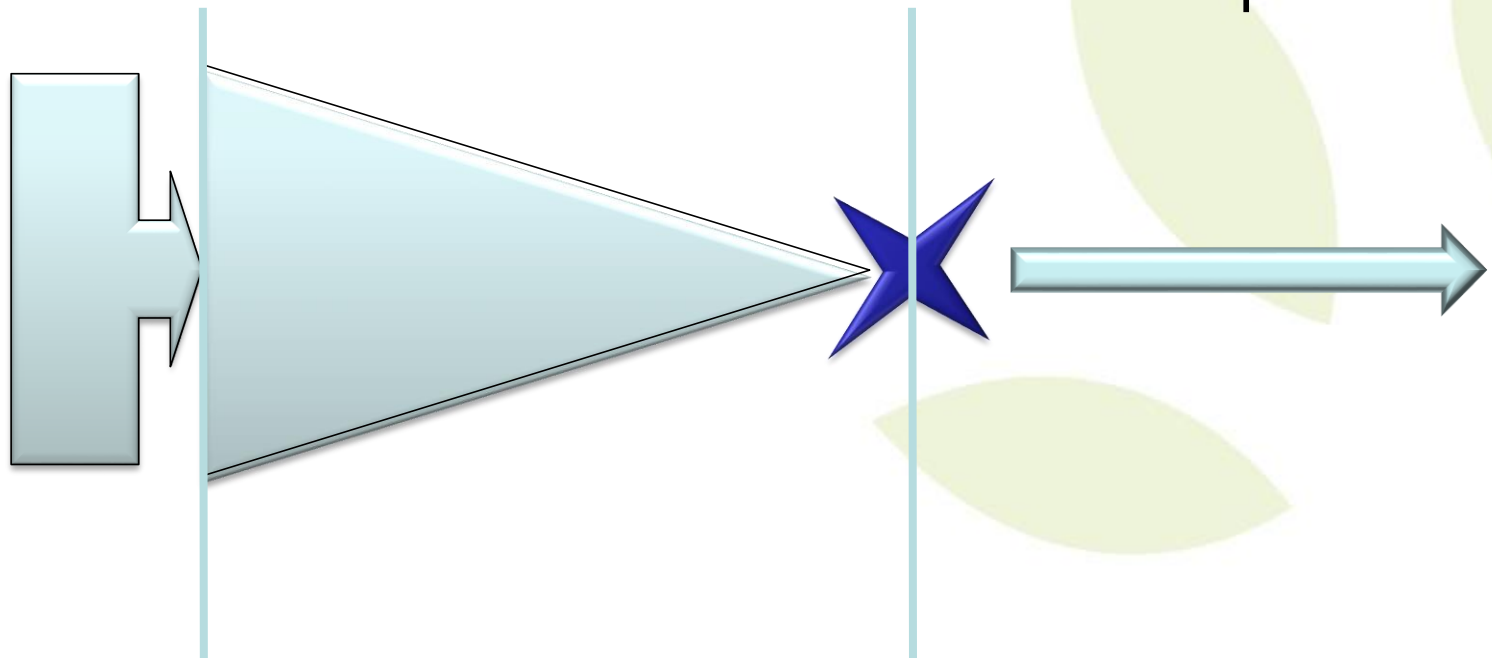
Financial participation:
equity and/or loans



Project life cycle

Idea Selection Development

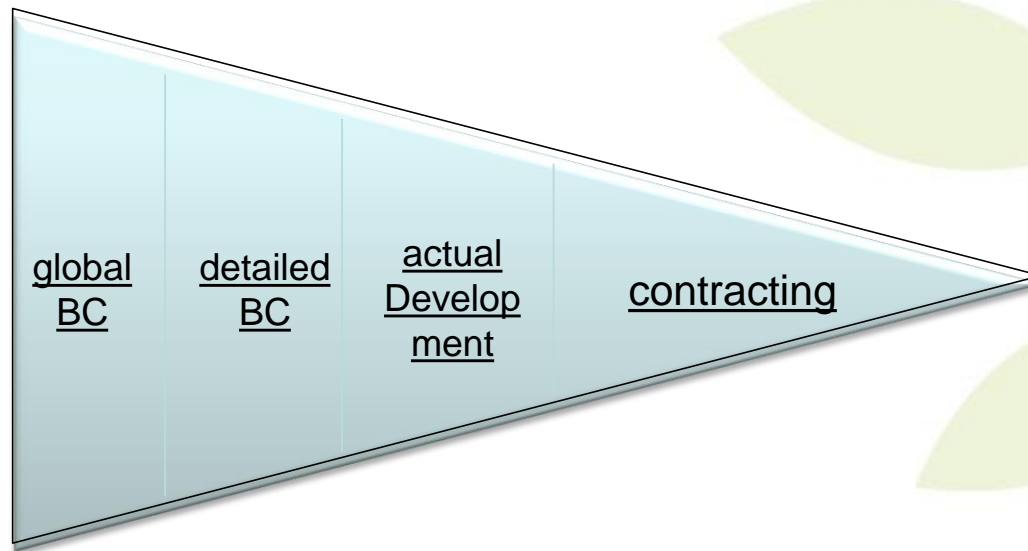
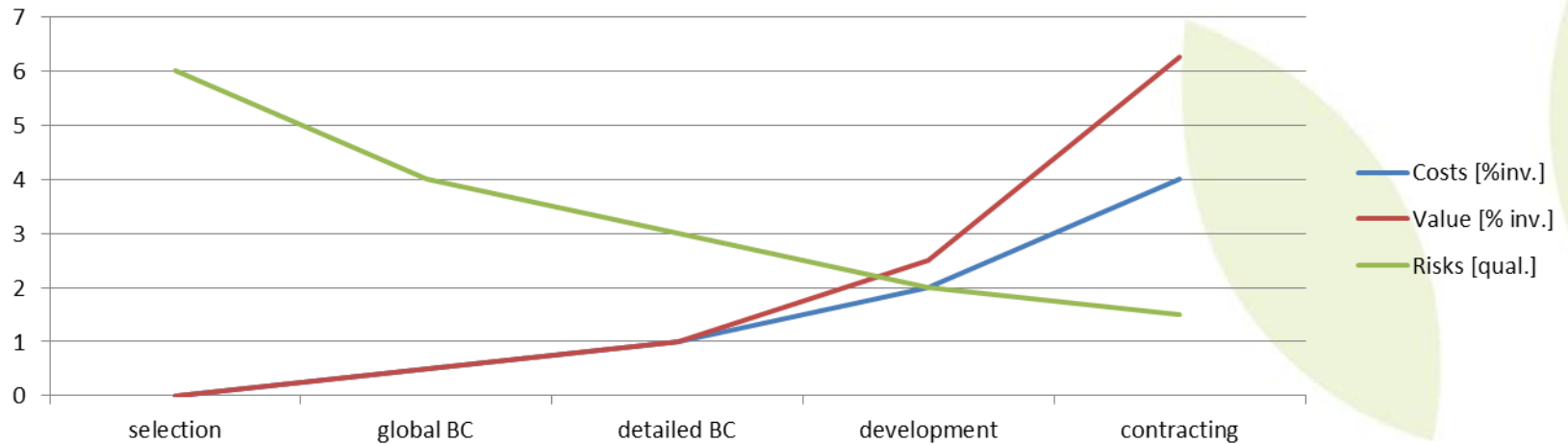
Realisation
Exploitation



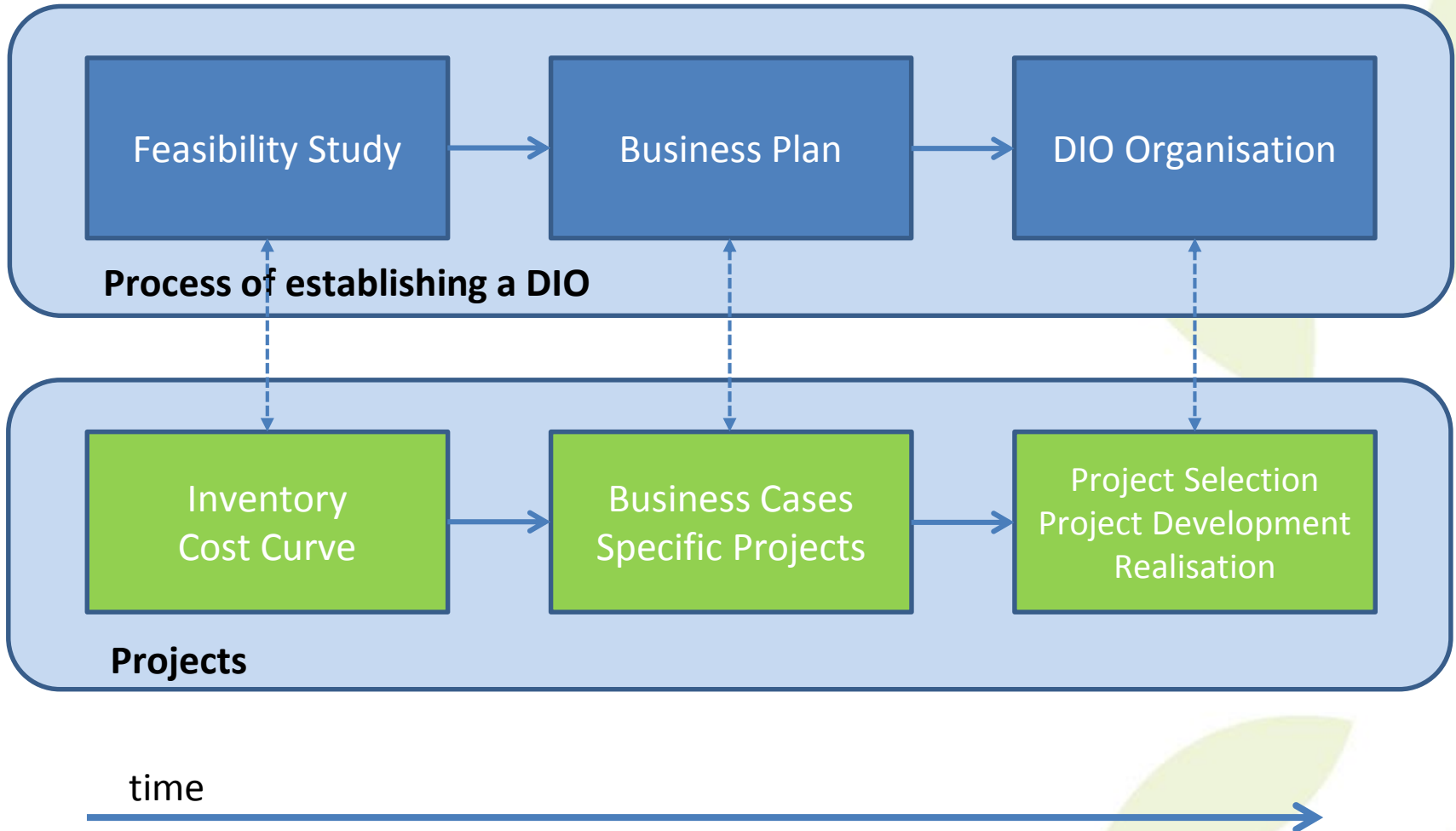
screening decision gates

financial close
investment decision
due diligence

Development process



Establishment



Why focus on projects is so important

- In the end the success is measured by the number of successful projects
- Partners find motivation in local projects (“What’s in it for me?”)
- Instruments are only convincing when they prove to contribute to successful realisation of projects
- With visible projects effects can be demonstrated/quantified



How to fund the business plan?

The region

The region and partners

National funds

European funds (Horizon 2020)

Examples Dutch funds

In The Netherlands there are some 15 DIO like organisations: 9 from regions (Provinces) and at least 6 from cities.

Name	Size of Investment fund [M€]
Amsterdam	30
Utrecht	6
Overijssel	250
Drenthe	30
Noord Brabant	60
Flevoland	7

Projects

Name	Projects
Amsterdam (AKEF)	PV on Amsterdam Arena
Utrecht	'Cereolfabriek' Renovation industrial building
Overijssel	Wind energy
Drenthe (DEO)	Bio-digester
Noord Brabant	Underground storage for heating and cooling
Flevoland (DE-on)	Geothermal project in green housing

AKEF



7000 m2 PV

Financing by AKEF: € 1,6 M€

Energiefonds Utrecht



Renovation of old industrial building
now functioning as community centre

Extra insulation measures

DEO



Bio-digester 24.000 ton/year
Total investment: 2,25 M€
Financed by DEO: 1 M€

Lessons Learned

1. DIO concept is hard to understand
communication: events and materials
2. Time consuming processes:
both the establishment of the business plan
and the decision making process
3. Financial and legal aspects are quite complex
keep finance and legal departments involved
4. One key-contact per partner necessary
linking pin
should inform the own organisation
5. Communication: involvement/commitment

Thank you for your attention !



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Cost Curve

- Cost Curve is the basic input for strategy
- There is still a huge potential
- Even feasible measures are not taken
- Simply subsidising Solar PV does not solve the problem

