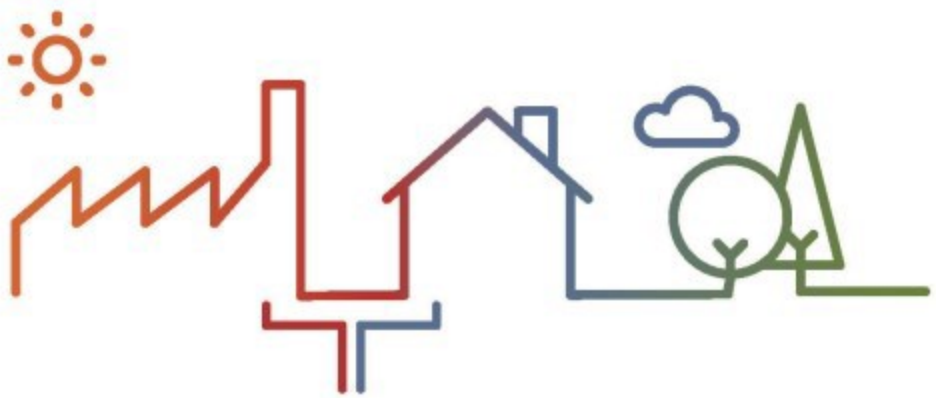

Fair RHC Options and Trade (FROnT)

November 25th, 2015

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Co-funded by the Intelligent Energy Europe Programme of the European Union

Presentation outline

- Key objectives
- Progress to date
- Discussion on levelised cost of energy tool

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Project objectives:

- Improve transparency in investment costs (LCoE)
- Better understand end user engagement
- Identify KSF vis-à-vis future policy development
- Establish strategic key policy priorities

Longer term goals:

Promote level playing field for RHC technologies (Policy)

Increase uptake of RHC technologies in the market

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Who is involved?

European Trade Associations

- AEBIOM (Biomass)
- EGEC (Geothermal)
- EHPA (Air & hydrothermal)
- **ESTIF (Solar thermal)**

Energy Agencies

- NL Agency (Netherlands)
- KAPE (Poland)
- ADENE (Portugal)
- IDEA (Spain)
- EST (UK)

Scientific Partners

- Creara (Spain)
- AIT (Austria)

Communication

- Quercus (Portugal)

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Progress to date

Policy review: Identify Key Success Factors (ADENE)

Market Facilitators: Large-scale survey across 5 EU countries →

Improved advice to end-users on RHC systems. (Energy Agencies)

Strategic policy paper: Market projections, Review policy mechanisms & sample of innovative business models (Creara)

On-line tool: RHC cost estimation (Creara)

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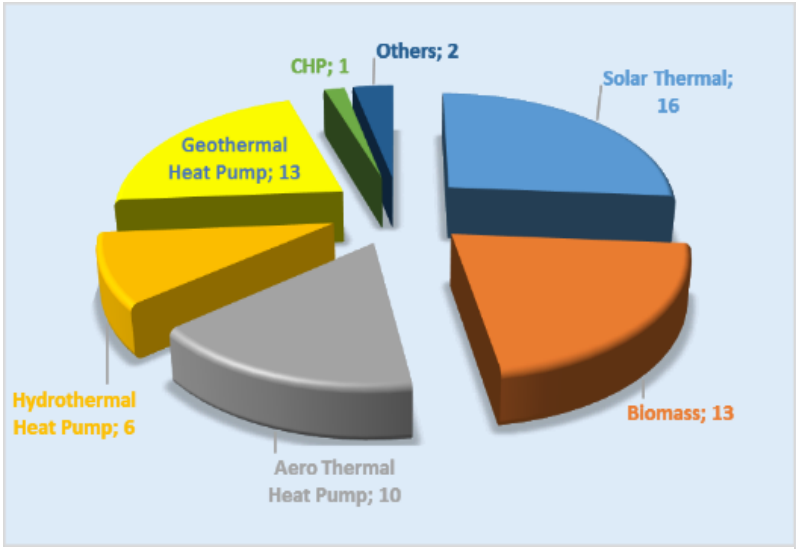
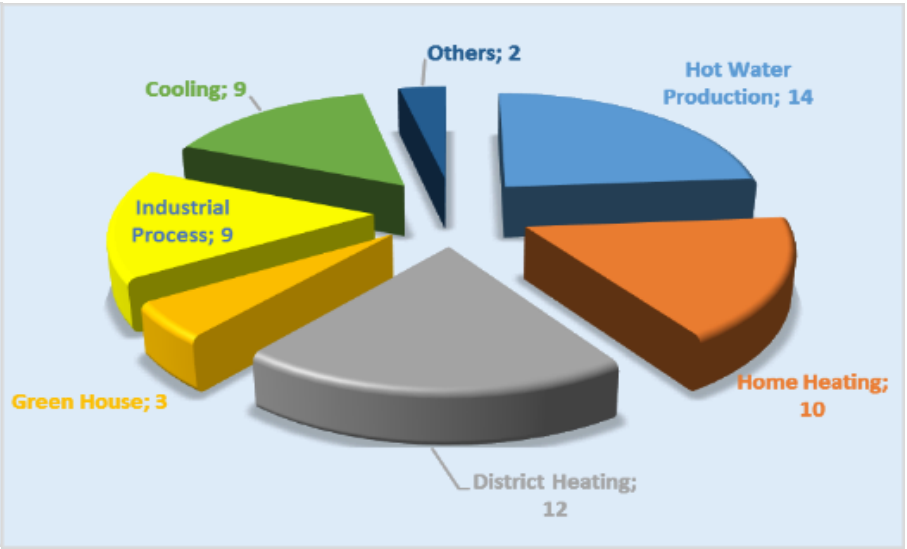
Policy review

Key Success Factors (KSF) are factors that characterise a scheme (policy), making it ***accountable***, ensuring its ***cost effectiveness*** and helping ***boost end-user confidence*** in supported technologies.

Support schemes by technology



support schemes by output



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Key Success Factors

1. Appropriate consultation
2. Quality and performance
3. Transparency and measurability
4. Financial adequacy
5. Predictability and stability

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Market Facilitators (surveys)

- Information Resources
- Key Purchasing Criteria
- Awareness about RHC technologies
- Perception of RHC attributes
- Perceived suitability
- Willingness to pay

Next steps: development of tools - improved understand how we communicate with end users (Quercus)

Strategic Policy Recommendations

Analysis for market projections (2050): Biomass, Solar Thermal & Heat Pumps (low, mid, high)

Sampling policy instruments: Investment grants, Tax exemptions, Financial incentives - across *6 EU countries*

Sampling innovative business models: Crowd funding, Investment Tax credits, Power Purchase Agreements (PPA)

Work Package 3: Estimating RHC energy costs

energy saving trust

Key deliverable:

Online Tool – *Cost of energy produced* (in kWh), *Financial Indicators* – Payback period/ Rtn on investment. Tool will allow cost comparison btw RHC & conventional fossil fuels.

Target group: End users (residential, commercial & community sector)

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Tool development process

Step 1) Define & agree model to estimate levelised cost of energy (internally)

- System types & layout
- Production estimates
- Relevant climatic conditions
- Customer types
- Economic & Financial parameters – system, operating & fuel costs; discount rates etc.

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Tool development process: cont

Step 2) Consultation on relevant options:

National Consultation Platform (NCP) – gather industry input

European Advisory Committee – validate decisions from NCP

Step 3) Final approval of Methodology **– electronic online tool built**

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Work Package 6: Consultation and Communication

Consultation events (European & National)

- Capacity building events (workshops, conferences, exhibitions, training days)

Track progress: **http://www.front-rhc.eu**

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