

## SME POWER Phase 2 – Regional Updates

Since 2019, the Interreg Europe SME POWER project consortium has been working toward better adapting public policy for the low carbon economy to the needs of non-energy intensive SMEs, thus enabling them to be a key driver in the low carbon shift at European level. In this past year of second stage activities, the action plans and strategies for doing so – which were conceptualised and finalised in the first two years of the project alongside regional stakeholder groups – are now being put into action. For the seven policy partners of the SME POWER project, the implementation of the Action Plans takes on various shapes and forms.



Notably, the Lead Partner of the SME POWER project, **ARRR (Agenzia Regionale Recupero Risorse, or Resources Recovery Regional Agency)**, has announced in October 2022 that the Regional Programme of the European Regional Development Fund (ERDF) 2021 - 2027 of the Tuscany Region was approved by the European Commission. The Regional Council (with deliberation no. 1173 of 17/10/2022) took into consideration this decision of the European Commission. The total financial endowment of the ERDF 2021 - 2027 is € 1,229,000,000 million with an increase of approximately 50% in comparison to the 2014-2020 programme, given the previous allocation was capped at € 800 million.

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The programme is funded 40% by European funds, 42% by state funds, and 18% by the region of Tuscany. As part of the priority objective 2, "**A greener Europe – Ecological transition, resilience and biodiversity**", energy efficiency interventions for companies, public buildings and hotel healthcare residences will be incentivised through € 88 million. Over € 108 million will be dedicated to electricity and heat production from renewable energy sources for self-consumption in favour of companies, public buildings and health care residences, as well as in the form of energy communities (accounting for € 20 million). It is expected that the relative calls for proposals will be issued in early 2023.

Meanwhile in Slovenia, the **Local Energy Agency Spodnje Podravje (LEASP)** has foreseen one action in its action plan – a “one-stop shop” (OSS) support to SMEs in their decarbonisation efforts. During the first phase of the SME POWER project, LEASP conducted an in-depth analysis (Energy Support Map), identifying all policy instruments in Slovenia that are in some respect targeting energy in SMEs, the strengths and weaknesses of each measure, as well as the level they are addressing energy transition in SMEs. At this point, it was made clear that there are initiatives in Slovenia that are targeting energy efficiency and sustainability of SMEs – but they were largely untapped.

During the SME POWER exchange of expertise process, LEASP has learned that there are tools to reach out to SMEs, to gain their interest and to support them in the procedure of getting support for energy efficiency measures. The two most relevant exchanges were two good practices: Clár ICH’s “one-stop shop” for energy efficiency consultation, as well as Durham County Council’s Business Energy Efficiency Project ([BEEP](#)) and BEEP 2. Both offer support to SMEs in reduction of their energy consumption and serve as an example for how to successfully engage with SMEs.

From August 2022 onwards, LEASP with the support of KLEAS – the consortium of local energy agencies of Slovenia – has made many efforts to implement the OSS across Slovenia. Thus far, LEASP has reached Borzen – the Slovenian power market operator, which provides support for renewable energy and energy efficiency for various sectors – who are looking to establish regional OSS that could be managed by local energy agencies free of charge. They will provide support to KLEAS to set up regional OSS for SMEs.



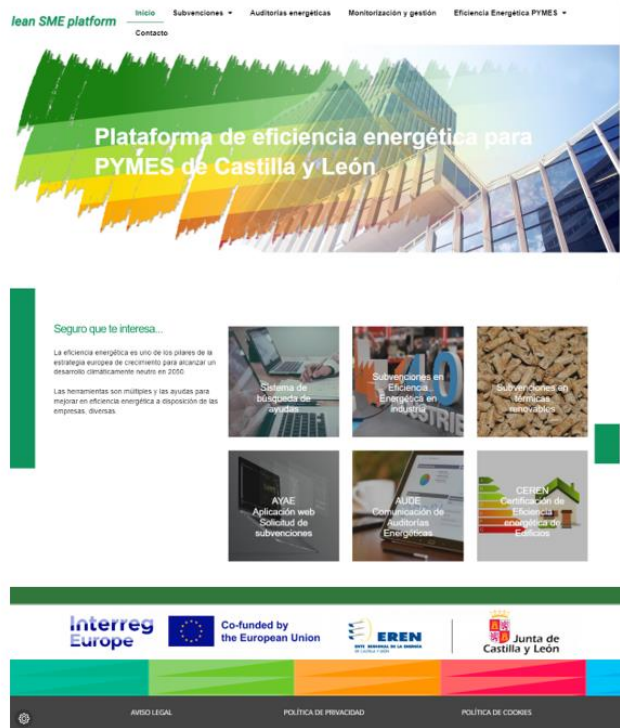
In the UK, **Durham County Council** has been in the process of developing and implementing their “footprinting tool” designed to engage SMEs in their decarbonisation journeys. In the past six months, following the changes to the Policy Instrument approved by the council by the end of phase 1, Durham County Council have been able to engage with one local SME to trial the tool. As a result, the council has revisited their original BEEP audit report and are seriously investigating putting solar panels on their buildings. They plan to have this completed within the next six months and hopefully show a direct benefit from the action and subsequent engagement.

The team working on their BEEP 2 project – a spin-off of the original BEEP project designed to support SMEs across County Durham to generate financial savings through energy efficiency and energy awareness – are now in the final sprint to complete by March 2023. However, the council have confirmed that the staff will be retained as core employees and the project will continue next year. There has also been an allocation of funds to support the businesses taking part after April 2023. This being said, due to local authority budget issues, all funding commitments are currently under review. The aspiration will be to integrate the footprinting tool as part of their core offer.

For the **Sustainable Energy Authority Of Ireland (SEAI)**, the implementation of their project timelines were adjusted in March 2022. This has allowed for businesses, who would normally close operations in December and other slower periods, to become actively involved in their energy efficiency scheme

nationally. The scheme has seen demand go from €43M to over €75M. In 2022 contracts for an overall value of €63M have been offered.

Furthermore, the main object of SEAI within the SME POWER project has been to run additional regional promotional events supported by SEAI. The government priority has, however, changed following events in the Ukraine. The Department has now requested SEAI to run a national campaign to be aimed at the public rather than SMEs. As a result, SEAI will be showcasing projects in the area via social media in order to promote applications and activity in the region supported by SME POWER.



In Spain, the **Regional Energy Agency of Castilla y León (EREN)** has focused their efforts on launching a new support platform for companies in the region by January 2023 with the objective of boosting investments in energy efficiency.

The aim of this online advisory platform is to facilitate SMEs' application to available funds for energy efficiency projects and, therefore, promote energy savings and efficiency projects towards a decarbonisation of SMEs in the Castilla y León region. In other words, the objective of the project is to make subsidies more available to SMEs wanting to decarbonise.

The platform provides information on how to access the updated subsidy search engine connected to the national subsidy database, in addition to offering access to support tools for carrying out energy audits and re-

porting results to the government administration. Also available on the platform are explanatory videos on how to improve monitoring of energy investments, amongst other relevant topics for local/regional SMEs.

The complementary informative videos to be included on the platform are already available through the EnergíaJCYL YouTube channel (see the SME POWER playlist) available through this link: <https://n9.cl/4zm3r>.

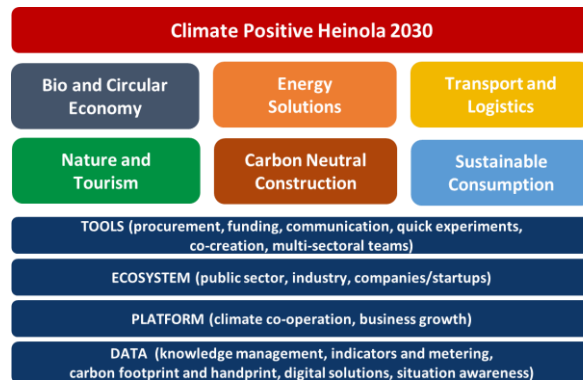
As outlined in their action plan developed within SME POWER, **Heinola City**, the Finnish partner of SME POWER, is working actively on the Climate Roadmap implementation. As one of the key policy instruments of the city, the main goal of the roadmap is to facilitate a strategic shift towards stronger inclusion of energy-efficiency and low-carbon development in SMES – and at the same time, open new opportunities for the citizens and local businesses.

The general structure of Heinola's Climate Roadmap consists of three development lines, each with a responsible co-ordinator:

- Energy consumption and production, water use
- Mobility and community structure,
- Circular economy and consumption



In practical work, based on interviews and collaborative workshops with local stakeholders, development actions under the following themes are prioritised: bio and circular economy, energy solutions, transport and logistics, nature and tourism, carbon neutral construction, and sustainable consumption. To secure unwavering support for different actions from the municipal decision-makers, a joint workshop with the city council was organised in August 2022.



	Criteria	Metering
Carbon footprint	Decreases CO2 emissions	Decrease of CO2 emissions Number of companies participating in the regional Climate Partnership co-ordinated by the Regional Council of Päijät-Häme
Carbon handprint	Decreases CO2 emissions from others New innovations	Carbon handprint Number of new innovations
Green business	Creates new green work places	New green work places /green work places vs. other work places Sustainable Growth Index
Cross-cutting criteria	Easiness, costs	

One of the main preconditions for successful implementation of the Roadmap is securing of resources, both know-how and funding. The Business and Vitality Service Unit of the City provides funding advisory and hands-on support for local SMEs (including open webinars and seminars, already organised/under planning) and, together with regional RDI and other partners, is constantly seeking funding for wider development and investment needs arising from the community. All proposed actions and overall realisation of the Climate Roadmap are evaluated in three ways: decrease of carbon footprint, increase of carbon footprint and effect on local and regional vitality.

In order to accelerate information dissemination and stakeholder participation, Heinola City has launched a dedicated [website](#) (in Finnish) to communicate the proceedings and upcoming events for wider audiences, and to distribute relevant background and follow-up information about climate and energy issues.

In October 2022, the Finnish Government approved an amendment to the national Climate Act. In the future, the law obliges municipalities to prepare a climate plan alone or together with other municipalities in the region. Thanks to the work done in SME Power, Heinola City is already now profoundly prepared for the upcoming regulatory challenges.

As European policy makers approach the complex world of support for low carbon SMEs from different angles, interregional cooperation is key to identifying good practices that can be integrated, merged and adapted. Therefore, SME POWER's partnership gathers complementary experiences and builds on a shared vision. Policy support for SMEs must be designed with a synergic approach, promoting measures for SMEs' decarbonisation efforts and therefore a net-zero Europe by 2050.