



EUROPEAN COMMISSION
RTD - Energy
ENER - Renewables, R&I, Energy Efficiency
JRC – Institute for Energy and Transport
SET Plan Secretariat



Issues Paper No.3 - DRAFT

Version 17/12/2015

3.2: Smart Cities and Communities

(Create technologies and services for smart homes that provide smart solutions to energy consumers)

Purpose of this document

This document¹ is intended to progress the implementation of the actions contained in the SET-Plan Communication², and specifically the actions concerned with Action 3 "Create technologies and services for smart homes that provide smart solutions to energy consumers". It is part of a series of Issues Papers jointly prepared by the European Commission and discussed with the representatives of the EU Member States and countries part of the SET-Plan, working together in the SET-Plan Steering Group.

The Issues Papers are sent to stakeholders for comments/feed-back. They are meant to propose to stakeholders strategic targets/priorities in different areas of the energy sector. They will frame the discussions of the SET-Plan Steering Group with the stakeholders within Action 3 and will be used to come to an agreement on targets/priorities.

The issue paper for this action is split in two parts looking first at Smart solutions for energy consumers (3.1), i.e. mostly households and then at building/district level with the Smart Cities and Communities initiative (3.2). An energy system level perspective is taken under Action 4 dealing with energy systems.

Stakeholders are invited to take position on the proposed targets in accordance with the guidelines set out in the paper "The SET Plan actions: implementation process and expected outcomes" and submit their positions to SET-PLAN-SECRETARIAT@ec.europa.eu by 08/01/2016 at the latest. All relevant documents and material are available on the SETIS website <https://setis.ec.europa.eu/>.

¹ This document is a working document of the European Commission services for consultation and does not prejudge the final form of any future decisions by the Commission.

² "Towards an Integrated Strategic Energy Technology (SET) Plan: Accelerating the European Energy System Transformation" (C(2015)6317)

Introduction

Cities and urban communities have a crucial role to play in the implementation of the energy policy for 2020 and 2030. About 3/4 of the population in Europe lives in and around urban areas, consuming 70% of the EU energy and emitting about the same share of greenhouse gases and the trend is rising. Mobility in cities is at the same time an imperative need and an issue, transport being also source of congestion, greenhouse gas emissions and pollutants / particles which can be harmful to the health of citizens owing to the use of internal combustion engines using hydrocarbon fuels. Quality of life and the attractiveness of cities as environments for learning, innovation, doing business and job creation are now key parameters for success in the global competition for talent, growth and investments. On this basis, the Commission established the European Innovation Partnership on Smart Cities and Communities (EIP SCC, COM(2012) 4701 final). SCC aims at bringing together local authorities, industry and citizens to accelerate the market rollout of sustainable innovative solutions integrating energy, ICT and transport.

In the global smart city market, which is evaluated to be around €1.3 trillion in 2020, one of the key challenges to provide solutions that significantly increase cities' overall energy and resource efficiency through actions addressing the building stock, energy systems and mobility.

Urban spaces should use secure, affordable and clean energy, smart transport services, low and emission-free vehicles, smart tools and services. Showcasing economic viability of these solutions will help to create new markets and new jobs. Therefore, it is important to bring together cities, industry and citizens to demonstrate solutions and business models that can be scaled up and replicated, and that lead to measurable benefits in energy and resource efficiency.

Deleted: smart electro-mobility

Formatted: Font color: Orange

The Smart Cities and Communities initiative is not specifically aiming at one technology but is integrating many of the technologies and issues. There is therefore a number of links with other actions of the SET-Plan such as consumers, energy systems, energy efficiency, and sustainable transport.

Targets

The main challenges are to reduce energy use, environmental impact and carbon footprint, entail competitive industries for jobs and growth and at the same time ensure societal and social development and the well-being of citizens.

Therefore, Smart Cities and Communities innovation is particularly needed in the integration of the different components and actors of the energy and transport systems and in building on their synergies. Other important aspects are the empowerment of consumers and the creation of robust business models to make smart city projects bankable. In the smart city context, mobility should be based on walking, cycling and smart public transport.

Systems and approaches to scale up and to best harness innovative technologies and their synergies are needed. Alongside, the deployment of these solutions at large scale is calling for innovative funding mechanisms and business models involving public authorities, private investors and banks.

The EPBD (Directive 2010/31/EU on the Energy Performance of Buildings) is requesting that, all new buildings must be nearly zero energy buildings by 31 December 2020 (public buildings by 31 December 2018). Renovation of buildings has also an important role to play.

The proposed targets are:

- Bring smart appliances and energy management systems of the houses and buildings to a readiness level that guarantees user acceptance and full integration in the overall system enabling large-scale roll out. These should be capable of handling in a smart way heating and cooling, variable renewables, energy storage, electric car (charging and storing), etc. and tend to meet the target of (Nearly-) Zero-Energy-Houses/Buildings for new buildings in 2020, as set out in the EPBD and EED.
- Develop the necessary interfaces/technologies to connect (Nearly-)Zero-Energy-Houses/Buildings to create zero-energy blocks and districts by 2020. This includes also intelligent connections and control of the whole urban energy system.
- Provide cities in the coming years with information on demonstrated technologies and systems for new and refurbished buildings, effective urban energy systems and carbon free transport systems with a focus on smart public transport and advanced logistics, which will help cities to reduce their primary energy consumption / GHG emissions, in particular those who committed to reduce their CO₂ emissions by 20% by 2020 in the Covenant of Mayors.

Comment [A1]: We could highlight the importance of the whole transport chain, not only public system

Deleted: ation/low carbon transport system

To achieve these targets several of the following things are needed:

- Use of latest generation ICT, smart meters, smart appliances, smart energy management, thermal mass; smart management of electricity, heat, cold, gas or other grid systems (including water and waste);
- Effective combination and smart control of multiple sources of energy to a holistically optimized urban energy system, focusing on effective urban energy production system like district heating combined with power production (CHP) utilising energy storages and possibly also integrated cooling energy production (tri-generation)
- ICT and intelligent transport systems for improved public transport and advanced logistic systems, new service models for the transport systems, transport systems delivering energy efficiency, zero emissions, high level of service and resilience
- Incorporated RES based to a large degree on a high level of local resources (including industrial waste energies, waste heat, electricity and/or heat storage) and high shares of self-consumption;
- Low-emission electric and biofuel vehicles, smart EV charging (grid to vehicle and vehicle to grid) ensuring a positive impact on the whole energy system from a technical and economic point of view;

Deleted: e

and the following issues have to be tackled:

- Study and evaluation of all synergies between these single components;
- Creation of (Nearly-) Zero-Energy-Building-Blocks / district through intensive interaction between the buildings for increased synergies, efficiency and decreased costs. Creation of respective building interfaces allowing to cluster single buildings into integrated blocks / districts;
- Active inclusion and empowerment of the tenants;
- Improved planning management, control and maintenance of physical urban infrastructures and operational technologies in buildings, energy and transport;

- Development of innovative Business Models to demonstrate that both technical and financial risks are low enough for large scale investments in cities;
- Development of tools for scalable integrated design, simulation and multi-criteria optimisation to enable multi-stakeholder analyses of different spatial and sectorial perspectives;
- Data protection and privacy in an increasingly data intensive smart city environment.
- Treating the energy system, the built infrastructure and the transport system as a totality in future smart cities.

Monitoring of the target:

- To assess the progress and performance of the tested smart appliances and energy management systems, it is proposed to use the following indicators:

- 1) An estimate of the cost of renovation or close to zero energy construction per square meter,
- 2) The amount of energy and GHG savings per square meter and per year,
- 2B) The amount of energy and GHG savings per investment cost and inhabitant
- 3) The amount of GHG savings from the transport solutions per inhabitant
- 4) The share of public transport in passenger traffic
- 5) The share of electricity and sustainable biofuels in transport
- 6) An ad-hoc 'Technology Readiness Levels' evaluating how close the solutions are from market

- To assess the level of connection between buildings / districts allowed by new technologies and systems:

- 1) An estimate of the cost for the interconnection per number of connect square meter,
- 2) The amount of energy exchanged between buildings per square meter,
- 3) Improvement in the difference between peak and min power demand as a percentage of peak power,
- 4) An ad-hoc 'Technology Readiness Levels' evaluating how close the solutions are from market.

- The availability of information on demonstrated technologies and systems for new and refurbished buildings should materialize via a publicly accessible web site.

Ultimately, estimation of the penetration of such solutions over the years and an overall estimate of primary energy savings, GHG savings and increase of share of renewables could be made.

Proposed actions

Comment [A2]: Transport related targets should be visible

Formatted: Indent: Left: 0 pt

Deleted: 4

While Horizon 2020 will continue to support this action via Calls for Proposals in the field of Smart Cities and Communities, the goal of this round of consultation is to consult stakeholders and Member States to identify a limited number of priority actions which:

- have a strong added value to be carried out at EU level and or through collaboration between Member States,
- have a strong leverage i.e. will need a limited or no support from Horizon 2020 but will pool together a number of resources,
- for which the progress and achievements can be monitored with indicators.

We are therefore looking for your views. The annex below reproduces actions which were identified in the document 'Towards an Integrated Roadmap: Research & Innovation Challenges and Needs of the EU Energy System' and can be used as a basis but proposals for priority actions do not necessarily need to be based on this list.

Annex: Relevant R&I actions based on the Integrated Roadmap document

Sustainable districts and built environment

Industrial research and demonstration:

- Develop new decision tools for local authorities on refurbishment of districts to near-zero energy levels, which need to be integrated in multi-criteria toolkits.
- Develop auditing tools and frameworks for policies on near zero energy districts & buildings and integrated modelling methods for refurbishment of districts, to increase the capacity of local authorities in planning and implementing renovation strategies.
- Develop solutions linking smart energy network applications with multiple energy sources and local storage at district level to buildings.

Innovation and market uptake:

- Validate digital platforms for city design and planning, to pilot the auditing frameworks developed, in order to enable their roll-out on a large scale, and to promote the integration of holistic zero energy district solutions and renovation projects in urban planning policies. In this regard, the regulatory aspect of data sharing must be addressed in order to define the different roles and tasks of different stakeholders to promote an effective and not discriminatory use of the data.

Networks of Infrastructures

Industrial research and demonstration:

- Develop and demonstrate technological solutions to increase the performance of existing urban infrastructures and enable new innovative services.
- Develop solutions to enhance the synergies between the various infrastructures as well as new communication solutions; demonstrate standardized and interoperable ICT real-time solutions as well as integrated metering solutions for the different networks.
- Integrate common electrical equipment and storage in different public transport network systems to optimize the infrastructures investments.

Innovation and market uptake:

- Optimize the costs of existing infrastructure and determine and demonstrate the value of integration across different infrastructures.

Integrated infrastructure-based services

Industrial research and demonstration:

- Develop tools for integrated infrastructure planning and new planning approaches for urban space used by the various networks.
- Deploy ICT-based tools, devices and interfaces enabling the citizens to be informed about infrastructure-based services and to provide information for the operation of local infrastructures.
- Create new architectures for integrated networks and new services, e.g. integrating information about customers' consumptions, in order to couple local energy sources and the various energy demands

Innovation and market uptake:

- Develop solutions and procedures to integrate public works and to foster common maintenance operations. Develop new business models to increase services based on common infrastructures.

Fuel and fleet diversification

Industrial research and demonstration:

- Demonstrate waste brake energy for batteries in buses and electro-mobility solutions for private

Comment [A3]: Hybrids are common technology and no special actions are needed

and public transportation vehicles; foster the use of bio-based fuels.

- Develop infrastructure and operational solutions to foster zero emission harbours and airports.

Comment [A4]: Especially electric buses have strong link to the local energy system

Innovation and market uptake:

- Address the non-technological barriers hampering the deployment of electric passenger cars, hydrogen-based transport and other mobility options in cities.

Comment [A5]: Why promote passenger cars focus on public transport instead

Energy performance of transportation systems

Industrial research and demonstration:

- Develop interoperable infrastructures and data solutions for services and logistics and smart charging solutions for electric vehicles fully integrated into the electricity network.
- Develop zero/low carbon transport system
- Develop smart public transport and logistic systems making use of ICT, new business models

Innovation and market uptake:

- Design strategies for consumer acceptance of new mobility patterns.

Governance

Industrial research and demonstration and innovation and market uptake:

- Establish platforms for intra-city cross-department collaboration; develop an evaluation and monitoring framework for local policies; and educational programmes on policy evaluation.

Funding and Financing

Innovation and market uptake:

- Establish city strategies and assistance services for local authorities to improve the quality of potential projects in view of ensuring funding; develop platforms and frameworks to ensure the applicability of new innovative financial instruments; and develop business models and other capacity building measures to support complex projects combining several funding options.