

SME POWER

Interreg Europe



European Union
European Regional
Development Fund

Good Practice: ENERGY AID Finland

Heinola City
Partner

Peer Review session 20.11.2020

GP Description:

Energy Aid, Finland

1. What the GP is about?

- The key aim of the Energy Aid grants is to promote the development of **innovative solutions for replacing the energy system with a low-carbon alternative** in the long term.
- Energy Aid can be granted for climate and environment friendly **investigation and investment projects that increase energy efficiency and the use of renewable energy.**



GP Description:

Energy Aid, Finland

... What the GP is about?

Specific objectives

- Growth of renewable energy use
- Energy savings through energy efficiency
- Adaptation of new technology
- Support for implementation of voluntary energy audits (audits aim to analyse the gross energy consumption of the audited company, investigate the potential for energy saving and present the proposed saving measures, including the relevant profitability calculations).

GP Description:

Energy Aid, Finland

2. Why is it a GP: what is its evidence of success?

- **Public intervention**

- The Ministry of Economic Affairs and Employment co-ordinates the national EE policy in Finland and provides the funds for Energy Aid. The Ministry is also the managing authority of ERDF & ESF in Finland.

- **Clear structure**

- Annual budget from the Ministry
- Clear focus on energy efficiency
- Business Finland and its responsible Energy Aid team – grant management and processing of applications
- SMEs are among eligible applicants
- Electronic application system, applications can be submitted continuously

- **Concreteness of impact monitoring and evaluation**

- The projects themselves are mapping the current situation of energy efficiency, and energy savings targeted & achieved in the companies as a result of the project

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GP Description:

Energy Aid, Finland

...Why is it a GP: what is its evidence of success?

- Since 2013, Energy Aid counts for 18% of public funding for energy investments in Finland.
 - Of the total € 393 million granted, approx. 270 million was directed to renewable energy and 123 million for energy efficiency.
 - Aid volumes in 2017-2019 count 70 projects for € 63 million.
- The instrument has enabled investments that would not have come true as without it.
- Recipients are quite satisfied with the Aid - the interaction has been smooth, with necessary information available and not too complicated procedures of applying and reporting.
- The Aid has contributed positively to development of the energy system to low-carbon direction.
 - It has had a big impact on the objectives pursued (e.g. increased investment in renewable energy production, faster adoption of new technology, increased energy efficiency and use of renewables, lower energy costs, improved organisational image, smaller carbon footprint and increased environmental responsibility).

GP Description:

Energy Aid, Finland

3. Who are the actors involved in this GP?

- **Beneficiaries**

- Companies of all sizes, including SMEs, self-employed persons, traders and sole traders, as well as communities and organisations, such as municipalities, parishes and foundations.

- **Fund management**

- The **Ministry of Economic Affairs and Employment** provides funds for the Energy Aid in its annual budgets.
- **Business Finland** (government organisation for innovation funding) is the grant management organisation (processing and evaluation of applications and projects) with a specialised Energy Aid team (6 experts).

GP Description:

Energy Aid, Finland

...Who are the actors involved in this GP?

- **Support and advisory**



- **Enterprise funding experts in 15 regional ELY Centres** (governmental Centres for Economic Development, Transport and the Environment) under the Ministry of Employment and the Economy.
 - In the regions, Business Finland's locations are in the same premises with ELY Centres in most towns and cities.
 - This concerns also the Energy Aid Team members, located in 5 different parts of the country, namely the capitol Helsinki, Lahti, Tampere, Seinäjoki and Oulu.
- Government-owned **Motiva Ltd** provides advisory and information (e.g. seminars on energy efficiency) + also services for the Energy Aid projects (ESCO etc.)
- **Municipal/regional business development agencies or units** (advisory, support, management of development projects etc.),
- **Private grant advisory and energy efficiency consultants**
- **Equipment/technology providers** that offer their services for the project

Energy Aid in the governmental energy efficiency support landscape in Finland.



Ministry of Economic Affairs
and Employment of Finland



Energy Authority

- The Energy Authority is a licensing and regulatory authority that regulates and promotes operation of the electricity and gas markets, emission reductions, energy efficiency and the use of renewable energy.
- Responsible for the practical implementation of certain measures to promote energy efficiency.
- Its tasks concern energy efficiency agreements, energy audits, consumer guidance in and communication on energy-related matters, and the ecodesign requirements and energy labelling of products.

Ministry of Economic Affairs and Employment (MEAE)

- Represents Finland in energy efficiency matters within the EU and in other contexts of international cooperation.
- Co-ordinates national energy efficiency policy, and monitors developments in the field.
 - The managing authority for ERDF and ESF in Finland.
 - National Energy Efficiency Working Group since 2018

Annual budget

ENERGY AID €

- The key aim of energy aid is to promote the development of innovative solutions for replacing the energy system with a low-carbon alternative in the long term.
 - Energy aid can be granted for investment and investigation projects.
 - As a rule, Business Finland will process all the aid applications.
- The Business Finland innovation funding centre grants aid for projects whose acceptable costs do not exceed EUR 5 million and for projects involving new technology whose acceptable costs do not exceed EUR 1 million., and aid for higher investment costs is granted by the Ministry of Economic Affairs and Development.

Administration of
Energy Aid applications

BUSINESS FINLAND INNOVATION FUNDING CENTRE

- The government organisation (under MEAE) for innovation funding and trade, travel and investment promotion.
- Offers funding for research, product development, and many kinds of business development needs, especially for SMEs.
- Large companies and research organizations can receive funding for joint projects with smaller companies.



Motiva Oy

- A government-owned company that carries out practical work to promote energy saving and the use of renewable energy sources.
- Provides the public sector, businesses, municipalities and consumers with information, solutions and services that allow them to make resource-efficient, effective and sustainable choices.

BUSINESS FINLAND

GP Description:

Energy Aid, Finland

4. What are the key challenges that were faced in the implementation of this GP?

- **Information dissemination for SMEs could be more efficient (campaigns etc.)**
- **Advisory on regional and local level**
 - More knowledge and resources needed e.g. in municipal and regional business development agencies and municipal business development units
- **Trainings for applicants – not only applying, but also project administration**
 - Equipment/technology providers that offer their services for the project usually help the applicant with the application. One problem is that this help covers the application phase, but during the implementation and reporting phase companies are often left quite “alone”.

GP Description:

Energy Aid, Finland

5. What elements of this GP could be transferred?

- Concrete support mechanism for SMEs
- Grant for SMEs with direct focus on energy efficiency
- Both for investigations and investments
- Processing of electronic applications around the year
- Utilisation (fast copy) of existing experiences and templates for managing the application process

GP Description:

Energy Aid, Finland

6. Resources needed

- Annual budget
- Responsible team for grant management & processing of applications + reports (Business Finland: team of 6 experts, located in different parts of Finland)
- Web page, instructions and support systems
- Electronic application system, applications can be submitted continuously
- Background support from the organisation, e.g. Business Finland has proven procedures & personnel + own communication unit

Examples of instructions and templates for applicants

....Resources needed

Appendices (appendix to the investment or investigation project application, energy aid evaluation form and project plan) to the application have to be submitted either in Finnish or Swedish.

- [Appendix to the investment project application](#) (docx)
- [Appendix to the investigation project application](#) (docx)
- [Energy aid evaluation form](#) (docx)
- [Also read the energy aid project plan instructions](#) (docx)

The project plan contains a brief description of the activities of the applicant organization, its ownership, the main key figures (turnover, number of employees) and a description of the property or production process related to the investment/platform.

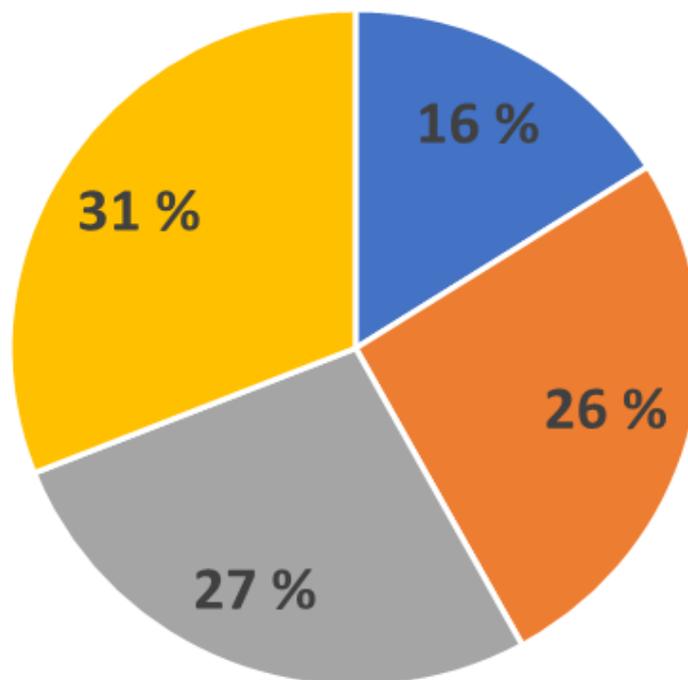
The description, technical specification and cost breakdown of the investment are also part of the project plan and its attachments (e.g. offers). The objectives of the investment, including the numerical value and profitability calculation (payback period), must be included in the project plan, as should the applicant's knowledge of the status of the relevant official permits related to the investment.

The applicant should carefully read the [General terms for energy aid](#) (pdf), which describe in detail the content of eligible costs, for instance.

Distribution of Energy Aid between different themes

DISTRIBUTION OF ENERGY AID

Source: Ministry of Economic Affairs and Employment, Finland

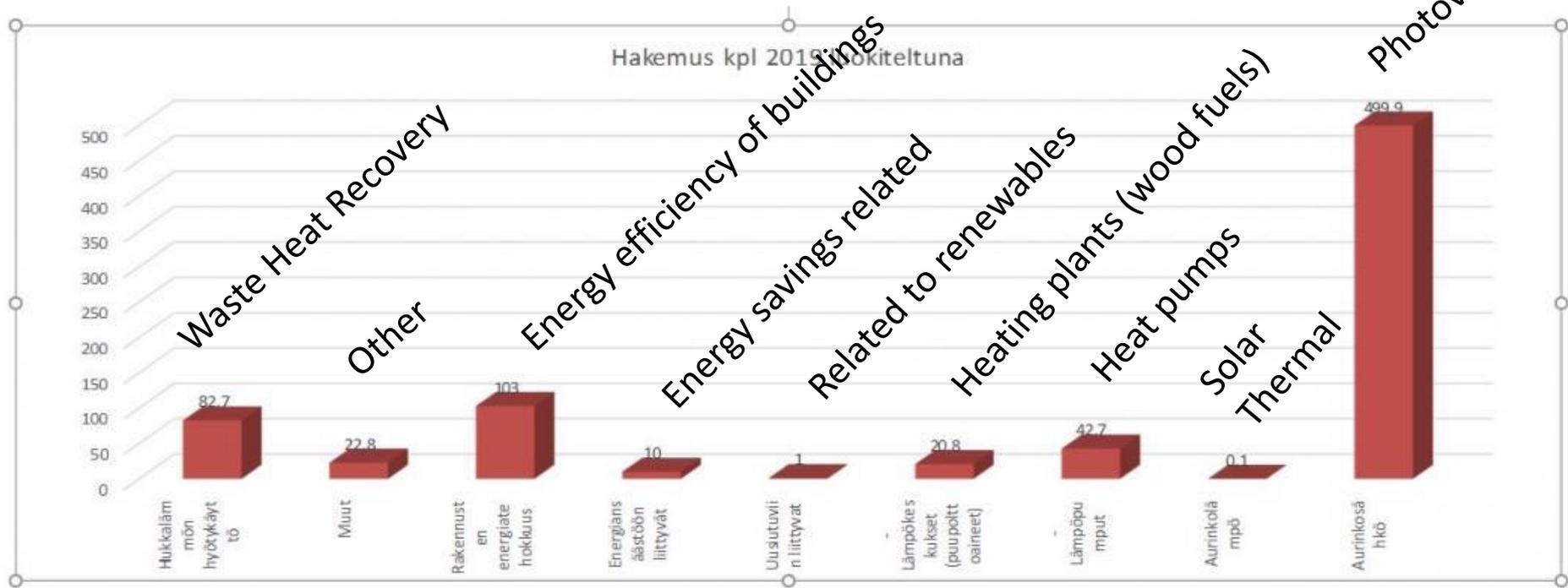


■ Heat production ■ Electricity production ■ Fuels ■ Energy efficiency

Aid percentage in different energy efficiency projects (investigations or investments):

INVESTMENTS PROMOTING ENERGY SAVINGS AND ENERGY EFFICIENCY IN 2020 (CONVENTIONAL TECHNOLOGY)	
Investigation projects:	Investment projects:
<ul style="list-style-type: none"> • energy audits in the municipal sector, micro-enterprises and SMEs related to energy efficiency agreements, 50% • other energy audits, analyses and investigation projects, 40% 	<ul style="list-style-type: none"> • 20% for companies and communities that have entered into <u>energy efficiency agreements</u> • 25% when the ESCO service is used in the above • 15% for companies and communities other than those that have entered into energy efficiency agreements when the ESCO service is used <p>Further information on energy efficiency agreements: https://www.motiva.fi/en/solutions/energy_efficiency_agreements</p>
PROJECTS INVOLVING NEW TECHNOLOGY	
<ul style="list-style-type: none"> • investments in renewable energy sources and energy efficiency, new technology, 20-40% <p>Projects involving new technologies can also receive increased support on a case-by-case basis (20-40%) for companies and municipalities that have not entered the energy efficiency agreement framework.</p> <p>"New technology" means novel solutions that have not been experimented with on a broad scale in Finland. Typically, this means a first demonstration plant or plants. The adoption of new technology usually entails extra costs or risks compared to a corresponding project implemented using conventional technology. Solutions involving new technology play an important role in achieving long-term energy and climate goals.</p>	

Classification of Energy Aid applications in 2019



2019 Energy subsidy applications classification, pcs

SME POWER

Interreg Europe



European Union
European Regional
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Thank you!

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<https://www.businessfinland.fi/en/for-finnish-customers/services/funding/energy-aid>

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Questions welcome



Project smedia