



T3 FOSTERING THE CO-CREATION OF LOCAL ENERGY COOPERATIVES AND IMPLEMENTATION OF CITIZEN BASED PILOT ACTIONS

A.T3.3 IMPLEMENTATION OF PILOT ACTIONS IN MUNICIPALITY OF BUDAPEST ZUGLÓ

**D.T3.3.2 - Report on pilot project
implementation in Municipality of Budapest,
Zugló**

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1. Introduction

The Report on pilot project implementation in Municipality of Budapest Zugló is developed for providing main lessons learned from implementing the pilot actions, establishing the Energy Community Action Group using participative tools for citizen engagement during the implementation of mentioned activities in Municipality of Zugló. The document highlights the main problems and obstacles which posed a risk for successful realization of implementing pilot action and establishing the Energy Community Action Group and clearly describes counter actions and solutions adopted by responsible project partner in real case scenario.

Through the first chapter of the document the implemented pilot action was specified by means of its experimental nature and demonstration character, expected impact and benefits of its implementation for the concerned territory and target groups and leverage of additional funds if applicable, sustainability of the pilot action results and transferability to other territories and stakeholders. After specifying the pilot action in Municipality of Zugló, the lessons learned and added value of the action to transnational cooperation were elaborated as well as its contribution to relevant regulatory requirements, sustainable development (including possible environmental effects) and horizontal principles including equal opportunities and non-discrimination. In order to prove the realization of the implemented pilot action, additional documentation including pictures and photos and other relevant project deliverables, web-links were also provided.

The second part of the document deals with the issue of establishing the Energy Community Action Group in the Municipality of Zugló and elaborates the legal status and other relevant data of the newly established energy group. In connection to that, the main lessons within establishment energy group were outlined. In order to ensure the sustainability of established consumer energy group in targeted region and its operation outside of the project duration, it is important to invite new members to be a part of the group and further encourage the implementation of community energy projects.

All the lessons learnt within the mentioned activities are considered to be key (both positive and negative) experiences collected throughout the lifecycle of a pilot project action and establishment on consumer energy group and are reflecting the knowledge and understanding of relevant partner, which can be convert into actions aiming at fostering the implementation of energy projects important for the community in the future. All the lessons learned while implementing the pilot action,



establishing the energy group and using participative tools for citizen engagement during the mentioned activities in Municipality of Zugl6 are compiled with main lessons learnt in other project partner regions in one common document D.T3.14.3 Lessons from developing citizen energy in Central and Eastern Europe.

2. Implemented pilot action in Municipality of Forli

2.1. Specification of implemented pilot action

Table 1 – General information on implemented pilot project action

Project deliverable and title of the pilot actions	Measure together!, Greener together, <u>Let's go green together!</u> Eco-Map of Zugl6, Community bike storage
The main goal of pilot actions	Provide opportunity for citizens, NGOs, and public institutions to collaborate on different projects aiming to support Zugl6's plan on energy efficiency and CO2 reduction
Start and end date of the pilot actions	01.11.2021-05.05.2022
Technical information on the implemented pilot action (break down of investment costs)	Measure together 3000 EUR, Let's go green together! 1000 EUR Eco map of Zugl6 8600 EUR, Community bike storage: 4700 EUR

Please describe the implemented pilot action in in Municipality of Forli in accordance with the following aspects:

<p>Experimental nature and demonstration character of the pilot action:</p> <p><i>The 4 pilots offered different areas of cooperation to the sectors in Zuglo. The pilot projects in Zugl6 aimed to provide different types of services: the Measure Together! project facilitated cooperation between municipal institutions and companies, the Greener Together! project aimed to explore the cooperation between NGOs, citizens and SMEs, the Eco-Map project aimed to explore the knowledge of NGOs and citizens, and the Bike Storage project aimed to provide a new, community based service for the public.</i></p> <p><i>All the projects had a very strong awareness raising perspective but also provided "learning by doing" opportunity for the collaborators.</i></p>
<p>Expected socio-economic impacts¹ and benefits of its implementation for the concerned territory and target groups and leverage of additional funds if applicable:</p> <p><i>The pilots provided an opportunity to develop cooperation skills among the groups concerned, as well as to transfer knowledge between different sectors and institutions. The most important result was the creation of a network of contacts and a common goal, which the actors were able to promote through different means.</i></p>

¹ Such as new knowledge and improved skills, stronger community engagement, integration of socially excluded, target groups, etc.



Sustainability of the pilot action results in the future after the project end and transferability to other territories and stakeholders:

The Municipality of Zugló is committed to the implementation of the Community Climate Strategy and therefore considers it abandoned to continue the pilot projects for which it will provide budgetary resources. Any of the projects can be replicated in other cities.

Please shortly describe if your pilot action has had any relevant impact on the attitude of stakeholders towards similar projects in your region. Existence of increased interest or dialogue, changes in relations while implementing pilot action:

During the project, the Municipality of Zugló paid special attention to the generation of cooperation through the pilot projects not only to improve cooperation skills but also to possibly launch independent community energy projects. We monitored the changes in the legislative background and initiated several stakeholder forums with community energy projects under implementation.

Main problems/milestones/challenges/risks connected to the pilot action which influence its successful implementation and the solutions for overcoming them:

The Municipality of Zugló encountered problems several times during the project and had to redesign the pilot projects. Some of these were related to a lack of a suitable legal background, but also of funding and some other administrative obstacles occurred as well. The implementation of the community bike storage has also faced technical problems that were handled by changes in the chosen technical solutions.

Contribution of pilot action to relevant regulatory requirements, sustainable development (including possible environmental effects) and horizontal principles including equal opportunities and non-discrimination in targeted region:

During the implementation of the pilots, it was a priority to measure the contribution of each project to CO2 reduction. For some projects, this is only indirect, e.g. in the case of Measure Together! Unified Measurement System evaluation provides policy recommendations, or OKO-Map's carbon footprint reduction proposals have a behaviour-shaping effect. In some cases, we could only quantify the results, e.g. in the case of the Let's green together! where we measured the effect of the new lifestyle, but we also measured the avoided CO2 emission in our partner that runs Community gardens.

We are currently preparing the continuation and extension of the Measure together! project to all institutions in Zugló, which we hope will be approved by the board this year.

All pilots were implemented in an inclusive way, avoiding any discrimination and due to their nature, they all support sustainability.

Pilot action documentation of corresponding activities while planning and implementing the pilot action including pictures and photos and other relevant project deliverables, web-links, etc. proving the implementation of the pilot action:

The project was documented on the following channels: www.mizuglonk.hu
<https://www.facebook.com/mizuglonk>, and we had several release in www.zuglo.hu
<https://www.facebook.com/zuglo14> www.zugloiokoterkep.hu

news about the community bike sharing facility:

<https://energiaklub.hu/en/news/the-first-community-bicycle-storage-in-hungary-is-now-up-and-running-5081>

<https://energiaklub.hu/hirek/kozossegi-akcio-tamogatja-az-onkormanyzati-klima-celok-megvalositasat-zugloban-5034> (only in HUNGARIAN)



More information can be found in D.T3.3.1 - Implementation facts about the pilots.

2.2. Lessons learned while planning and implementing the pilot action

Elaborate the lessons learned while planning and implementing pilot action and description of added value of the implemented pilot action to transnational cooperation and knowledge transfer within the partnership.



The projects involved the community in mini actions that could contribute to the district's climate protection goals: the 40% carbon emission reduction that the district has committed to achieve by 2030, which can only be achieved in partnership with local actors.

The implementation of the four pilot projects were accompanied by events to strengthen local communities, encourage people to go green and bring together NGOs and businesses in the district. The role of the local government in this respect is primarily to promote a green approach and to act as a facilitator, organiser and information-sharing body, thus helping the residents and businesses of the district.

The examples of the other participating partners within ENES-CE project helped the Hungarian team to overcome difficulties.

2.3. Lessons learned while using the tool Community energy investment guidelines for defining technical, legal and economic aspects of selected pilot action

Describe how the tool was used while planning the pilot action in the region and elaborate the lessons learned while using mentioned tool in aspect of identifying and selecting the implemented pilot action (D.T2.2.2 Community energy investment guidelines – technical, business and legal aspects).

We translated the Community energy investment guidelines and disseminated them in our partner organizations and municipalities. We also used them as a base of discussion in our stakeholder forums. But generally the method described was not relevant as we wanted to establish an energy efficiency group and not one aiming for renewable energy production.

3. Established consumer energy group in Municipality of Zugló

3.1. Specification of established consumer energy group

Table 2 – General information on established consumer energy group

Project deliverable	Memorandum of Understanding -establishment of Zugló Energy Group
Name of consumer energy group	Zugló Energy Group



Establishment date of consumer energy group	2022.04.22
Legal status/form of established consumer energy group and connection to relevant regulatory framework if applicable	Memorandum of Understanding (MOU)
Number of members	7

Please describe the characteristics of established consumer energy group in Municipality of Forli in accordance with the following aspects:

<p>Direct positive and/or negative effects of the establishment of energy group in Municipality of Zugló:</p> <p><i>During the ENES-CE project we worked on the involvement of citizens and engagement of NGOs and SMEs in Zugló. We organized several meetings with stakeholders and also facilitated an engagement process with our partner KÖFE (Community Builder's Association) that led to a successful networking. As the different stakeholders started to know each other better and collaborated for a common task to introduce a formalized Energy Group was a convenient end of the process for all participants.</i></p> <p><i>As we decided to use the MOU format we concentrated to NGOs and SMEs and left behind individuals and other non formalized groups.</i></p>
<p>Main problems/obstacles/challenges occurred during the establishment and operation of consumer energy group in Municipality of Zugló and how they were solved by responsible partner:</p> <p><i>We had to face with a regulatory gap in the beginning of the project as to establish an energy Community Group in Hungary was not possible in the beginning of the project. In 2021 the Government finally launched a new regulations but that was limited to the creation of groups for energy production. During the involvement and the engagement process we had a special help KÖFE that led the process and gave us a professional background. We started with a much larger stakeholder circle but during the generally long process we lost some important stakeholders. Also we had to face general problems caused by covid restrictions (motivation loss, There is a challenge how we will facilitate the future common workflow without KÖFE help, but as we have some budget for boost the process we believe that we will be able to continue.</i></p>
<p>Please describe the differences between different stakeholder groups included in the established energy group and elaborate their interest on further dialogue, cooperation and changes in existing relations:</p> <p><i>We have involved institutions and companies with links to local government where working with professionals has been very effective but due to bureaucratic decision making mechanisms and other administrative hurdles they have not been included in the Energy Group yet. The most flexible group were the NGOs with whom we worked closely throughout the project. The biggest problem here was staff turnover and ensuring organizational capacity. With private individuals, we have gone as far as engaging and generating cooperation in the pilots and changing their behavior. Although we managed to involve many companies in the process, in the end only a few committed</i></p>



ones agreed to join the Group. So far, they see more potential in supporting smaller individual projects than in a longer-term commitment.

The influence of established energy group on further investments in the local energy infrastructure of Municipality of Zugló and their cooperation with public authorities:

So far, our members see more potential in supporting smaller individual projects than a longer-term commitment. The present regulations are also not in favor of involving private (third party) into the public sector. Although during the pilot phase we discovered some alternative solutions to generate private funds to support common energy actions.

Sustainability of the energy group in the future after the project end and possible actions to be taken in the future in order to maintain the active work of the established citizen energy group/cooperative in the target region:

Zugló Municipality is dedicated to fulfilling its obligations by reducing its CO2 emission 40% by 2030. We believe that this cooperation will be an example for other Municipalities in Budapest and beyond.

Citizen energy group has specific interest to implement future energy investments, we already started to plan 2022 actions.

The Group with Municipality support can overcome the present administrative barriers and would be able to kick-off energy and climate related investments and other actions.

We need to provide information and facilitate the Group by organizing meetings, support their networking capacity and provide financial source for projects.

We received a small amount from the central budget (10.000 EUR) to continue the facilitation of the MOU and the Group.

3.2. Lessons learned while establishing and working with consumer energy group in Municipality of Zugló

Elaborate the lessons learned while establishing and working with consumer energy group in Municipality of Forli and describe the added value of the established consumer energy group to transnational cooperation and knowledge transfer within the partnership.



As we had to wait for the regulations to be sure about what type of energy group we should establish we lost lots of time that we would spend with the building up of the community. As we also had to change the pilot projects during the project period the available timeframe was not enough to really prepare the ground for the collaboration. Especially the Municipality with the very bureaucratic and inflexible operation was a barrier on our process. The idea that we could use the pilot projects as the starting phase of the collaboration was a good method.

I would like to present our experience with the different sectors one by one.

To gran the citizens attention was very hard during the covid period. As people generally lived their life online the online sessions and workshops were not popular. After the restrictions as the closures eased, slow progress was observed only in terms of interest, but generally these were also associated with people who were already committed to mitigating climate change by changing their own lifestyles. We only managed to break out of this "bubble" with our oeco-map pilot but we could not measure it's success. In the business sector, we have primarily tried to involve larger companies committed to sustainability, such as IKEA and Siemens, as indicated in the proposal. But we also considered it important to involve local SMEs, and in the end we found that smaller but locally known companies were the most active. We focused on local NGOs as they represent the active local citizens. Fortunately, we have been able to work with several organisations that have joined the pilot projects, taking advantage of the opportunities offered by the cooperation platform and the capacity building activities carried out by our partner. We have also developed close links with two national NGOs.

With professional organizations and municipalities, we focused on increasing our professional and legal knowledge and the professional forums and conferences proved to be very useful for all parties.

3.3. Lessons learned while using the tools for participatory energy planning in establishment and future operation of established consumer energy group in Municipality of Zugló

Elaborate the lessons learned while using of mentioned tools in aspect of engaging relevant stakeholders in local energy planning and using relevant communication tools and strategies which will further engage the community, e.g., citizens in local energy planning in targeted region (D.T2.2.1 Co-design workshop methods for engaging participants into local energy planning and D.T2.2.3 Communication methods for local energy plans and creating an atmosphere of acceptance).

The tools were discussed during the stakeholder Forums and conference.

It would have been very useful if the authors had put more emphasis on mapping needs when compiling the content of the methodological booklets.



4. Policy recommendations for creating more stimulative energy focused community

Please insert below any comments and/or propose possible policy recommendations for creating a more stimulative energy focused community that you might have in connection to the preparation or implementation of your pilot projects (implementing defined pilot action, establishing consumer energy group) or those that are reflecting the drawn lessons learned while implementing pilot projects in your region.



The creation of the legislative environment for energy communities in Hungary has been very slow and is event not yet completed. and changes are still needed. Unfortunately, the community energy legislation in Hungary applies only for renewable energy production and, unlike to? the German example, cannot benefit individual investors because only non-profit organizations can be the parts/owners of of energy communities. The idea of the energy group for energy efficiency in the proposal was to implement energy efficiency actions primarily for social or municipal purposes. The idea was flawed because the current legislation does not allow public institutions to accept donations, but without them such a program cannot be implemented.

The current legal environment is also not conducive to the establishment of energy communities/cooperatives for energy efficiency. Therefore, the project has sought to facilitate the development of partnerships by networking, joint projects and direct channeling of funds to NGOs. We believe that during the project we have used a number of methods that could be useful in facilitating cooperation between different sectors at European level in the creation of small community peer support groups. Our suggestion is therefore that support programmes should be available in the future to strengthen these collaborative skills in the stakeholders and to help them to generate interdependent community projects in a facilitated way. This would also help to launch social innovations and environment and co-development processes that have a longer-term impact and not just a one-off project.

In general, we suggest that more attention should be paid to the supportive (legislative) background and to the "learning" of collaborative systems and less to the implementation of investment-centered projects. The community processes that underpin the democratisation and social embeddedness of the energy system are time-consuming and our current community experience of participatory democracy is limited.

Furthermore, facilitating community processes that promote cooperation and participation would not require us to create new legal structures or subject us to frequent changes to them.

To see environmental and social investment as the cooperation of individuals motivated only by 'investor' motives is a misguided approach; our experience shows that local patriotism, community belonging and social responsibility can motivate individuals and communities to cooperate too.

Finally, it is important to note that local governments and their institutions are very bureaucratic and "administration-heavy" and in many cases unable to effectively and flexibly facilitate the tasks involved in starting and managing a "business venture".

5. Conclusion

The planning, selecting and implementing the pilot actions in Zugló was a fruitful process with a lot of experiences and valuable outcomes. Despite all difficulties, meantime changes, the actions can be considered as effective.

The inadequate legislative background in Hungary prevented the establishment of a real energy efficiency community energy group in Hungary, although all actions are related to this topic and have a strong community base.



