

# waars

water asset renewable  
energy solutions

Brussels – September 2014

Policy Dissemination

Post-Event Report



Northern  
Periphery  
Programme  
2007–2013

Innovatively investing  
in Europe's Northern  
Periphery for a sustainable  
and prosperous future



European Union  
European Regional Development Fund

## Purpose of the Event

The event was designed to give those unfamiliar with the WARES project an overview of its strategic purpose in the Northern Periphery Programme, as well as sharing insight on the policy landscape for the regions involved in the project and policy recommendations based on best practice encountered in developing the pilot sites across Europe.

The event aimed to attract those with influence and interest in the areas of water utilities, water policy, and renewable energy, with a view to advancing the discussion on the opportunities and challenges that exist in the assets of water utilities. In particular, the event was designed to attract and engage policy stakeholders in order to facilitate and contribute to the policy thinking and development in relation to leveraging opportunities that exist for water utilities across the EU and beyond.

## Event Agenda and Speakers

- 1. Welcome and opening remarks**  
Sonitu Räisänen  
Special Advisor, East & North Finland EU Office
- 2. Overview of the Northern Periphery Programme and strategic projects**  
Jim Millard  
NPP Monitoring Committee
- 3. Purpose of WARES and an introduction to the partnership**  
Ewan Ramsay  
Lead Partner - WARES
- 4. Introduction to Scottish Government's Hydro Nation Policy and its relationship with WARES**  
Barry Greig  
Senior Policy Advisor, Scottish Government
- 5. Policy recommendations**  
Fred Johansen  
Narvik Science Park
- 6. The legacy of the WARES project**  
Aine Carr  
CLAR ICH

### Scottish Water & Scottish Government

The Scottish Government and Scottish Water are working closely to promote water an energy asset and to maximise the use of water assets for the generation of renewable energy. Their pursuits in terms of promoting the PPP model and leveraging assets – domestically and internationally – shares several key themes with WARES and, as such, both are keen to engage with one another to share knowledge and best practice.

## Sharing Project Materials

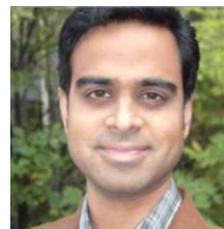
Event materials were distributed via USB sticks at the event. The shared content included:

- all the event presentations
- a policy card
- publications from the University of Oulu
- broad range of templates used by the project



### Dinesh Parakh

#### Program Advisor – RETScreen Internation



Special guest Dinesh was invited to attend the event to share his experience of developing the free RETScreen assessment tool, which was used by the WARES project for pilot assessments.

RETScreen allows landowners to simply and cost-effectively evaluate whether a renewable energy project would be worth exploring in greater detail .

In addition, RETScreen has a policy toolkit, which can be used by policy-makers to model and review the viability of clean energy policies.

## Policy Recommendations

The context of water utilities was introduced, to highlight the energy intensity of water services. From a policy perspective, there is an opportunity to promote an increased utilisation of renewable energy projects within water utilities and overcome existing challenges. For example, regulation and the development of suitable financial instruments could encourage more initiatives in this area.

There were several key policy recommendations. First, there should be a greater level of cohesion between energy and water policy. The water-energy nexus is a significant challenge on the global agenda, and a better understanding of this relationship would be advantageous.

Extending this, a second key recommendation is the co-management of energy and water resources. Despite the inherent connection between energy and water use, it is uncommon for utilities to collaborate – a way in which resource efficiency and cost savings could be achieved.

Third, the Water Framework Directive (WFD) was discussed. The WFD was developed with environmental quality as a priority. For projects such as WARES, the WFD holds limited consideration towards water's energy potential and on limiting water consumption. The important role that water plays in economic development is not addressed by the Directive, and does not promote integration between different water-related sectors or offer guidelines to promote private investment, micro-finance capabilities, or management of water resources.

Fourth, it was recommended that economic growth should be decoupled from water and energy consumption. A greater balance is required between short, medium and long term policies, and policies which are location specific and adopt a holistic approach. As a result, it is felt that an integrated resource governance across environmental sectors should be pursued, with policies potentially including (1) cooperation at the level of the watersheds, (2) integrated water planning and management, (3) applying a life-cycle perspective to the energy production chain, and (4) true water pricing and a revision of subsidies. Europe is relatively heterogeneous in the sense that regions are water-rich, but carbon-free energy and economies of scale still represent challenges and greater communication across administrative boundaries would be desirable in the pursuit of integrated resource governance.

Lastly, regional policies are required which promote public-private partnerships (PPPs). A shift from centralised to decentralised water resource management would result in the development of policies which better meet the needs of communities. In addition, more could be achieved to make renewable energy projects in the water industry more attractive to private investment. The high capital expenditure required and long pay-back periods, when combined with unattractive subsidies, make the development of renewable projects a relatively unattractive investment proposition.

## Project Legacy

A legacy to WARES is important to ensure that the project achieves long-term impact and sustainability. The work that the project has achieved in developing pilot sites across the region has increased renewable generation, and the continuation of this is important to the project. As a partnership that has a body of experience working on EU projects (SMALLEST, MicrE, OCTES, NEES, RASLRES), legacy is also important to ensure that collective lessons and outputs are leveraged by future projects.

The event provided an opportunity for the partnership to share how it has delivered benefit to communities across Europe. WARES has resulted in enterprise and job creation and empowered communities. The partnership has developed robust business plans and models which are now ready to raise external finance. Through promoting these benefits at the event, it is hoped that the importance of community engagement has been realised and that WARES may serve as an example of a successful community empowerment and development project.



Barry Greig delivering a presentation on the Scottish Government's perspective of the WARES project and providing an overview of the Hydro Nation policy.

## Best Practice

Not only did the event aim to share policy recommendations, it also wished to highlight examples of best practice across the NPP region:

### Scotland: Renewable Energy Obligation

The Water Resources (Scotland) Act 2013 has ensured that the management of the country's environments and assets is modern and proactive. This policy places obligation on Scottish Water to:

- Develop the commercial value of its asset base
- Promote the use of its assets for the generation of renewable energy.

The main aim of this policy is to develop the value of water resources, improve productivity and to promote water as an energy asset.

### Ireland: Group Water Schemes

Over 5,500 group water schemes serve 10% of Ireland's population, and they have proven to be an effective model of independent, community-owned enterprises for rural regions. These are owned, operated and maintained privately, most typically in areas not served by a public water supply, with a significant proportion of capital costs for projects. Despite a number of challenges – such as satisfying increasingly stringent water quality demands – GWS provide a successful and crucial service to a large number of rural communities.

## Event Legacy

One of the key outcomes from hosting the event has been the resulting networking opportunities. The WARES project has contributed to future thinking and policy in the area of water utility asset utilisation, and the event served as an opportunity for stakeholders to develop their networks and learn more about the lessons learnt 'on-the-ground' from the partnership.