STAKEHOLDER CONVENTION AND COORDINATION

DISTRICT ENERGY IN CITIES
A GLOBAL INITIATIVE TO UNLOCK THE POTENTIAL OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

INACAP Simposio Empresarial del Maule, Talca, Chile, 28-29 November 2018.
| **1.** | **ASSESS** existing energy and climate policy objectives, strategies and targets, and identify catalysts |
| **2.** | **STRENGTHEN** or develop the institutional multi-stakeholder coordination framework |
| **3.** | **INTEGRATE** district energy into national and/or local energy strategy and planning |
| **4.** | **MAP** local energy demand and evaluate local energy resources |
| **5.** | **DETERMINE** relevant policy design considerations |
| **6.** | **CARRY OUT** project pre-feasibility and viability |
| **7.** | **DEVELOP** business plan |
| **8.** | **ANALYSE** procurement options |
| **9.** | **FACILITATE** finance |
| **10.** | **SET** measurable, reportable and verifiable project indicators |
OVERVIEW

• Establishing a **stakeholder-coordination framework or structure** is key deliverable for all pilot cities in the Initiative (as per 10-step methodology)

• Global best practice can be **adapted** to Chile
  - Champion cities
  - Consultancies & Initiative partners
  - Similar national/local programmes & lessons

• Structures from other city units could be replicated (e.g. air pollution approaches, utilities) and other stakeholder groups

• **Replicable guidance** can be promoted to other Chilean and Latin American cities
  - Methodology and Terms of Reference
  - Training material
  - Chile support to regional trainings
Municipal governments can lead stakeholder engagement at the city-level to support projects alongside engagement by individual project proponents; national bodies can lead stakeholder engagement to support the framework conditions for district energy.

Discussions are complex and hard to control....

Why do we need this?

- Creates projects that will actually happen, products that people buy, ideas that people accept
- It de-risks projects and makes positive investment decisions more likely
- It protects organisational reputation
Two possible stakeholder engagement scenarios

**Gone wrong**
- Lack of information - misunderstandings
- Bad decisions taken on bad information
- Nasty surprises at decision points
- Unnecessary extra time and cost
- Negative impact on credibility
- Project goes nowhere

**Gone well**
- Good governance
- Appropriate resourcing and input
- Predictable decision-making process
- Robust decisions taken on good information
- Strengths and weaknesses are understood
Stakeholder engagement: What it is – and what it’s not

<table>
<thead>
<tr>
<th>What stakeholder engagement is</th>
<th>What stakeholder engagement is not</th>
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<tbody>
<tr>
<td>Genuine two-way process</td>
<td>One way communication</td>
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<tr>
<td>Meaningful dialogue where views are respected and taken seriously</td>
<td>Process where views are managed and people driven in one direction</td>
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<td>A collaborative exercise to reach a solution that works</td>
<td>Pitching or selling a pre-determined solution or project</td>
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<td>Focused on outcomes – e.g. a project that everyone buys into, general happiness</td>
<td>Focused on outputs – interviews have been held therefore stakeholders have had their say</td>
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<td>Structured and systematic engagement</td>
<td>Conversations with the people you know or think you need to talk to</td>
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<td>Change</td>
<td>Behaviour change</td>
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Varying the engagement throughout the project development process

- Introduce stakeholders to the project, collect technical and financial information to inform project feasibility, collect concerns.
- Understand stakeholder commercial appetite, quantify project risk, outline relationship terms.
- Negotiate contracts and secure commitment to connect, manage expectations during construction.
- Keep stakeholders satisfied.

Phases:
- Pre-feasibility
- Feasibility and business case
- Commercialisation
- Construction
- Operation
1. Identification

Stakeholder groups, organisations and individuals are identified. The stakeholder list is refined as the project progresses.

2. Mapping

Stakeholders are mapped and profiled to understand the nature of their interests, goals, concerns and motivations.

3. Prioritisation

Stakeholders are prioritised and visualised on an Influence-Interest Grid.

4. Planning

Appropriate communication channels and resourcing are allocated to stakeholders according to their level of priority. Tailored key messages are developed.

5. Engagement

Emphasis is put on ensuring that all stakeholders understand the purpose of the engagement, as well as the background and strategic vision for the project.
At the **city-level** strong coordination of stakeholders can deliver:

<table>
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<tr>
<th>STRATEGY</th>
<th>Incorporation of district energy into diverse, existing city strategies, targets and plans that integrate city systems</th>
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<tbody>
<tr>
<td>MAPPING</td>
<td>Improved data and knowledge sharing for district cooling and energy mapping</td>
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<td>Early project identification</td>
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<tr>
<td>PLANNING</td>
<td>Development of a long-term city plan for district energy</td>
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<td>Coordination from state-level to city-level planning for district energy</td>
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<tr>
<td>POLICY</td>
<td>Multi-stakeholder input to policy development</td>
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<td>Advocacy for policy change</td>
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Cities can drive district energy development towards city objectives by incorporating DE into existing strategies and targets using district energy to integrate multiple sectors and city systems.

- The Initiative is developing a specific training module on incorporating DCS into strategies to be available on the Virtual Platform

Coordinate city-departments and external stakeholders to multiple benefits of district energy:

- Smart City and electricity efficiency/resilience
- GHG emissions and renewables
- Waste management
- Water stress
- Air pollution
- Urban resilience & emergency planning
- Access to energy
for example...industry

- Identifying waste heat from local industry for direct connection, connection to heat pumps or to absorption chillers
- Identifying industrial users of heating and cooling (manufacturers, data centres etc.)
- Identifying industrial users of steam/hot water (e.g. textiles, food-processing, paper etc.)
- Identifying industrial users of power via private wiring
for example...network routing with other utilities

- Many Stakeholder Group members (telecommunications, water, gas utility, sanitation dept. etc.) could have knowledge and expertise of:
  - Existing pipe network under city streets
  - Planned public works or road relaying

- Good coordination can help projects lower costs by:
  - Identify underground obstacles (e.g. water main) during design and construction
  - Co-locate pipes with other infrastructure
  - Undertake maintenance works on other utilities or road relaying in parallel to network construction

Singapore
Cities can unlock long-term investments in district energy through coherent long-term plans and the integration of energy into local development priorities, multiple strategy definition and urban and infrastructure planning.

for example...long term strategy integration

- **SHORT-TERM**: Initial individual networks develop in highest potential sites
- **MEDIUM-TERM**: Initial networks expand connecting new customers
- **LONG-TERM**: Networks interconnect & connect large waste heat and renewable sources
“You often have land-use folks saying let’s put the buildings here, and transport planners saying how do we get people moving around – and then almost as an afterthought, folks say, well, how do we provide energy to the neighbourhood?

In Vancouver, we pioneered the integration of these various issues into our community building and urban planning.”

Sadhu Johnston, City of Vancouver
THANK YOU!

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http://www.districtenergyinitiative.org/