

# For Skanste PED, how to finance a PED

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Riga

AmsTERdam BiLbao citizen drivEN smaRt cities



atelier  
Positive Energy Districts



# This presentation

1. The PED, Positive Energy District
2. How to finance the PED?
3. The Investment Platform
4. Purpose of the Investment Platform
5. Establishing an Investment Platform
6. Conclusion & Discussion

# 1. Positive Energy District

■ “Positive Energy Districts (PEDs) are energy-efficient and energy-flexible urban areas or groups of connected buildings which produce net zero greenhouse gas emissions and actively manage an annual local or regional surplus production of renewable energy.

■ <https://jpi-urbaneurope.eu/ped/>

# 1.1 Integration

- PEDs require integration of different systems and infrastructures.
- What is this integration?

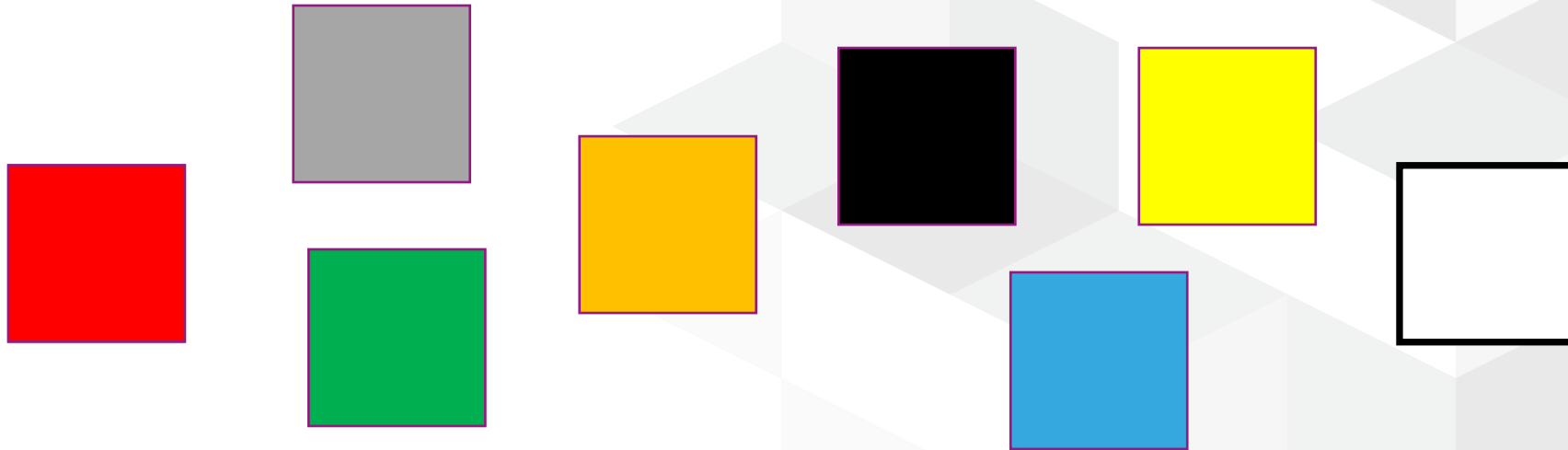
To begin with, what are the different systems and infrastructures?  
 These 8 are important examples, but you can think of more.

	Roads, cables and pipes		Energy
	Greenery		Buildings
	Water		The subsoil, bottom
	Mobility		Social cohesion

How do these 8 integrate?

# 1.2 Old school integration

- Each system or infrastructure has as much as possible its own place, but in a position relative to the others; this is not a PED.
- Of course roads, pipes and cables connect buildings, much green will be on the water shore, buildings will house social events, etc.



# 1.3 New school integration

■ Systems and infrastructures are as much as possible in the same place so that they can empower each other. Think of green that cools down buildings, buildings that produce electricity, mobility based on usage of this electricity, water that collects, stores and transports energy, heat and cold, etc.

■ This is a PED.

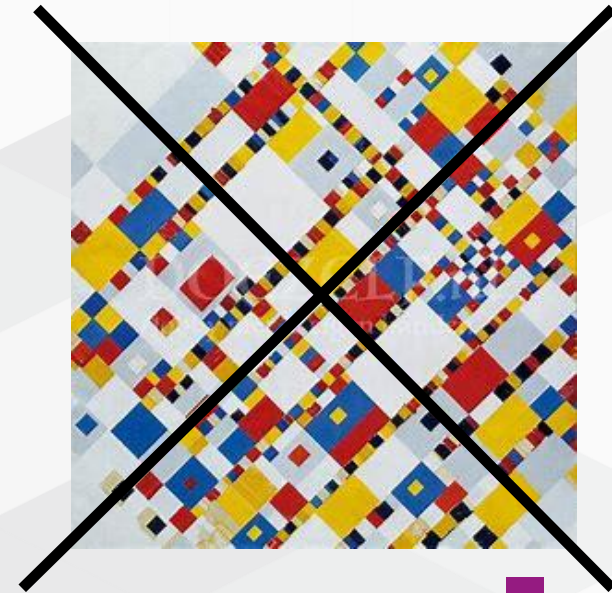


## 2. How to finance the PED?

- Three theses:
  1. Integration is de-risking
  2. Decoupling is de-risking
  3. The investment platform integrates and decouples

# 2.1 Integration is de-risking

- Having an integrated system of roads, cables, pipes, greenery, water, mobility, buildings, energy, subsoil and social cohesion creates resilience.
- This resilience gives investors and their financiers trust that this system, the PED, will give value for money; de-risking.
- However, investors and certainly their financiers will not invest in the system, the PED, as a whole.



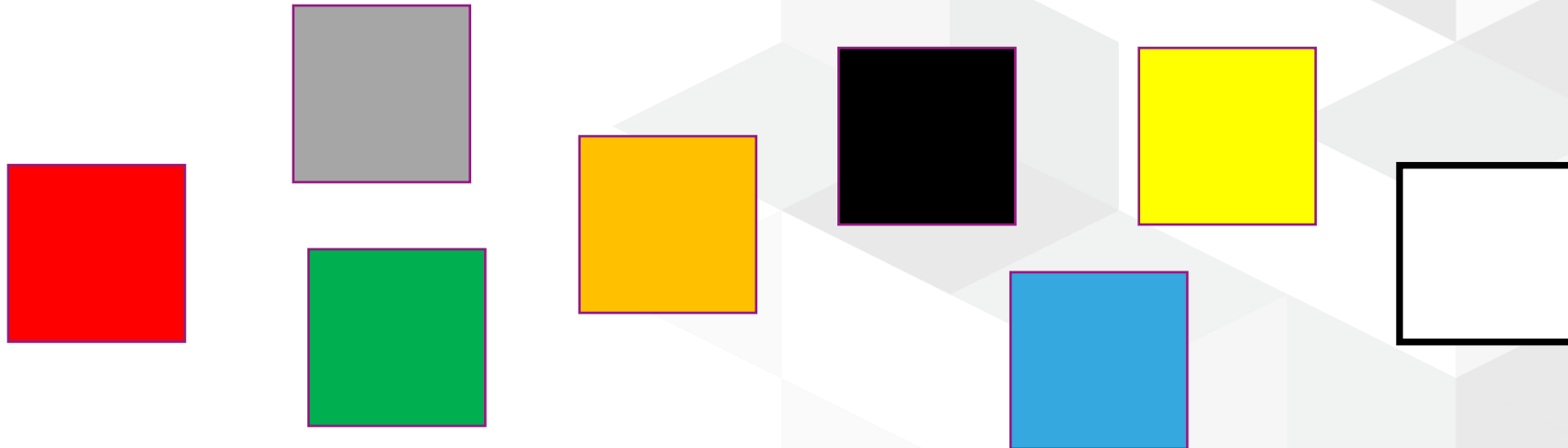


## 2.2 Coupling is a risk

- An investor in energy will be interested to know that greenery cools down buildings, but he will not invest in greenery.
- An investor in mobility will be interested to know that electric vehicles can be charged with solar panels, but he will not invest in these panels.
- Moreover, these investors, and most certainly their financiers, will see coupling these investments as a risk.
- Although they see integration as de-risking, they see coupling as a risk.

# 2.3 Decoupling is de-risking

- Investors and their financiers will like the integration:
- However, they dislike coupling, and want to decouple:



# 3 The investment platform

- The investment platform both integrates and decouples.
- Integration means that an investor in greenery gives the investor in energy certainty that he will invest in such a way that it will cool down buildings.
- Integration means that an investor in solar panels gives the investor in mobility certainty that he will invest in such a way that electric vehicles can be charged with solar panels.
- With that certainty investments can be decoupled, but integrated, so that both investors and their financiers can keep risks low.

# 3.1 Investment strategy

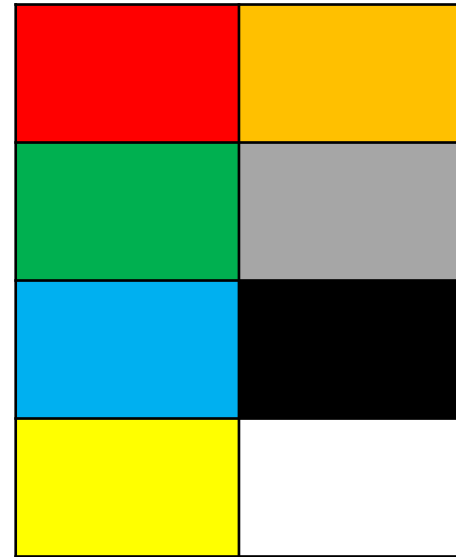
- Adapting a district in response to climate change issues requires a financing system strategy.
- This will be the strategy of a collaborative of producers, active users and others, like service providers, governmental organisations, investors and other financiers.
- To get to this strategy and mobilize money they can make use of an investment platform, or they actually are such a platform.

## 3.2 The value of the investment platform

The PED as an integrated social, economic and environmental system



Financing the PED



The investment platform helps to both create the PED as a solid value case, and organize an investment strategy and its finance.

## 4. Purpose of the District Investment Platform

- Through an investment platform the municipality, the financial sector and other public, private and civic investors can work together on initiatives within the district.
- They can for example use the platform to finance the development of an interconnected energy system on district level to support renewable energy sources.
- The aim of the platform is to align, structure, speed up and increase investment decision making of stakeholders, public, private and civic, at the district level.

# 4.1 Speed up investments

- To get to effective investments there is a need for insights on stakeholders, projects, budgets and possible financial partners at district level.
- This makes it essential to better align investments by companies, governmental bodies, individuals and their collectives in order to achieve the necessary volumes.
- This will lead to an integral approach resulting in six benefits:

## 4.2.1 Benefits 1, 2, 3 of an Investment Platform

1. A reduction of costs for climate change mitigation and adaptation of buildings and public spaces as there is a better alignment of different construction works.
2. A boost of financial means for the climate transition, because of an increase of investors into climate change actions.
3. An accurate figure for the financial costs of the implementation of sustainability measures to allow for better public, private and civic budgeting beforehand.



## 4.2.2 Benefits 4, 5, 6 of an Investment Platform

4. Insight in possible combinations of different financial flows for different challenges in the same city district.
5. The identification of existing regulatory obstacles to innovative financing models and the development of solutions.
6. The inclusion of social values in the district investment plans.

# 5. Establishing a District Investment Platform

- Five activities can help establish an effective platform:
  1. Inventory of potential business cases in the district to achieve carbon neutrality
  2. Analyze stakeholders at district level, regional level and national level
  3. Investigate barriers for private sector investments, (semi-)governments and citizens
  4. Appointing a district investment platform coordination manager
  5. Memory of Understanding (MoU)

# 6.1 Conclusion

- The investment platform is a bridge between business case and finance.
- Setting up a platform can help public, private and civic parties to mobilize and structure money for their PED.
- The platform can provide in a continuous feedback loop allowing the partners to learn from each other and make use of expertise that is available throughout the partnership.

# 6.1 Discussion

- Are there already parties, public, private and civic, active in the Skanste District than can be considered an investment platform?
- What possible steps can these parties take to empower this platform?
- What are possible next steps for this platform to invest, and can this platform help to better mobilize money?

# Thank you for your attention



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