

SETTING THE VISION: FINANCING AND BUSINESS MODELS FOR PCEDS - DRESDEN

22 APRIL 2024, 11:30 CET, WEBINAR #2

INTRODUCTION TO THE STATE OF THE ART FOR BUSINESS MODELS:

Key insights from NEUTRALPATH:

During these first months of the project, the technical partner focused on identifying business model archetypes and their relevance to **PCED (Positive Clean Energy Districts)**. Energy communities are an excellent model for PCED as they actively involve citizens and empower them in the energy transformation process. There are eight different types of energy communities identified, each with varying levels of ownership and management.

"However, there is no one-size-fits-all business model for PCED, and multiple models can coexist and depend on context and stakeholder relationships."

Chiara Managó, RINA - NEUTRALPATH

Key insights from ASCEND:

During the initial months of the project, the technical partner has been focusing on defining the pillars of the approach for business model definition. This is an iterative process that begins with assessing the sustainability of business cases from a financial perspective. Availability of data varies and it is key to assess the starting point and context proposed by the city.

Periodic meetings with the cities are held to support them in embracing other financing schemes. The technical partner also works with the cities to develop holistic cost-benefit analysis and business modelling, which are presented to third parties. The ultimate goal is to support scaling up of the solutions.

One area of focus to define business models has been the development of **indicators**.

These indicators can be categorized into three types:

1. **Monetary indicators** which measure the financial impact of the project.
2. **Non-monetary indicators** which measure the impact on the environment, society, and other non-financial factors.
3. **Risk indicators** which measure the likelihood and potential impacts of risks associated with the project. By assessing these indicators for each business model, it will become clear which one is the most suitable for the city.

There are several financing schemes that can be used in PCED, that include **public-private financing** options and others. It is also important to assess bankability, i.e., projects that are eligible for financial returns. The **MAKING-CITY** project provides valuable lessons learned for the PCED.

"The collaboration established between Ascend and NeutralPath projects on the topic of financing and business models is crucial to join forces to support cities".

Carola Bosio, R2M - ASCEND

SETTING UP FINANCING SCHEMES AND BUSINESS MODEL DESIGN: DRESDEN

Key insights from NEUTRALPATH:

Dresden is still working on designing business models, with various stakeholders involved including the municipality, technical partners, energy companies, and the university. Based on the different technical solutions selected for Dresden PCEDs, different aspects of potential business models are being considered, such as the **type of result, marketability, exploitation strategy, and the partners involved**.

To choose the business model, it is important to consider the commitments of all local stakeholders and also fulfill the regulatory guidelines. But also:

1. The **average heat price** depending on the availability of renewable energy sources.
2. **Transferability of solutions**.

To sum up, to define the business models, the **elements** that are being considered are: 1) context and motivation, 2) marketability, 3) additional value, 4) financing opportunities, 5) ownership models and intellectual property rights.

The City of Dresden's role in the business model definition is key and leads the coordination of partners and stakeholders.

"Through NEUTRALPATH project Dresden aims to break the business-as-usual approach and innovate."

Georg Hamann, SachsenEnergie - NEUTRALPATH