

Energy Turnaround SME Initiative

**Agreement between
the Federal Ministry of Economics and Technology,
the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety,
the German Association of Chambers of Commerce and Industry and
the German Confederation of Skilled Crafts**

Germany started the journey into the age of renewable energies. This is part and parcel of a substantial improvement in energy efficiency. Energy efficiency is key not only to the success of the energy turnaround, but mainly to the competitiveness of businesses. At the same time the following is true: Secure, sustainable and affordable energy supply is a substantial pillar for Germany as a site for businesses and jobs.

Restructuring the way how we produce and use our energy is a common task for generations. As it is the largest infrastructure project of our time it presents us with enormous challenges, but also opens up many opportunities. In the coming years and decades, investment in renewable energy, highly efficient power plants, smart grids, storage and energy efficiency technologies will amount to tens of billions of Euros every year. We are therefore expecting savings in energy costs and a strengthening of the leading position of German companies in the field of environmental and energy technologies. At the same time a growing market for energy services with demanding quality and qualification requirements will develop.

The conversion of energy supply can only succeed if implemented as a task for society as a whole with widespread acceptance by all parties. This requires an intensive process of dialogue, not least between politics and business. Medium-sized companies from industry, trade and crafts are particularly important partners for the transformation of our energy system. In many areas they are pioneering and driving development. We want to contribute that this potential can be fully exploited and further developed. At the same time, it is often precisely in medium-sized companies, where risks for the security of supply, but also the rising price of energy cause concern, as energy prices affect companies differently. They particularly affect companies that have no access to special benefit schemes.

The increase in energy efficiency plays a key role in coping with the energy turnaround. It offers medium-sized companies the opportunity to sustainably reduce their energy costs. At the same time, it also opens up new markets and business opportunities for energy efficiency technologies and services and thus to further value creation. Many energy-saving investments pay off already today with a high internal rate of return and/or a short payback period. However, in order to make such investment decisions companies are often lacking rapidly available and well prepared information, sufficient skilled personnel or funding opportunities. Thus, a big portion of the energy saving potential remains unused. Therefore, in particular small and medium enterprises need external advice and expertise. This is what we want to address.

The Federal Ministry of Economics and Technology and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the German Association of Chambers of Commerce and Industry and the Confederation of German Trade therefore founded an Energy Turnaround Initiative of German SMEs.

For this purpose, a steering committee has been set up at the political leadership level and an accompanying body for continuously coordinating the initiative has been created at the

level of heads of department or subdivision. In order to provide companies with fast information channels and clear structures, a service centre supported by the German Association of Chambers of Commerce and Industry and the Association of the German Skilled Crafts will be established. Under the umbrella of the SME initiative the regional - in the craft sector also industry-related - structures of the two CCI organizations on the one hand and skilled crafts associations on the other hand, will make an important contribution in order to be as close to the companies as possible and to provide them with local contacts.

The initiative will develop its activities in the following three areas:

Strengthening The Local Dialogue

The initiative aims at intensifying the dialogue about the challenges and opportunities of the energy turnaround between politicians and medium-sized companies in industry, trade and crafts. This includes in particular an exchange of views on the relationship between the development of renewables, energy efficiency, demand flexibility, network modernization, network expansion and the power plants of the future along with the impact on companies in the regions. The activities include targeted and regionally-focused education on the measures required for converting the energy system. In addition, information channels from regional businesses to politics and the dialogue between different stakeholders of the economy are to be expanded. Regional dialogues between the political leadership of the Federal Ministry of Economics and Technology, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the industry shall start immediately after launching the initiative.

Optimizing Information and Consultation

The initiative aims at improving the use of the existing economic potential for energy efficiency in small and medium enterprises in the manufacturing industry, trade and skilled crafts. The first step will be to identify the common barriers which in practice are in the way of carrying out economic efficiency measures. This will be the basis to develop strategies to further optimize the existing information and advisory services and, where necessary, to expand them in accordance with the demand. This includes, without being limited to:

- Establishing regional or sectoral working groups, which provide assistance in implementing sample solutions for specific industries and target groups;
- Directly approaching and encouraging companies to make more efficient use of existing subsidized advisory and investment instruments for specific industries and target groups;
- Conducting an information campaign on potential savings in small and medium enterprises, especially in cross-cutting technologies;
- Further developing inter-company vocational training facilities to turn them into centres of excellence in skilled crafts, focussing on cross-trade energy efficiency solutions, especially in the building sector, in power engineering, environmental protection and sustainability;
- Expanding existing and developing new advisory and investment instruments, for example, by defining Energy Efficiency as a new priority for the work of the Innovation and Technology Officer in the skilled craft sector.

Improving Education, Training And Exchange Of Experience

By introducing new education concepts, such as a hosted exchange of experience in company networks and by promoting best practice energy efficiency models, small and medium-sized businesses shall be supported more effectively to raise their own energy efficiency potential. Flagship projects shall be used to gain more momentum when addressing and supporting companies in their efforts to increase efficiency, and advisory

structures in the field of energy efficiency created by the business organizations themselves shall be further developed. There will be stronger communication with companies and first-time employees about training and employment opportunities in the areas of renewable energy, energy efficiency and energy services. This includes, without being limited to:

- User clubs on energy management systems and energy saving contracting and on other topics, as may be required;
- Activities to create awareness and expert roadshows on special topics;
- Further development of career opportunities in the field of renewable energy and energy efficiency, such as the "renewable energy expert";
- Dissemination of successful approaches such as smart enterprise networks for moderated exchange of experience on how to achieve agreed saving targets. Various models may be disseminated and customized for companies of different size or whole industries.

The Energy Turnaround Initiative of German SMEs was launched on 1 January 2013.