



SDHplus
Solar District Heating in Europe

WP4 – Market opportunities for DH with solar heat

**Marketing strategies for
solar district heating**

Summary report



Co-funded by the Intelligent Energy Europe
Programme of the European Union

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1. INTRODUCTION

The aim of Work Package 4 was to consider SDH under marketing and imaging aspects.

To stress the benefit and advantages of SDH, it is important to win and convince especially decision makers and multipliers.

Strategies were worked out, the corresponding material was developed and the latter was pilot implemented.

The following pages give an overview of the different market strategies, the materials and the pilot implementation realized within the SDHplus project.

2. DEVELOPMENT OF MARKETING STRATEGIES FOR SOLAR DISTRICT HEATING

2.1. Background

As the participating countries in the SDH plus project are at different levels regarding to solar in combination with District Heating, it is difficult to make a common marketing strategy.

In this project, all partners were researching a present state of market strategies in their respective countries and one of the answered questions was:

- Is there any literature on marketing approaches for RES in DH?

The results show that almost no countries have any literature on marketing for RES in District Heating, and only Germany and Denmark have some marketing material for RES in combination with District Heating. The results of this study, shows the importance of developing strategies and marketing materials, to get more information about implementation of more RES in District Heating system.

2.2. Marketing strategies developed

A working group was in this project set-up for developing models for market strategies for DH with solar heat as well as suitable model marketing instruments.

The working groups have had a one-day 'creative' workshop (linked to the third project meeting), in which the development of strategies and instruments, was kicked-off and elaborated further in the following project period.

Six model market strategies (suitable for different market situations and market aims), have been worked out, and are presented here in a short version; a full version of the report is available.

Further, on for each market strategy a model set of professional marketing instruments (logo, slogan, leaflet, etc.) are developed by a professional marketing agency in order to demonstrate suitable ways for successfully communicating SDH.

2.3. Strategies developed

European level

The EU Marketing strategy aims at communicating the value of Solar District Heating to key stakeholders who can shape political opinion and support the development of this technology at European level. EU marketing can be understood as "lobbying" towards EU policy-makers.

The EU's standard decisions-making procedure goes through the European Commission, the European Parliament and the Council, who are in their turn influenced by a variety of interest groups. Therefore, choosing target market for the EU marketing strategy means carefully identi-

fyng key policy-makers and potential allies in order to reinforce the common message.

A lobbying strategy consist of the following elements/stages:

1. Stakeholder mapping (identification of the relevant audience & potential allies/foes)
2. Development of the position (message and supporting best practice examples)
3. Identification of best tools of channels.
4. Communication of the position (advocacy process)
5. Next steps (review of the strategy)

For a detailed description of the strategy, see [annex 1](#).

New DH system finding clients: new company addresses new customers

The purpose with the strategy is to convince owners of individual heated buildings to connect a new district heating system. The new district heating system can be an extension of an existing district heating system (for instance implementation of a transmission pipe and connection of a neighbor village) or a new system with a new heat production plant.

The timeline is as follows:

1. The utility calculate customer prices for SDH depending on % connected to the total heat demand in the new area.
2. A local working group is established including representatives for local associations, business and the utility. In principle all house owners in the new area shall know at least one person they trust in the working group.
3. An information leaflet and a preliminary connection agreement is distributed to all building owners including information on the needed connection %, invitation to information meeting, the economy for the building owner, arguments for SDH and a map of the area, where new SDH is planned. The preliminary connection agreement includes a line where present energy consumption can be filled in. Agreements can be delivered to the members of the local working group.
4. Interviews with the working group and information in local newspapers.
5. Public information meeting. Information about connection conditions. Connection before the piping is implemented with 50 % cost reduction.
Connection includes connection pipe installed, heat meter with heat alert installed, district heating unit with hot water tank and shunt regulator for heating installed. Removal of oil boiler and old hot water tank and removal for emptying of oil tank.
6. When the connection % is reached the preliminary agreements are changed to contracts and implementation can start.

During implementation, house owners are contacted before piping is finalized by their house to give them a last chance to get 50 % off and to reach a connection as high as possible during the implementation.

For a detailed description of the strategy, see [annex 2](#).

Regional or national authorities addressing communities and citizens

A campaign will support the dissemination of solar district heating in rural areas of different administrative departments.

The administration of the local department will be responsible for that campaign. The campaign is addressed to villages and municipalities.

The campaign will make solar district heating known to the target groups and advertise it. The support offered by the campaign includes consulting, networking with experts and providing marketing materials.

The campaign is initially planned for one year (phase of implementation).

For a detailed description of the strategy, see [annex 3](#).

DH addresses policy at national level making use of solar positive image

Denmark is in a very lucky situation. DH has been an important part of the energy policy for over 100 years. But the brake-through period was during the 70's under the oil-crises, where the price of oil from the Middle-East went up dramatically and Denmark had to find a new and cheaper solution to the heat supply. Huge reserves of gas and oil were found in the North Sea – and due to the 1979 Law of Energy Supply, geographic areas in the cities were defined to be heated either by individual gas stations or DH (for example based on gas or oil). 2009 featured another important milestone for the development of DH in Denmark – COP15 was held in Copenhagen and focus was on reduction of CO₂-emission. The same year, the Danish District Heating Association succeeded in convincing the Minister of Energy and Climate that DH was the right way to go because of the low CO₂-emission. The minister sent out a letter to all local communities, where she requested the local politicians to consider DH. In 2012, the Danish government set up an Energy Agreement concerning CO₂-reduction and energy-efficiency. Today, DH is again a big issue, because of the use of different kinds of fuels – among others solar energy.

There has not been a specific market strategy for SDH in DK, but the Danish District Heating Association has played a very important role in convincing the politicians about DH in general. It has been an ongoing process, but in 2008 the Danish District Heating Association allocated 3 mio. DKK to promote DH with the public as the target group in general, but certainly also with politicians in mind.

For a detailed description of the strategy, see [annex 4](#).

Existing utility addresses clients with green image arguments

The idea is to repay the investment of the solar plant thanks to customers by appealing to sustainability of the network and its green image.

We present a dual marketing strategy: one for existing customers, the other to convince new potential customers.

- Toward existing customers: Proposition to pay a little more to be fed with a high percentage of renewable heat. The concept behind it is to convince them with this idea: "Doing nothing (they are already connected to the TR) only paying a little 'more (to be quantified), the customer receives a high percentage of renewable heat." The competition is inside of the utility between solution with and without solar.

- Toward new customers: use green image to acquire new customers. For the same price of a traditional district heating service, you have a "green" solution with renewable sources. Concept to convince them: "By connecting to district heating (a solution with no commitment to the customer in terms of management and maintenance, which requires very little space, which allows you to have no boiler...), your needs will be covered by a significant percentage of solar thermal, with no need to install solar panels on your roof nor to install big storages "

Steps:

- Calculation of the total costs of the solar field (initial investment and operating costs)
- For a. strategy: calculation of the number of clients to involve and of the related bill augmentation in order to have a sustainable PBT.
- For b. strategy: calculation of the number of new clients to involve in order to have a sustainable PBT.
- Creation and distribution of information flyers (with the bill, by mail, by phone calls, posters, TV spot...)
- Collection of subscriptions for contracts with fixed cost for a certain number of years, then the costs can go down if the number of clients increases.

For a detailed description of the strategy, see [annex 5](#).

Marketing strategy for District Heating in France

It is time for DH in France to have its marketing strategy, which means :

A name: Short, simple, easy to remember

A visual identity: Linked to everyday life, to be used on any communication mean

Mottos: Key messages to reach minds

Tools: internet, social networks, public relations, partnerships (federations of users, building managers, heating engineers, urban planners...), press (constant feed of news, key facts & figures, best practices...) Make use of existing tools.

For a detailed description of the strategy, see [annex 6](#).

2.4. Development of marketing materials

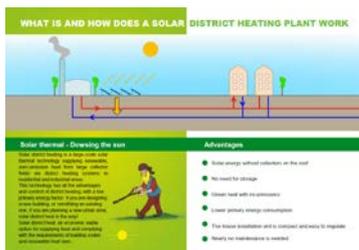
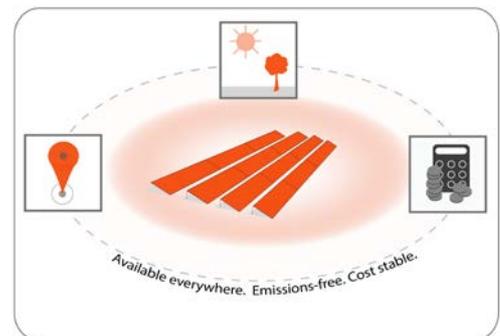
Marketing agencies were consulted by the project partners to develop first concepts of marketing materials corresponding to the different marketing strategies described above. Some examples are presented here.

Since EU marketing can be understood as “lobbying” towards EU policy-makers, a set of key policy messages for a common position paper at European level was defined. These key messages can be further promoted with other stakeholders via events and dissemination materials (see project Brochure).

In Denmark, a concept of flyer was developed for addressing policy at national level making us of the positive image of solar energy. These concepts could then be use by all partners to adapt to their national context.



In Germany, a branding strategy for solar district heating has been developed together with a professional marketing agency. The aim of the strategy developed is to make the concept of SDH known, as well as its advantages in comparison with conventional heating systems. The goal is to reach acceptance, awaken interest among potential initiators and end-users. It is a good base, on which complete communication campaigns on solar district heating can be developed.



In Italy also, a concept of flyer was develop to address end-users and potential customers of an existing district heating utility.

3. PILOT IMPLEMENTATION

In all participant countries DH companies directly or indirectly (through associations or through letters of interest) taking part in the project were involved in order to pilot implement, test and validate the marketing approaches developed.

A target of success was that in each participant country one project using the new marketing models is realised or in planning.

The following paragraphs show a summary of some selected implementations. For more information about pilot implementation in other partner countries please contact the corresponding project partner:

European level:	Paul Voss, Euroheat & Power
Germany:	Thomas Pauschinger, Solites
Sweden:	Jan-Olof Dalenbäck, CIT Energy Management
Italy:	Marco Calderoni, AIRU
Czech Republic:	David Borovsky, AF-Cityplan
Denmark:	Per Kristensen, Danish District Heating Association
Austria:	Robert Söll, S.O.L.I.D
Spain:	Asier Martinez, Tecnalía
France:	David Leicher, AMORCE
Croatia:	Jadranka Mara Abramovic, Energy Institute Hrvoje Pozar
Slovenia:	Boris Vidrih, University of Ljubljana
Poland:	Grzegorz Kunikowski, EC BREC IEO

3.1. Spain:

Spain worked out approach 5: "Existing utility addresses clients with green image arguments".

The strategy is to propose existing customers to pay a little bit more for renewable heat. The idea is to repay the investment of the solar plant thanks to customers by appealing to sustainability of the network and its green image.

Spain presents a dual marketing strategy: one for existing customers, the other to convince new potential customers.

- Toward existing customers: Proposition to pay a little more to be fed with a high percentage of renewable heat. The concept behind it is to convince them with this idea: "Doing nothing (they are already connected) only paying a little more (to be quantified), the customer receives a high percentage of renewable heat." The competition is inside of the utility between solution with and without solar.
- Toward new customers: use green image to acquire new customers. For the same price of a traditional district heating service, you have a "green" solution with renewable sources. Concept to convince them: "By connecting to district heating (a solution with no commitment to the customer in terms of manage-

ment and maintenance, which requires very little space, which allows you to have no boiler...), your needs will be covered by a significant percentage of solar thermal, with no need to install solar panels on your roof nor to install big storages "

For DH companies in Spain it is not easy to convince citizens about SDH, mainly due to the scepticism that generates the realization of new and unknown systems. However, this demonstrates at the same time the need of marketing strategies. The main contribution of the present project in this sense is 1) the marketing tools that have been developed (marketing models and marketing material to be used), 2) that it has given the chance to see that SDH is a reality in other countries, so it can be also in Spain in the future and 3) to demonstrate DH companies that the formulae that initially may be rejected for being inconceivable are being applied successfully in other countries.

The strategy will be tested after the end of the present project as the previous phase of design and calculations has not been finalised yet. It would be a success if customers look favourable upon the proposed measure and at least a constructive discussion is generated. It is expected that some customers accept the measure.

3.2. Germany:

For the marketing approach a communication and branding strategy and exemplary materials were developed by a professional communication agency.

Key elements of the approach are:

- A type of campaign will support the dissemination of solar district heating in rural areas of a region.
- The regional authority shall be owner and responsible for that campaign. The campaign is addressed to villages and municipalities.
- The campaign will make solar district heating known to the target groups and advertise it. The support offered by the campaign includes consulting, networking with experts and providing marketing materials.

This approach was presented to two regional Ministries:

- Baden-Württemberg Ministry of the Environment, Climate Protection and the Energy Sector
- Thuringia Ministry for the Environment, Energy and Nature Protection.

Both Ministries are interested in developing and supporting SDH in the region.

Baden-Württemberg (BW):

The discussions with the BW ministry led to the conclusion that communication measures are necessary as complementary measure to the regional subsidy program. The SDHplus approach provides methodological support. The materials can be used as

blueprint for a specific regional campaign. The Ministry is presently considering and planning such a supporting campaign. The regional energy agency of Baden-Württemberg (KEA) was selected as potential executive organisation.

For the further development of the support activities, the BW Ministry included the campaign topic into a stakeholder meeting held in July 2015. The stakeholder feedback underlined the need of communication measures for making RES DH in general more known and for multiplying the best practice examples. Concrete approaches were proposed and developed:

- Installation of a regional competence centre (at KEA)
- Organizing study trips to best practice plants for villages and municipalities
- Low-level funding of the first project development steps
- Linking to local energy networks

Thuringia:

The approach was further presented to the Ministry in Thuringia. A corresponding campaign is presently considered as follow-up to present SDH promotion activities.

In both cases SDHplus delivered the necessary background and credibility for the campaign proposal which delivered an important stimulus for the initiative in BW and led to an adoption of such an initiative by the Thuringia Ministry.

- High replication potential because the campaign should take place at regional level and consists in a basic approach of a marketing strategy.
- The campaign can be adapted to local conditions in different regions in different countries.

The implementation should take place in 2016.

3.3. Italy:

In the area of Lecco, a city in the north of Italy, on the Como lake, there's a WTE plant (Waste-to energy plant) that is getting rid of the waste heat produced by rejecting it in the ambient at present, without making any efficient use of it. The local administrations in the nearby and the company now running the incinerator are developing a project of district heating for the area but they are also encountering very bad reaction on the territory. Citizens push for the closure of the WTE plant and they are afraid that DH project is a way to "make it live longer", supporting the production of wastes going in contrast with the idea of reuse and recycle.

The public administration of Galbiate, one of the cities around, asked some experts in RES and DH to take part in a public. So AIRU tried to follow the strategy n3 "Local authority addresses citizens". After this first meeting, a second one is planned in the city of Lecco when the utility together with the local administration will present the first preliminary project of the network.

The idea is to participate at the public discussion phase in order to discuss about integrative and additional RES that could be integrated in the network.

The idea is to promote the idea of DH not as a way to make old and pollutant systems live longer in this period of crisis of CHP plant, but as an infrastructure that can collect different kinds of energies, and in particular renewables.

3.4. Lessons learned and barriers

Due to the heterogenic structure and situations in the participating countries, it was not possible to pilot implement in all countries.

Nevertheless, there are not only political boundaries which exist but also companies which were not willing to use materials which were not created by themselves. Although they were interested in the developed strategies and conclusions, they did not want to use the developed strategies without modifications so far.

4. SUMMARY

The major strengths, weaknesses, opportunities and threats of solar thermal were examined, in order to identify the most important market actions that should be taken to reduce existing barriers. These include financing schemes, publications, dissemination tools, campaigns, events and studies.

In some EU regions solar thermal applications still remain at an early stage. The degree of development of each market does not (only) depend on climate conditions or on different technological developments.

With creative solutions and marketing strategies that should also emerge in discussions between stakeholders, the solar thermal market will continue to develop towards competitiveness.



SDHplus
Solar District Heating in Europe

WP4 – Market opportunities for DH with solar heat

Annex 1: Marketing Strategy at European level



Co-funded by the Intelligent Energy Europe
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INTRODUCTION

Task 4.2 Working group on market strategies for DH with solar heat

A working group is set-up for developing models for market strategies for DH with solar heat as well as suitable model marketing instruments. The working group is composed of following partners: AGFW, DDHA, EHP, AIRU, AMORCE, PLANENERGI, AMBIT, SFZ.

The working group had a one-day 'creative' workshop (linked to the 3rd project meeting), in which the development of strategies and instruments was kicked-off and elaborated further in the following period.

At least five model market strategies (suitable for different market situations and market aims) will be worked out and presented in a publishable report.

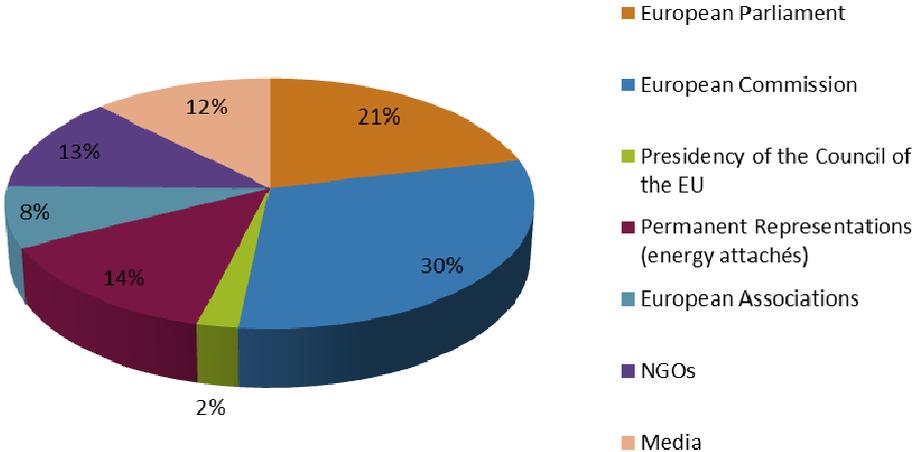
Further on, for each market strategy a model set of professional marketing instruments (logo, slogan, leaflet, etc.) is developed by a professional marketing agency in order to demonstrate suitable ways for successfully communicating SDH. Strategies and models will be used in the task 4.5 as well as in dissemination activities.

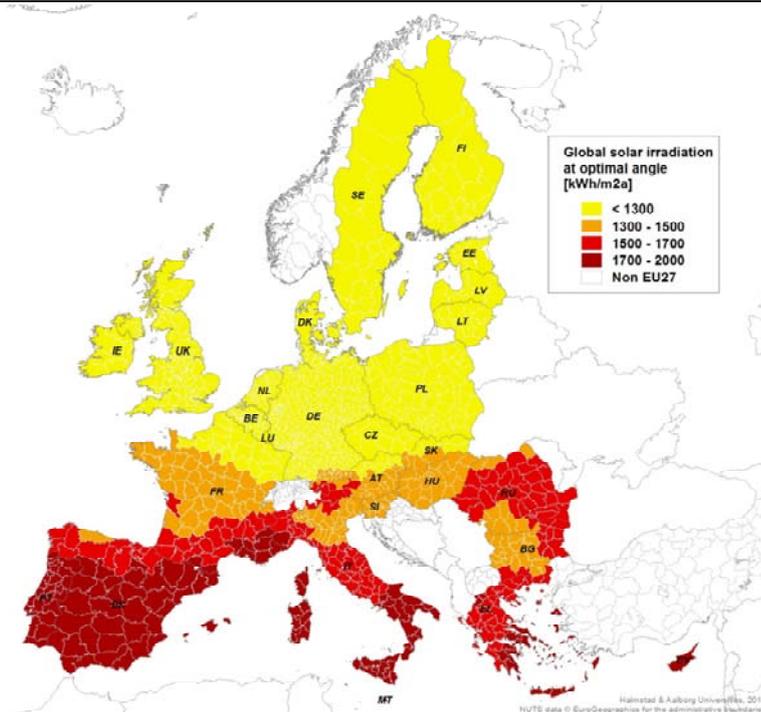
As mentioned in the previous text at least five model market strategies must be worked out and be presented in a publishable report.

In preparation for this work are listed five proposals for marketing themes, which will be explained in detail for the five mentioned specific examples.

	EU marketing strategy
<p>Short description of the strategy (concept behind, timeline, organizational issues, etc.)</p>	<p>The EU Marketing strategy aims at communicating the value of Solar District Heating to key stakeholders who can shape political opinion and support the development of this technology at European level. EU marketing can be understood as “lobbying” towards EU policy-makers.</p> <p>The EU’s standard decision-making procedure goes through the European Commission, the European Parliament and the Council, who are in their turn influenced by a variety of interest groups. Therefore, choosing target market for the EU marketing strategy means carefully identifying key policy-makers and potential allies in order to reinforce the common message.</p> <p>A lobbying strategy consists of the following elements/stages:</p> <ol style="list-style-type: none"> 1) Stakeholder mapping (identification of the relevant audience & potential allies/foes) 2) Development of the position (message and supporting best practice examples) 3) Identification of best tools & channels 4) Communication of the position (advocacy process) 5) Next steps (review of the strategy)
<p>Aim of marketing activity (What is the problem we want to solve and what do we want to obtain with the marketing activity? Please quantify your objective if possible, for instance XXX new customers, XXX% additional share in the market, etc.)</p>	<p>When advocating for Solar District Heating at European level, one has to start with a bigger picture:</p> <div style="text-align: center;"> <pre> graph TD A[Energy transition] --> B[Sustainable heat] B --> C[DHC + CHP] C --> D[Solar DH] </pre> </div> <p>Heating and cooling account for nearly half of the final energy consumed in the European Union. Therefore, energy transition is impossible without addressing heating sector.</p> <p>District Heating is the easiest and cost-effective means of supplying clean, efficient heat in cities on a large scale.</p> <p>District Heating could improve consumers’ access to local heat resources, such as solar thermal energy.</p> <p>Clean, efficient and benefitting from the district heating infrastructure, Solar District Heating is coming as a natural solution to climate and energy challenges.</p>

	<p><i>EU marketing strategy is aimed at:</i></p> <ul style="list-style-type: none"> - raising the profile of Solar District Heating at European level, - increasing awareness among EU policymakers about Solar District Heating being a mature, clean and efficient technology, - ensuring favourable policy framework for its deployment/growth all over Europe, - encouraging inclusion of Solar DH projects into the EU financing programmes, - boosting alliance and cross-cutting fertilisation with the thermal solar industry. <p><i>The overall objective is to achieve 10% share of solar thermal energy in the total use of District Heating in Europe by 2050.</i></p>
<p>Owner of marketing activity (sender)</p>	<p><i>Euroheat & Power (international association representing the District Heating and Cooling sector) is the owner of the EU marketing strategy.</i></p> <p><i>National District Heating associations and the European Solar Thermal Industry could be its multipliers.</i></p>
<p>Target group of marketing (receiver)</p>	<p><u>Target groups of the marketing at European level are as follows:</u></p> <ol style="list-style-type: none"> 1. <i>EU political decision-makers</i> <ol style="list-style-type: none"> a. <i>European Parliament</i> b. <i>European Commission</i> c. <i>Presidency of the Council of the EU</i> 2. <i>PermReps</i> <ol style="list-style-type: none"> a. <i>Energy attachés in targeted countries</i> 3. <i>European Associations</i> <ol style="list-style-type: none"> a. <i>Solar thermal</i> b. <i>Consumers</i> c. <i>Energy Storage</i> d. <i>Local authorities</i> e. <i>Companies</i> 4. <i>NGOs</i> <ol style="list-style-type: none"> a. <i>Key environmental organisations</i> 5. <i>Media</i> <ol style="list-style-type: none"> a. <i>Journals and magazines that determine the perception of SDH and influence the political agenda</i> <p><i>Based on Brussels' experience, an approximate distribution of key stakeholders among different target groups and respective efforts to be made to approach them is presented in a graph below:</i></p>

	 <table border="1"> <thead> <tr> <th>Stakeholder</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>European Parliament</td> <td>21%</td> </tr> <tr> <td>European Commission</td> <td>30%</td> </tr> <tr> <td>Presidency of the Council of the EU</td> <td>2%</td> </tr> <tr> <td>Permanent Representations (energy attachés)</td> <td>14%</td> </tr> <tr> <td>European Associations</td> <td>8%</td> </tr> <tr> <td>NGOs</td> <td>13%</td> </tr> <tr> <td>Media</td> <td>12%</td> </tr> </tbody> </table>	Stakeholder	Percentage	European Parliament	21%	European Commission	30%	Presidency of the Council of the EU	2%	Permanent Representations (energy attachés)	14%	European Associations	8%	NGOs	13%	Media	12%
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<p>How are SDH differentiated over other heating technologies ? (common message)</p>	<p><u>Heat “from the sky”</u></p> <p><i>The local renewable heat resource of solar irradiation is unique in the sense that it is available for all. Although solar irradiation is about twice as intense in Southern Europe compared to the Northern parts of the continent, solar energy is naturally present in all Member State at various degrees of intensity and usability. Its availability makes it a promising local resource all over Europe.</i></p>																



Annual solar irradiation on a south-oriented tilted surface at optimal angle by NUTS3 region¹

For instance, Denmark has a lead position with a solar heat supply of 0.345 PJ during 2012². Denmark has also seen an increasing interest in more installations. This large Danish interest has given lower installations cost for large solar collector fields, giving the possibility for other countries to benefit from this trend. Some solar thermal installations in conjunction with District Heating systems appear in Germany, Austria, and Sweden.

In addition to the fact that many households could benefit from unconventional sources of renewable heat supplied to them through a heat network, which gradually reduces their energy bills, Solar District Heating is compatible with bigger EU goals.

Contribution to 2030-2050

1) EU energy dependence

EU energy dependence is often reduced to sporadically emerging gas problems. However, gas supply problem is mainly a heat supply problem (since heating is responsible for approximately 50% of total final energy consumption). District Heating on its own reduces European import dependence by 4.45 EJ (1236 TWh), or 5.5% of the entire European primary energy supply: more than the total energy balance of Poland³. Solar District Heating could further decrease import dependence because of its use of locally available resource - solar energy.

¹ Heat Roadmap Europe: Second pre-study. Aalborg University, Halmstad University, Ecofys Germany GmbH, PlanEnergi, and Euroheat & Power, 2013.

² Extended energy balances of the IEA (2014)

³ District Heating and Cooling – A vision towards 2020-2030-2050. DHC+ Technology Platform, March 2012

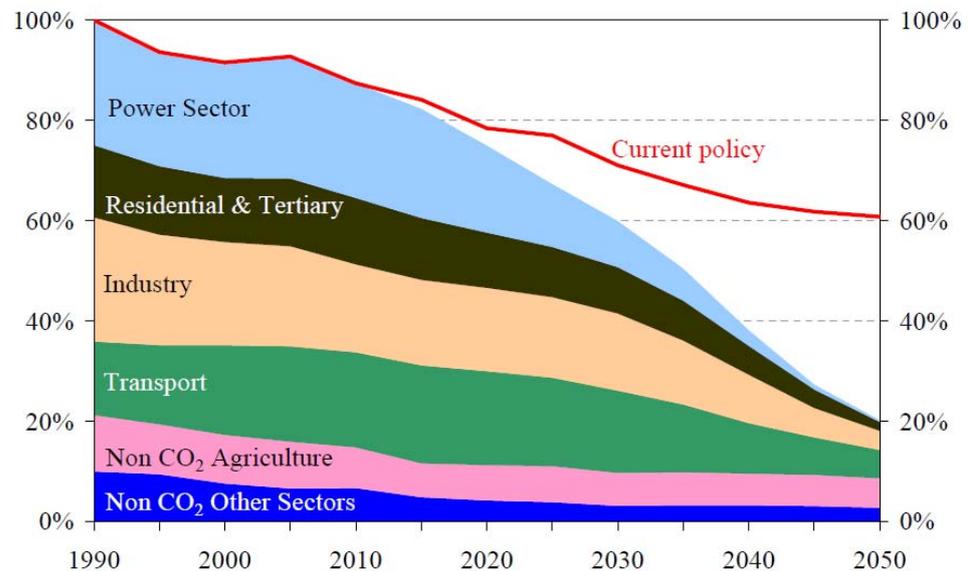
2) Fluctuating energy prices

Rising energy prices and fuel poverty are major concerns for all European governments. Steady and affordable price is a current argument for solar thermal energy (30-50 EUR/MWh heat). The more fossil fuels prices on the heating market increase, the more interesting solar thermal gets as alternative. No one would argue with the fact that it is better to invest in infrastructure than in fuel.

Additionally, large solar heating systems have much lower installation and operating costs than individual systems.

3) Renewable energy sources and CO2 emissions

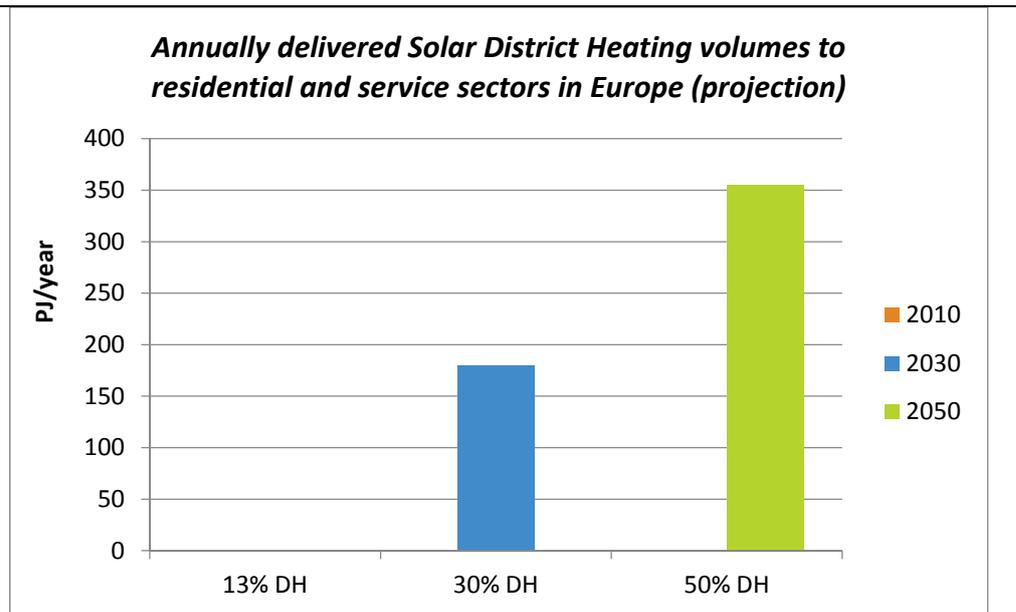
By 2050, the European Union envisages to cut its emissions to 80% below 1990 levels through domestic reductions alone⁴. According to the graphic below, heating sector (included in Residential & Tertiary) will have to cut most of its greenhouse gas emissions.



There is a large potential to increase the use of District Heating in order to reduce greenhouse gas emissions. Here, solar heat can support the development and increase the share of renewable heat. Solar heat can cover a small part or >50% of a typical District Heating load depending on local conditions and can provide 1% of the total use of District Heat in Europe within 10 years. Studies⁵ suggest that the potential for using large-scale solar thermal energy equals to 180 PJ per year (3.6% of the total DH) if District Heating achieves 30% share of the heat market by 2030, and 355 PJ per year (~6% of the total DH) if District Heating achieves 50% share by 2050.

⁴ Roadmap for moving to a competitive low-carbon economy in 2050, COM/2011/0112

⁵ Heat Roadmap Europe: Second pre-study. Aalborg University, Halmstad University, Ecofys Germany GmbH, PlanEnergi, and Euroheat & Power, 2013.



4) Energy Efficiency

District Heating already decreases European primary energy use by 2.14 EJ (595 TWh) per year. This corresponds to a 2.6% reduction in the entire European primary energy supply: equal to the whole annual primary energy supply of Sweden⁶.

Combining solar thermal with other energy sources within one District Heating scheme increases the efficiency of such a scheme.

Obstacles

- *The potential use of solar heat in District Heating systems is hampered by the lack of awareness about solar heating systems.*
- *It is further influenced by the interest among and profitability for District Heating operators and customers, to use solar heat.*
- *The growth of Solar District Heating faces a number of technical barriers: availability of suitable areas for solar collectors, storage capacity and special requirements to the heat distribution temperatures.*

Policy demands

- *Recognise the role of heat in the energy system*
- *Acknowledge that the lack of District Heating networks is a severe structural barrier to the large scale utilization of solar thermal energy⁷.*
- *Recognise Solar District Heating as a mature, efficient and environmentally friendly technology, create favourable conditions to utilise distributed solar heating systems and encourage the development of new business models.*
- *Provide urban planners with reliable information on available solar*

⁶ District Heating and Cooling – A vision towards 2020-2030-2050. DHC+ Technology Platform, March 2012

⁷ The energy [R]evolution for the EU 28. Greenpeace International, June 2014

	<p>irradiation.</p> <ul style="list-style-type: none"> - When carrying out assessments of national heating and cooling potentials (foreseen under art.14 EED), it should be strongly advisable to include the use of solar heat in feasibility studies for new, and the upgrade of existing, District Heating schemes within EU. - Sustainable energy planning in cities and other dense populated areas within the EU shall include investigation and planning of suitable areas for solar collectors, the use of storages and combined utilisation of different energy sources in Smart District Heating Systems.
Tools to be developed and used	<ol style="list-style-type: none"> 1. Common Position paper (endorsed by several European associations) 2. One-to-one meetings with leading EU stakeholders in order to establish cooperation and alliances (see target groups) 3. Digital brochure / application explaining the benefits of SDH 4. One-stop-shop website (content development for the SDH projects website - http://solardistrictheating.com/) 5. Organisation of events, speaking opportunities at third party events 6. Development of lighthouse projects in different EU countries
Resources needed (please specify staff and other costs)	<ol style="list-style-type: none"> 1. 40 man-hours of the qualified staff for the Common Position paper 2. N/A 3. EUR 5,000 for the professional brochure / web application design, dissemination 4. EUR 5,000 for website development / maintenance 5. N/A 6. EUR 15 million per project (2 projects per country or at least 5 projects per geographical region as defined in the Ecoheat4eu project⁸)
Replication of the strategy (Which is the potential for replication? Which framework conditions would be necessary? For which countries/utilities do you think it would be more suitable?)	<p>Potential for replication of the EU marketing strategy is high, since the strategy can be used by national DHC associations. However, it should be country-specific due to the following factors:</p> <ul style="list-style-type: none"> - Different culture - Different market conditions - Pricing regulation - Heat demand - Energy mix (taking into account available local resources) <p>This model marketing strategy will be suitable all over Europe, because in countries where Solar District Heating has a low potential, this strategy can be adopted in order to support the development of Solar District Cooling.</p>

⁸ <http://ecoheat4.eu/en/Home/Welcome/> Geographical regions are selected by using the DHC stat-of-development: further development, expansion, refurbishment, new development



SDHplus
Solar District Heating in Europe

WP4 – Market opportunities for DH with solar heat

**Annex 2: New DH finding clients,
new company addresses new customers**



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INTRODUCTION

Task 4.2 Working group on market strategies for DH with solar heat

A working group is set-up for developing models for market strategies for DH with solar heat as well as suitable model marketing instruments. The working group is composed of following partners: AGFW, DDHA, EHP, AIRU, AMORCE, PLANENERGI, AMBIT, SFZ.

The working group have had a one-day 'creative' workshop (linked to the 3rd project meeting), in which the development of strategies and instruments was kicked-off and elaborated further in the following period.

At least five model market strategies (suitable for different market situations and market aims) will be worked out and presented in a publishable report.

Further on, for each market strategy a model set of professional marketing instruments (logo, slogan, leaflet, etc.) is developed by a professional marketing agency in order to demonstrate suitable ways for successfully communicating SDH. Strategies and models will be used in the task 4.5 as well as in dissemination activities.

As mentioned in the previous text at least five model market strategies must be worked out and be presented in a publishable report.

In preparation for this work are listed five proposals for marketing themes, which will be explained in detail for the five mentioned specific examples.

<p>Short description of the strategy (concept behind, time-line, organizational issues, etc.)</p>	<p><i>The purpose with the strategy is to convince owners of individual heated buildings to connect a new district heating system. The new district heating system can be an extension of an existing district heating system (for instance implementation of a transmission pipe and connection of a neighbour village) or a new system with a new heat production plant.</i></p> <p><i>The timeline is as follows:</i></p> <ol style="list-style-type: none"> <i>1. The utility calculate customer prices for SDH depending on % connected to the total heat demand in the new area.</i> <i>2. A local working group is established including representatives for local associations, business and the utility. In principle all house owners in the new area shall know at least one person they trust in the working group.</i> <i>3. An information leaflet and a preliminary connection agreement is distributed to all building owners including information on the needed connection %, invitation to information meeting, the economy for the building owner, arguments for SDH and a map of the area, where new SDH is planned. The preliminary connection agreement includes a line where present energy consumption can be filled in. Agreements can be delivered to the members of the local working group.</i> <i>4. Interviews with the working group and information in local newspapers.</i> <i>5. Public information meeting. Information about connection conditions. Connection before the piping is implemented with 50 % cost reduction. Connection includes connection pipe installed, heat meter with heat alert installed, district heating unit with hot water tank and shunt regulator for heating installed. Removal of oil boiler and old hot water tank and removal for emptying of oil tank.</i> <i>6. When the connection % is reached the preliminary agreements are changed to contracts and implementation can start.</i> <i>7. During implementation house owners are contacted before piping is finalised by their house to give them a last chance to get 50 % off and to reach a connection as high as possible during the implementation.</i>
<p>Aim of marketing activity (What is the problem we want to solve and what do we want to obtain with the marketing activity? Please quantify your objective if possible, for instance XXX new customers, XXX% additional share in the market, etc.)</p>	<p><i>Implementing new district heating depends on the amount of buildings/heat demand contractly connected to the system. A certain % of connection (for instance 60 %) is normally required before the implementation can start. With the marketing strategy we want to obtain knowledge of district heating and convince coming customers that district heating is the social, environmental and economical best solution for them. The aim is to reach the minimum connection as quick as possible and connection % as high as possible.</i></p>
<p>Owner of marketing activity (sender)</p>	<p><i>The district heating utility is normally owner of the marketing activity. If there is no utility the municipality, an ESCO and/or a local working group can be owner of the marketing activity.</i></p>

<p>Target group of marketing (receiver)</p>	<p><i>The target group is the coming customers (=building owners in the new district heating area with heat and/or hot water demand).</i></p>
<p>How are SDH differentiated over other heating technologies?</p>	<p><i>SDH is differentiated over individual heating technologies by the following arguments:</i></p> <ul style="list-style-type: none"> • <i>The house installation in a SDH system is a compact heating unit easy to regulate.</i> • <i>Nearly no maintenance is needed.</i> • <i>There is no smoke and no noise from the installation (in contrast to oil boilers, wood boilers and heat pumps).</i> • <i>Heat production is CO₂ neutral using SDH.</i> • <i>The costs are lower than for heat production from oil boilers and individual heat pumps.</i> • <i>Service for the house installation and leakage alert is included in the heat price.</i> • <i>Implementation of solar thermal plants are 4-6 times cheaper for large plants connected to district heating compared to individual plants</i>
<p>Resources needed (please specify staff and other costs)</p>	<p><i>Ressources needed are:</i></p> <ul style="list-style-type: none"> • <i>Staff to coordination of all the activities</i> • <i>Staff to participate in meetings</i> • <i>Staff to inform about and take care of contracts</i> • <i>Information letters to all building owners</i> • <i>Advertisement in local newspapers</i> <p><i>This can be provided by the the utility and if needed supported by professionals In communication.</i></p>
<p>Tools to be developed and used</p>	<p><i>All tools are developed in Danish, but have to be translated.</i></p> <p><i>The tools are:</i></p> <ul style="list-style-type: none"> • <i>Spreadsheet for calculation of customer prices</i> • <i>Information leaflet</i> • <i>Preliminary connection agreement</i> • <i>Contract</i>
<p>Replication of the strategy (Which is the potential for replication? Which framework conditions would be necessary?)</p>	<p><i>The strategy can be replicated everywhere, but the following topics have to be considered:</i></p> <ul style="list-style-type: none"> • <i>The economy for the customer. If the heat from district heating is more expensive than heat from the present individual production facilities (oil og gas boilers, heat pumps) arguments for district heating have to be very strong and a strong local support group is necessary.</i>

For which countries/utilities do you think it would be more suitable?)

- *Financing have to be available also for connection pipes and house installation (the DH unit in the house. Not the heating system).*
- *All technical and administrative questions have to be solved before the market strategy starts (lay-out of production plant, pipe system, house installations, metering, tariffs and how to pay for heat, contracts ect.)*



Intelligent Energy Europe Programme
of the European Union

***SDHplus* –**
Solar District Heating in Europe

SolarHeatingVillages in Germany
by



AGFW German Heat and Power Association

www.agfw.de



Solites, Steinbeis Research Institute for Solar and
Sustainable Thermal Energy Systems

www.solites.de



Deliverable:

WP 4: Market opportunities for DH with solar heat

Task 4.2: Working group on market strategies for DH with solar heat

Version: September 2014

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1. 1. INTRODUCTION

The aim of WP4 is to develop innovative marketing, market extension and business models for solar district heating. Within this WP, a working group was set up with all district heating associations partner in the project in order to develop five models for market strategies for district heating with solar heat. The following five strategies have been worked on:

- a. SDH-lobbying on European level
- b. New company finding new customers
- c. Regional or national authorities addressing communities and citizens
- d. District heating addressing policy at national level making use of the positive image of solar energy
- d. Existing utility addressing clients with green image argument

In this document, the strategy 'Regional or national authorities addressing communities and citizens' developed by Solites and AGFW is presented.

Concept

The table below should give a short introducing overview of the developed marketing strategy. A detailed description of the marketing strategy follows.

1.1. Overview

<p>Short description of the strategy (concept behind, time-line, organizational issues, etc.)</p>	<ul style="list-style-type: none"> • A campaign will support the dissemination of solar district heating in rural areas of different administrative departments. • The administration of the local department will be responsible for that campaign. The campaign is addressed to villages and municipalities. • The campaign will make solar district heating known to the target groups and advertise it. The support offered by the campaign includes consulting, networking with experts and providing marketing materials. • The campaign is initially planned for one year (phase of implementation).
<p>Aim of marketing activity (What is the problem we want to solve and what do we want to obtain with the marketing activity? Please quantify your objective if possible, for instance XXX new customers, XXX% additional share in the market, etc.)</p>	<ul style="list-style-type: none"> • For rural areas there are two ways of improving the total energy efficiency, which is basically influenced by the heat demand: 1) Gradual intensive retrofitting of existing buildings and modernisation of existing decentralized heating systems or 2) Citizens decide to install a district heating net mainly delivering renewable heat (parallel measured retrofitting is not excluded) . • The campaign will support pathway 2), make it known and advertise it, while solar thermal energy will be in focus. • On the one hand stakeholders will be addressed and supported. The support might consist in the organization of information events, the networking of stakeholders with experts or the supply of marketing materials (check-lists, brochures, etc.). • On the other hand solar district heating systems will be introduced and advertised also to citizens, as they can only be operated economically with high connection rates. • As many villages and municipalities as possible should become a Solar Heating Village. • In these Solar Heating Villages the connection rate to the district heating net should be as high as possible.
<p>Owner of marketing activity (sender)</p>	<ul style="list-style-type: none"> • Administrative departments
<p>Target group of marketing (receiver)</p>	<ul style="list-style-type: none"> • Stakeholders on local level for the initiation of a Solar Heating Village • Citizens of the regions where Solar Heating Villages will be implemented
<p>How are SDH differentiated over other heating technologies?</p>	<ul style="list-style-type: none"> • For the Solar Heating Villages a combination of different technologies is planned. • Solar district heating will still be in focus. • The good reputation of solar thermal energy will be used in order to reach a 100 % renewable heat supply.
<p>Resources needed (please specify staff and other costs)</p>	<ul style="list-style-type: none"> • Staff for the organization/arrangement of the campaign • Staff for the technical development of the marketing instruments • Staff and finances for the preparation and production of the marketing instruments

	<ul style="list-style-type: none"> • Staff and finances for maintaining the campaign
Tools to be developed and used	<ul style="list-style-type: none"> • Website with diverse information, FAQs • Leaflets, brochures, guidelines, check-lists, questionnaires, newsletters • Posters, radio-spots • Workshops, technical tours of solar district heating plants • Helpdesk
Replication of the strategy (Which is the potential for replication? Which framework conditions would be necessary? For which countries/utilities do you think it would be more suitable?)	<ul style="list-style-type: none"> • High replication potential because the campaign should take place at regional level and consists in a basic approach of a marketing strategy. • The campaign can be adapted to local conditions in different regions in different countries.

1.2. Approach

The aim is to develop a marketing strategy for implementing solar district heating. Therefore, the basic idea is to develop a marketing strategy or campaign that could be operated in different administrative departments at regional level. The campaign should support the creation of villages and local communities as SolarHeatingVillages, which cover their energy demand only with heat from renewable energy sources. However, reaching a hundred percent solar fraction in district heating requires a very high technical and financial effort. Therefore, solar district heating should be the focus of this campaign – but supported by other renewable energy sources.

1.3. Marketing-Chain

In the following, the developed marketing strategy for solar district heating is explained. The basic idea for the development of the marketing strategy was:

Each strategy starts with an idea – here it starts with the idea to implement a plant for using solar heat for district heating. To realize this idea, awaking interest is elementary before people can be informed about the topic. These steps help to implement solar district heating successfully. The implementation itself will be only supported by the campaign and the responsibility lies with the initiators.

1.4. Target groups

While the idea for the campaign is clearly defined already, analysing the different target groups is important to continue to the next steps in the marketing-chain. The campaign should be organized at regional level, while single projects should be realized in villages and communities.

Therefore the target groups are on the one hand initiators (representatives of municipalities or other local groups) and on the other hand the citizens of the region, whose interest is required for the realization of any project.

1.4.1. Information phases

The definition of the different target groups mentioned above helps organizing the campaign into different information phases (1-4).

First, communal or local representatives have to be identified as initiators on local level. That means that a first information phase has to be realized at regional level, addressed to potential initiators. If initiators are found, they have to get further informed about the campaign and the topic solar district heating. This leads to information phase 2.

In parallel, also the citizens of the region have to be addressed, so that they are ready to support the different projects themselves. Therefore citizens will get in contact with that topic and will get informed intensively, so they reach a high acceptance of solar district heating nets. Uncertainties and doubts should be cleared. This is the aim of information-phase 3.

Another, in the following just shortly mentioned, information phase 4 consists in citizens of a village or of a community being informed by the project-initiators. So, the initiators themselves are responsible for information phase 4. The phase takes place after information phases 1-3 are finished. This fourth phase might continue for the whole duration of implementation and last until the end of the project.

1.4.2. Information levels

The four information phases might be split into two levels. This is due to the fact that both identified target groups have to be attracted in different ways and have to get different information.

Firstly, the interest of initiators has to be awakened and they have to be informed enough so that they feel confident and consider realising a project. Here, already a few interested people would be sufficient.

Secondly, a basic requirement for the realization of a solar district heating plant is the willingness of the citizen to get connected to the grid. Already before starting the process of implementation, binding contracts have to be signed. (Citizens, who will become customers and therefore contractual partners after the implementation of a plant, have to be enough informed to reach high connection rates.)

For that reason, two information levels are identified: level I for the initiators and level II for the citizens.

2. DESCRIPTION OF THE INFORMATION PHASES

In the following the initially mentioned information phases 1 to 4 are explained in further detail.

2.1. Level 1 – Information phase 1

Aim	Make solar district heating known and awake interest for it
Target Group	Initiators
Communication	Local newspaper, Email-groups, regional events, topic-related forums
Used Media	Announcements, Emails, Information desk at different events

Information phase 1 should awake interest of potential initiators for the campaign and give them the feeling that ‘it sounds interesting and might fit to our village / our community!’

The campaign is explained with only a few keywords and supported by emotional attractive illustrations. Here, smaller cities and villages are concerned by the implementation of solar heat in district heating nets, so the information phase has to fit for them. Topics like added local value, independent heat supply and self-sufficiency are very important. These arguments unfold very easily from the usual reasons to implement solar district heating.

Moreover, the satisfaction of citizens is very important to the representatives of communities and should not be forgotten in the campaign.

Usual communication means such as local newspapers, emails and events are used to spread the information.

In the beginning the following basic questions from potential initiators have to be answered:

- Who is doing what?
- When?
- Where?
- How?
- Who can take part?
- Where can information be found?

Especially the last question should bring potential initiators to information phase 2. Meanwhile the target group gets smaller from information phase 1 to information phase 2, because only really interested people will continue to follow the topic.

2.2. Level 1 – Information phase 2

Aim	To make starting the project as simple as possible for initiators
Target Group	Interested initiators
Communication	Internet, telephone, mail, personal consultancy, e-mail-groups, forums
Used Media and Actions	Website, consulting, invitation to workshops and plants visit tours, linking-up of initiators, newsletter, check-lists, brochures

The target group of information phase 2 is initiators, who already know the campaign and are interested in it. This includes all persons that would like to act as initiator for the project SolarHeatingVillage but have not been directly contacted within information phase 1.

For these persons, more detailed information is provided, so they might be inspired about the realization of their own project. Beginning such a project should be made as simple as possible in order for initiators to be able to concretely decide to launch a project.

The initiators will be contacted in different ways. While in information phase 1 already hints of information were given, here fundamental questions are answered via a website. Direct specific

questions will also be answered via e-mail, telephone or personally. During this personal consulting the individual questions, ideas and doubts are discussed.

Moreover, there is the possibility to sign up to an email-group or contact data base via the website without commitment. In that way, interested persons might stay in contact with the topic via newsletters without the need to start already the implementation of a project.

The initiators will be invited to a short workshop. During that workshop they will have the possibility of attending presentations as well as getting personal consultancy. Initiators will be able to book meetings with experts who are invited as well to the workshop.

Also an invitation for a technical tour of an existing plant can be spread through the email-group to show how a realized and operating plant works. In that way, the technical points get clearer and realization can be discussed with citizens and actors locally.

To bring initiators in contact with experts (for planning, building and operation), an address list is organized and published on the website, to make starting with a project easier. Also, the initiators can organize the schedule for the project themselves.

To connect the different stakeholders, the website will contain also a password secured area (forum). Different initiators might get in contact with each other, ask questions and give advice to each other. This is very important for regional-specific and administrative work.

On request, initiators can get useful and important materials. This will be basic materials such as check-lists, guidelines, basic information sheets as well as brochures and demonstration material. These materials should help to get the support of the citizens for the implementation of solar district heating. In addition to the materials described in the following information phase, this might be models for direct mail, questionnaires and advice about the organization of information events for citizens.

2.3. Level 2 – Information phase 3

Aim	Create support for the realization of the project
Target Group	Citizens
Communication	Written, acoustic, public events, internet
Used Media	poster, radio spots, leaf lets, FAQs on the website

In the third information phase, citizens should get in contact with the topic of SolarHeatingVillages. This is important for the realization of projects because citizens have to become heat customers and therefore contracting partners. A solar district heating net can only be operated economically with a high connection rate.

But initially, the initiators of a project need the support of the citizen for realizing this project. This should be reached by bringing citizens in contact with the topic via few but key phrases and illustrations without overwhelming them with too much information. This is coherent with the

campaign's strategy to awaken interest before informing further. During a defined time period the interest of citizens should be awakened and confidence should be created, so as to convince people that the project will work. In the best case citizens will get the idea that they might profit themselves from solar district heating and that they want to take part in a project. Especially this last point has to be reached via an intensive information phase which is difficult to organize at regional level. This intensive fourth information phase should be entrusted to the initiators at local level and only supported by the region via materials.

The third information phase has to occur in parallel to phases 1 and 2 so that initiators interested in the realization of a project already have the support of the citizens from the beginning.

The citizens' interest can be awakened via visual and acoustic presence for example. Regional advertisement via posters and radio spots is possible. Through this method, the information contents stay low but the topic solar district heating is connected to the logo of the organizer of the campaign.

The information contents of phase 3 can be intensified by distributing flyers at public events and locations. Also announcements in newspaper could contain key phrases but also qualitative contents. The same basic questions as described in the previous phases should be answered and the advantages of SolarHeatingVillages highlighted.

Finally, an internet platform should be available for interested citizens, or a part of the existing website reserved for them. Questions that can be awaited should be answered there and ideally also directed to persons who could see the project in a negative way. Some critical points are the financing of the project, the time schedule and construction site duration which could impact on the everyday life of the citizens of a potential future SolarHeatingVillage.

2.4. Level 2 – Information phase 4

Aim	Convince citizens of the community or village to connect to the solar district heating net
Target Group	Citizens at local level
Communication	Internet, telephone, mails, personalized consultancy, usw.
Used Media	Brochures, flyers , information events, plant visit tour, questionnaires, etc.

After a sensitization to the topic, the citizens should receive more detailed information. However, this should only occur in the communities or villages in which the implementation of a project is planned.

As already explained, such a project really depends on the decision of the citizens to connect or not. Therefore, the feedback of the population should be asked for on regular basis.

The complexity of this phase makes it impossible to realize it at regional level. The organizer of the campaign will therefore only support the initiators in this phase.

For example, a questionnaire can be realized to ask citizens if they are ready to connect to the net or not, but it should be distributed, gathered again and analyzed by the initiator himself. Also advice can be given on the organization of information events for citizens and the existing plants that can be visited.



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WP4 – Market opportunities for DH with solar heat

Annex 4: DH addresses policy level



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INTRODUCTION

Task 4.2 Working group on market strategies for DH with solar heat

A working group is set-up for developing models for market strategies for DH with solar heat as well as suitable model marketing instruments. The working group is composed of following partners: AGFW, DDHA, EHP, AIRU, AMORCE, PLANENERGI, AMBIT, SFZ.

The working group have had a one-day 'creative' workshop (linked to the 3rd project meeting), in which the development of strategies and instruments was kicked-off and elaborated further in the following period.

At least five model market strategies (suitable for different market situations and market aims) will be worked out and presented in a publishable report.

Further on, for each market strategy a model set of professional marketing instruments (logo, slogan, leaflet, etc.) is developed by a professional marketing agency in order to demonstrate suitable ways for successfully communicating SDH. Strategies and models will be used in the task 4.5 as well as in dissemination activities.

As mentioned in the previous text at least five model market strategies must be worked out and be presented in a publishable report.

In preparation for this work are listed five proposals for marketing themes, which will be explained in detail for the five mentioned specific examples.

Theme no. 4:

DH addresses policy at national level making use of solar positive image (DK)

<p>Short description of the strategy (concept behind, time-line, organizational issues, etc.)</p>	<p>HISTORY since 1900</p> <p>Denmark is in a very lucky situation. DH has been an important part of the energy policy for over 100 years. But the brake-though period was during the 70's under the oil-crises, where the price of oil from the Middle-East went up dramatically and Denmark had to find a new and cheaper solution to the heat supply. Huge reserves of gas and oil were found in the North Sea – and due to the 1979 Law of Energy Supply, geographic areas in the cities were defined to be heated either by individual gas stations or DH (for example based on gas or oil). 2009 featured another important milestone for the development of DH in Denmark – COP15 was held in Copenhagen and focus was on reduction of CO₂-emission. The same year, the Danish District Heating Association succeeded in convincing the Minister of Energy and Climate that DH was the right way to go because of the low CO₂-emission. The minister sent out a letter to all local communities, where she requested the local politicians to consider DH. In 2012, the Danish government set up an Energy Agreement concerning CO₂-reduction and energy-efficiency. Today, DH is again a big issue, because of the use of different kinds of fuels – among others solar energy.</p> <p>There has not been a specific market strategy for SDH in DK, but the Danish District Heating Association has played a very important role in convincing the politicians about DH in general. It has been an ongoing process, but in 2008 the Danish District Heating Association allocated 3 mio. DKK to promote DH with the public as the target group in general, but certainly also with politicians in mind.</p>
<p>Aim of marketing activity (What is the problem we want to solve and what do we want to obtain with the marketing activity? Please quantify your objective if possible, for instance XXX new customers, XXX% additional share in the market, etc.)</p>	<p>The campaign in 2008 had the following aim:</p> <p>To spread the knowledge of DH in general and to create a positive image. To create a political acknowledgement of DH, the DH sector and the technology.</p> <p>Step 1: Have end-users, as well as local and national politicians complete a questionnaire. What do they know about DH and what are their opinions of the product?</p> <p>Step 2: Explain to the public the 4 objective advantages of DH:</p> <ul style="list-style-type: none"> - Delivery of supply, use of waste heat, environmental protection and flexible system, which can use all kinds of fuels. <ul style="list-style-type: none"> a. The whole sector was involved in the process: new slogans and marketing materials were created and distributed to all DH plants – leaflets, posters, streamers for cars, advertisements, website layouts, etc. b. The politicians were invited to a kick-off event with the national press corps and a “working seminar” was established.

	<p><i>The municipalities in Denmark are at present preparing strategic energy plans where the district heating coverage generally are increased very significantly.</i></p> <p><i>At the same time there are built and planned very large SDH systems in Denmark and the solar coverage from the district heating systems will in many cases exceed 50%.</i></p>
<p>Owner of marketing activity (sender)</p>	<p><i>The Danish District Heating Association was the owner of the national campaign – but by involving the whole sector in the implementation, everyone working at the DH plants felt a huge ownership = being part of the activity.</i></p>
<p>Target group of marketing (receiver)</p>	<p><i>End-users and politicians.</i></p>
<p>How are SDH differentiated over other heating technologies?</p>	<ul style="list-style-type: none"> • <i>A green technology, satisfying the political objectives of converting to renewable energy technologies</i> • <i>A production technology, leading to attractive heating prices for end-users (not least because of high taxes on particular natural gas in DK)</i> • <i>A recognized and robust technology with very low maintenance costs</i> • <i>Danish production technology</i>
<p>Resources needed (please specify staff and other costs)</p>	<ul style="list-style-type: none"> • <i>A dedicated group to coordinate the activity.</i> • <i>Many ambassadors.</i> • <i>A board of directors who dedicate time to talk with politicians.</i> • <i>A corps of journalists that does not hesitate to send out press releases when good stories are told or new figures are announced.</i>
<p>Tools to be developed and used</p>	<ul style="list-style-type: none"> • <i>Basic promotion material that can be used by as many as possible and in relation to local as well as national politicians</i>

	<ul style="list-style-type: none"> • <i>Facts and figures about the sector and all the advantages of installing large-scale SDH</i> • <i>Press releases</i>
<p>Replication of the strategy (Which is the potential for replication? Which framework conditions would be necessary? For which countries/utilities do you think it would be more suitable?)</p>	<p><i>Perhaps the strategy described will function in every country. Before making a strategy you have to define the conditions of the country – and, no doubt, a strong national association is extremely important in order to convince politicians about the advantages DH – and DH with solar energy.</i></p> <p><i>To promote SDH, you will have to draw up a cost-benefit scenario – and find all the advantages and “sun shine stories” about the product, such as flexibility, CO₂-reduction, etc.</i></p>

The Danish District Heating Association has just defined a new communication strategy, where focus is on the politicians. A dialogue with politicians and the media has high priority. The association’s board of directors will arrange informal lunch-meetings with politicians before the opening of the Danish Parliament in October, and they have hired an office near the Danish Parliament on Christiansburg in order to have monthly meetings with national politicians. Numerous people are prepared to handle upcoming political issues, and media coverage is very important, too. Three clear messages about DH are defined and repeated whenever possible.



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WP4 – Market opportunities for DH with solar heat
Task 4.1 – Working group on market strategies for DH with solar heat

Annex 5: Existing utility addresses clients with green image arguments AIRU AMBIT



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INTRODUCTION

Task 4.2 Working group on market strategies for DH with solar heat

A working group is set-up for developing models for market strategies for DH with solar heat as well as suitable model marketing instruments. The working group is composed of following partners: AGFW, DDHA, EHP, AIRU, AMORCE, PLANENERGI, AMBIT, SFZ.

The working group have had a one-day 'creative' workshop (linked to the 3rd project meeting), in which the development of strategies and instruments was kicked-off and elaborated further in the following period.

At least five model market strategies (suitable for different market situations and market aims) will be worked out and presented in a publishable report.

Further on, for each market strategy a model set of professional marketing instruments (logo, slogan, leaflet, etc.) is developed by a professional marketing agency in order to demonstrate suitable ways for successfully communicating SDH. Strategies and models will be used in the task 4.5 as well as in dissemination activities.

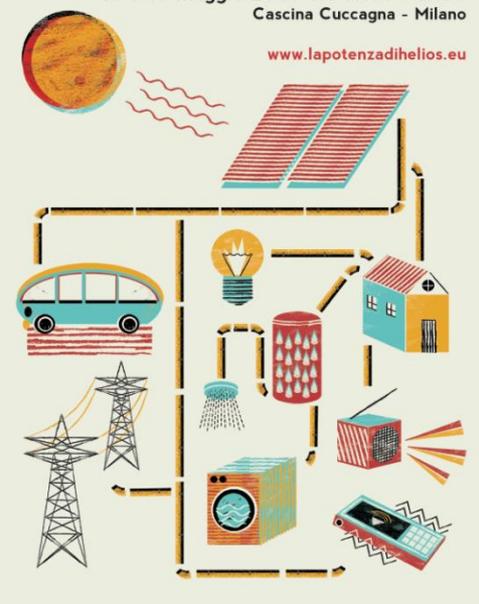
As mentioned in the previous text at least five model market strategies must be worked out and be presented in a publishable report.

In preparation for this work are listed five proposals for marketing themes, which will be explained in detail for the five mentioned specific examples.

<p><i>Target: end users</i></p>	<p align="center">TRANSPARENT BILL</p> <p>toward existing customers - extra price to purchase green energy</p> <p>toward new customers - purchase renewable energy with no investment costs</p>
<p>Short description of the strategy (concept behind, time-line, organizational issues, etc.)</p>	<p><i>The idea is to repay the investment of the solar plant thanks to customers by appealing to sustainability of the network and its green image. We present a dual marketing strategy: one for existing customers, the other to convince new potential customers.</i></p> <ul style="list-style-type: none"> • <i>Toward existing customers: Proposition to <u>pay a little more</u> to be fed with a <u>high percentage of renewable heat</u>. The concept behind it is to convince them with this idea: "Doing nothing (they are already connected to the TR) only paying a little 'more (to be quantified), the customer receives a high percentage of renewable heat." The competition is inside of the utility between solution with and without solar.</i> • <i>Toward new customers: use green image to acquire new customers. For the same price of a traditional district heating service, you have a "<u>green</u>" <u>solution</u> with renewable sources. Concept to convince them: "By connecting to district heating (a solution with no commitment to the customer in terms of management and maintenance, which requires very little space, which allows you to have no boiler...), your needs will be covered by a significant percentage of solar thermal, with no need to install solar panels on your roof nor to install big storages "</i> <p><i>Steps:</i></p> <ol style="list-style-type: none"> 1) <i>Calculation of the total costs of the solar field (initial investment and operating costs)</i> 2) <i>For a. strategy: calculation of the number of clients to involve and of the related bill augmentation in order to have a sustainable PBT.</i> 3) <i>For b. strategy: calculation of the number of new clients to involve in order to have a sustainable PBT.</i> 4) <i>Creation and distribution of information flyers (with the bill, by mail, by phone calls, posters, TV spot...)</i> 5) <i>Collection of subscriptions for contracts with fixed cost for a certain number of years, then the costs can go down if the number of clients increases.</i>

<p>Aim of marketing activity (What is the problem we want to solve and what do we want to obtain with the marketing activity? Please quantify your objective if possible, for instance XXX new customers, XXX% additional share in the market, etc.)</p>	<ul style="list-style-type: none"> • <i>For existing customers: to involve enough customers in this new tariff with “green extra price” in order to have an acceptable pay back time for the solar investment. Having a high share of renewables in the network, the utility allocates the investment costs to customers who want to be fed by renewable sources (eg: 50% DHW).</i> • <i>For new customers: To involve enough new customers in order to have an acceptable pay back time for the solar investment. In this way the network is integrated with renewable source but the investment costs falls on new customers.</i> <ul style="list-style-type: none"> • <i>Indicative calculations of extra price for existing customers:</i> Heat price = € 0,08 / kWh SF = 50% PBT = 15 years Collector surface = 1.000 m2 cost = € 350 / m2 (incentive 275 € / m2) Average user needs = 14.700 kWh / year family Results Number of users involved = 68 Extra cost = 0.005 € / kWh Extra yearly cost = 74 € / year family • <i>Indicative calculations of new customers:</i> Heat price = € 0,08 / kWh Utility margins = 20% SF = 100% PBT = 10 years Collector surface = 1.000 m2 cost = € 350 / m2 (incentive 275 € / m2) Average user needs = 14.700 kWh / a Results Number of users that can have a 100% coverage = 34 Number of new customer to cover the investment = 32
<p>Owner of marketing activity (sender)</p>	<p><i>District heating utility</i></p>
<p>Target group of marketing (receiver)</p>	<p><i>Double strategy:</i></p> <ul style="list-style-type: none"> • <i>customers already connected to the district heating network;</i> • <i>potential new customers.</i>
<p>How are SDH differentiated over other heating technologies?</p>	<p><i>Compared to other technologies solar thermal has low emissions of greenhouse gases and pollutants. It requires little maintenance and operational costs are lower.</i></p>

<p>Resources needed (please specify staff and other costs)</p>	<p><i>Staff to calculate costs and PBT</i> <i>Staff to coordinate marketing activities</i> <i>Flyers, emails, meetings to inform of the possibility, posters, websites, video commercials.</i></p>
<p>Tools to be developed and used</p>	<ul style="list-style-type: none"> • <i>Calculation tools of payback periods.</i> • <i>Transparent bill: details of all costs, in particular what concerns renewable part.</i> • <i>Flyers or mail to inform for the green opportunity.</i> • <i>The material should enhance the arguments of the green solution, the environmental added value and simplicity of the solution for the customers, highlighting the contribution of solar energy:</i> <ul style="list-style-type: none"> - <i>Percentage solar</i> - <i>Tons of equivalent oil saved</i> - <i>Tons of CO2 emission saved</i> - <i>Customer satisfaction</i> - <i>Website that shows real-time production</i> - <i>Sort of eco label (as ecoheat4cities)</i> <p>EXAMPLES:</p> <ul style="list-style-type: none"> • <i>Video: http://www.a2a.eu/it/sostenibilita/index.html</i> • <i>Ecolabel: http://ecoheat4cities.graphicfactory.be/index.php?form=filter&form_to-ken=0cde78e8e6a3e81e6f224c06e8b0f7e7&searchfield=m.ref&keyword=IT&page=public&action=index&search=</i> <div data-bbox="539 1137 906 1496" data-label="Image"> <p>The image is an Eco-label for heating performance. It features three flower-shaped icons: a purple one for Resource efficiency (0,3 Primary Energy Factor), a green one for Renewability (78% Renewable & Surplus heat, in-lineal target 17%), and an orange one for CO2 efficiency (69 kg/MWh CO2-emission). The label is titled 'HEATING PERFORMANCE Teleriscaldamento di Ferrara' and 'HERA S.p.A.'. It includes the Italian and European Union flags, a validity date of 01/2013 to 12/2013, a reference number IT-00025, and the website www.Eco@heat4cities.eu.</p> </div> <ul style="list-style-type: none"> • <i>Events flyers: http://www.lapotenzadihelios.eu/</i>

	<p>LA POTENZA DI HELIOS 2° edizione luce e calore per rinnovare il nostro stile di vita</p> <p>17 e 18 maggio 2014 ore 10:30 - 19:30 Cascina Cuccagna - Milano</p> <p>www.lapotenzadihelios.eu</p> 
<p>Replication of the strategy (Which is the potential for replication? Which framework conditions would be necessary? For which countries/utilities do you think it would be more suitable?)</p>	<p><i>The potential of replication is high with regard to the strategy dedicated to existing users.</i></p> <p><i>The strategy for the acquisition of new customers has a big replication potential for utilities that have already planned expansion. The price of solar district heating for the users must be lower than the one of the individual heat supply competing systems or it must have strong arguments that emphasize the advantages in terms of safety and environmental value.</i></p>



Solar district heating marketing strategy

Tools for communication

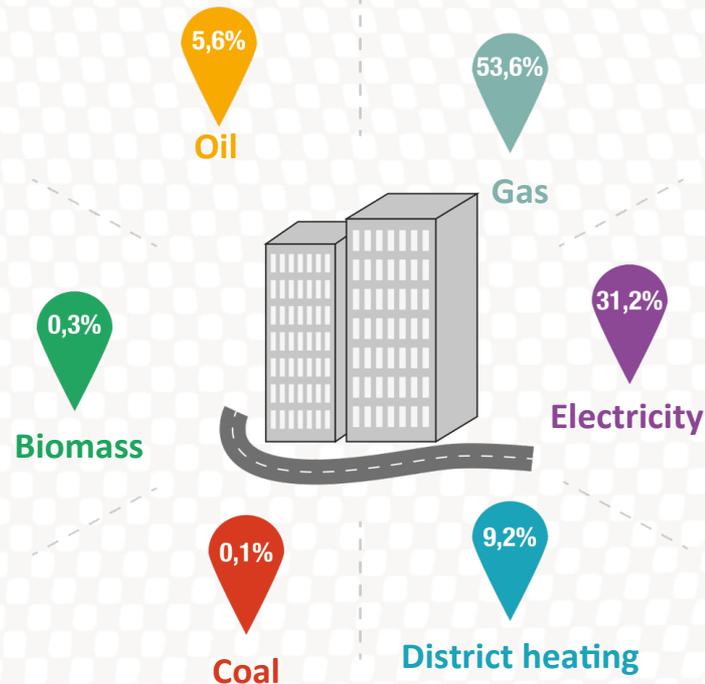


This document is based on the work of Fluide for AMORCE and Via Séva.

France is taken as an example of a country where district heating (DH) development is limited. It states that solar district heating (SDH) can only be developed if DH in general and renewable DH (RES DH) in particular are developed.

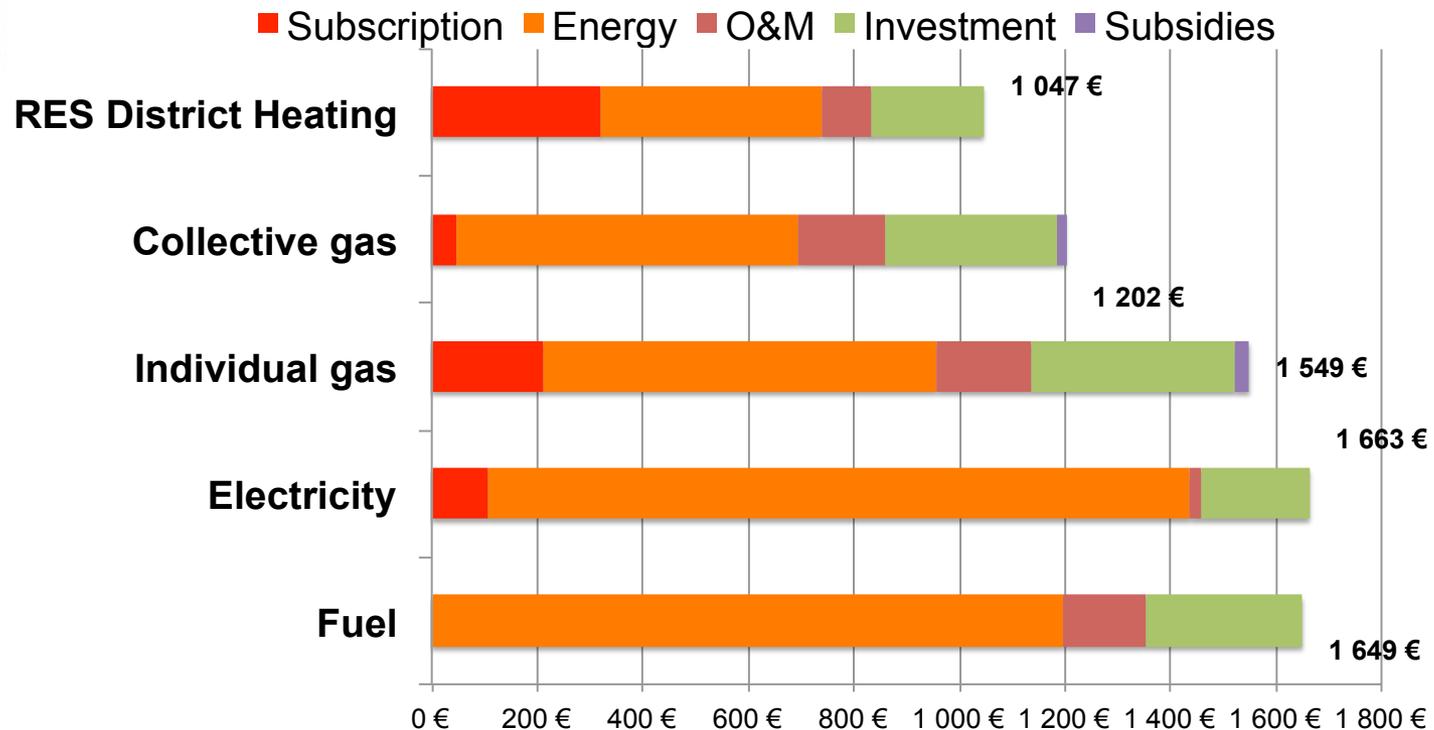
But DH is not well known in France, certainly because of a lack of marketing strategy at the national and local levels. Local authorities, end users, urban planners, operators, building managers are the main target for such a marketing strategy. This document presents two communication tools to promote DH at national and local level.

- French heating market : 85% gas and electricity in apartments, only 9% district heating.
- DH in France have a small market share. There is only two SDH in France for now.
- SDH development first needs DH development



- Competitive and stable price

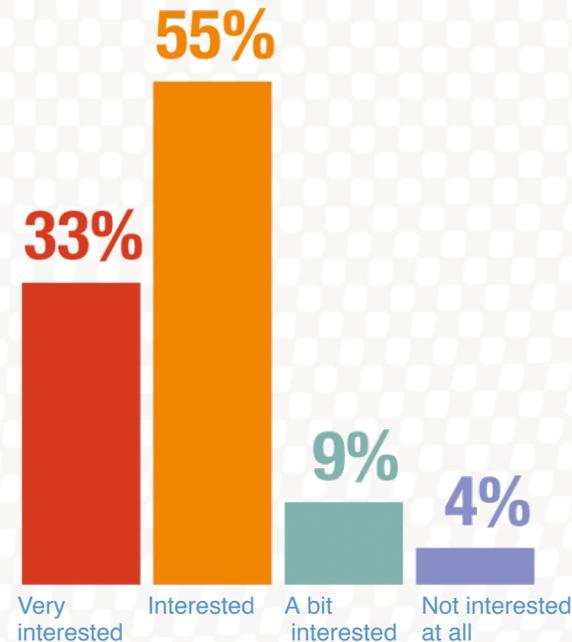
Total price to heat one apartment in 2013 (€/apt.year, incl. taxes)
 Mean energy performance - 170 kWh/m² per year - Analyse : AMORCE



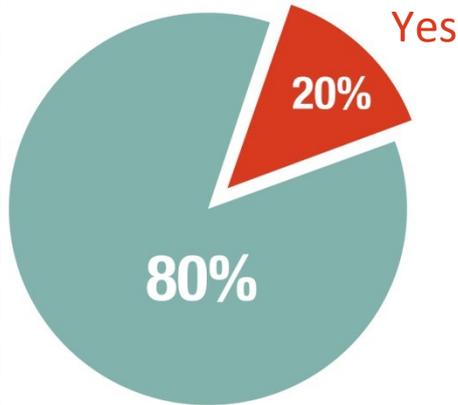
- Low carbon emission
- Low primary resources consumption
- Local energy
- Local activity and economy

- People think solar energy is the best for heating (Via Séva & IPSOS survey, 2014)
- People are interested in RES DH (88%)...
... when explained what RES DH is.

BUT...



- “Do you know what district heating is ?”



No

- DH is not known in France.
- Need for communication about RES DH !

➤ Decision makers & their advisers





Means : national campaign
Brand identity & motto

It is time for DH in France to have its marketing strategy:

➤ **A name**

Short, simple, easy to remember

➤ **A visual identity**

Linked to every day life, to be used on any communication mean

➤ **Mottos**

Key messages to reach minds: simple, green, cheap, price stability (key asset of solar)



Means : national campaign
Brand identity & motto

Tools :

- Internet,
- Social networks,
- Public relations,
- Partnerships (federations of users, building managers, heating engineers, urban planners...)
- Press (constant feed of news, key facts & figures, best practices...)
- **And existing tools**



Eco-DH label

By AMORCE





- **Eco-DH label** by AMORCE
- Rewards local authorities owner of DH with :
 - More than 50% renewable or recovery heat
 - Competitive heat price
 - Consultation of end users
- 21 eco-DH in 2013
- 41 eco-DH in 2014
- Label ceremony at the yearly National District Heating Meeting (300 participants)

- A name : “eco-district heating”
 - Refers to sustainable development : ecological, economical, social.
- A logo :



- An event : the **national district heating meeting**
- All stakeholders take part in this event : local authorities, DH operators, urban planners, clients, end users, Ministries, the national energy agency.



- Results in the press at both national and local levels.
- The eco-DH label has an impact at the national level. A press release is published short after the eco-DH label event so that the eco-DH are in the national newspapers.
- Local authorities use the eco-DH label to promote and make advertising for their eco-district heating. They also improve their DH (especially the consultation of end user) to get the eco-DH label.



"Do the right choice" campaign

by Via Séva





Communication tools : "Do the right choice" campaign

- "Do the right choice" campaign by Via Séva (the association for information and promotion of DH)
- National campaign to promote DH
- Mean : a website with clips, videos, information, Q/A, etc.
- Targets : end users, clients, local authorities

- A website

Faites le bon choix

[Espace collectivités](#) | [Espace presse](#)
[QU'EST-CE QU'UN RÉSEAU DE CHALEUR ?](#) | [COMMENT SE RACCORDER ?](#) | [6 BONNES RAISONS DE PASSER AU RÉSEAU DE CHALEUR](#) | [AU QUOTIDIEN](#)

Les réseaux de chaleur, informez-vous
Faites le bon choix !

Choisir les réseaux de chaleur, c'est privilégier le confort, la stabilité des prix, la sécurité, l'environnement, l'emploi local, ... N'attendez plus. Vous aussi, faites le bon choix !

[En savoir plus](#)

Antoine [Découvrez son histoire](#)

À LA UNE

"Les réseaux de chaleur permettent une diminution des coûts de chauffage et..."

Questions / Réponses

Notre immeuble va être raccordé à un réseau de chaleur. Qu'est-ce que ça va changer pour moi ?

Pour l'utilisateur, rien ne change. Vous continuerez de régler votre radiateur comme vous le faisiez avant. Grâce aux réseaux de chaleur, vous bénéficiez d'un niveau de confort optimal et d'une eau ch ...

- Survey on DH knowledge



- Questions/Answers:

- How does a DH work?
- 6 good reasons to connect to a DH?
- How to know if I can connect my building to a DH?
- How to connect to a DH?
- ...

- Linked with social networks



- Visual identity:
 - Stickers
 - Posters
 - Clips



- DH have a small market share in France and it is not well known.
- SDH development first needs RES-DH development.
- A SDH marketing strategy in France has first to be a DH marketing strategy.
- Following tools are used in France :
 - Via Seva, the association for DH promotion, developed a website that aim potential clients and end users
 - AMORCE created an eco-DH label to promote RES-DH in France : a logo, a label, a national event.
 - It shows results in the media at national and local level.
- These tools could be easily replicated in other countries to promote DH and SDH.