



PRESS-RELEASE

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Boosting the energy efficiency and flexibility in the commercial rented sector with the EU-funded project SmartSPIN.

European business, technological and research organizations have joined forces to develop a new business model to improve the energy efficiency and flexibility in the commercial buildings, giving rise to [SmartSPIN](#). The project is funded by the European Union and is expected to remodel the commercial buildings sector by creating benefits for all stakeholders involved, boost million-euro investments in the energy field, while reducing energy consumption and CO₂ emission.

On 1 September 2021, [SmartSPIN \(Smart energy services to solve the split incentive problem in the commercial rented sector\) project](#) was officially launched. With a two-day online meeting on 14-15 September 2021, the SmartSPIN consortium has started the development of the new business model that aim at improving the energy efficiency and flexibility in the commercial rented buildings. The project has been granted €1,996,787 from the European Union's [Horizon 2020](#) research and innovation programme to integrate the latest smart energy services and advanced technologies in a novel model that better control energy consumption in buildings.

The first-of-its-kind business model is expected to boost the renovation building rates up in Europe. The project will run until 31 August 2024 in Greece, Ireland, Spain and The Netherlands. During the next 2.5 years, SmartSPIN will work towards achieving the following ambitious objectives:

- Demonstrating feasibility, effectiveness and advantages of the SmartSPIN innovative business model that combines both energy and non-energy benefits in a smart energy service offering for the commercial rented sector.
- Addressing the barriers that prevent the commercial rented sector from engaging in energy services, energy efficiency projects and performance-based contracting.
- Developing an innovative business model and new contractual templates that allow the proposed Smart Energy Services to be deployed in the commercial rented sector.
- Implementing, testing and validating the SmartSPIN business model in three pilot sites in Greece, Ireland, Spain.
- Engaging and training key market stakeholders in the deployment of the SmartSPIN business model.

In Europe, buildings account for 40% of energy consumption and 36% of the generated carbon emissions. According to latest studies, 75% of all buildings in the European Union are energy inefficient, and only 1% of them are renovated each year. In addition, around 25% of Europe's buildings are **non-residential**



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101033744.

buildings, which are often owned by a commercial landlord who rents and/or leases all or just parts of the building to one or more tenants. In this context, one of the key market barriers to energy efficient building renovations is the split incentive problem, where the benefits of energy efficiency investment do not accrue to the actor who pays for the investment. In rented buildings this issue arises between tenants and landlords. Introducing a new way of sharing costs and benefits between the involved parties, the project aims at **removing the current market barriers for integrating smart energy efficiency services in the commercial rented sector**. After defining the service, practical experience with it will be gained through test demonstrations and data analysis of three real case studies in Spain, Greece, and Ireland - exploring how smart energy services can be deployed as an effective business model practice in Europe.

SmartSPIN is expected to generate unique know-how, providing clear positive business and societal impacts. By using the project methodology, the three pilot sites are expected to generate 4.53 GWh/year energy savings through the improvement of the existing building systems and installations of solar photovoltaics. As a result, 941tCO₂ per year will be reduced. Additionally, SmartSPIN is to trigger €8.27 million investments in sustainable energy. Above all, the project will create a more reliable and verifiable innovative energy service, and will demonstrate the trustworthiness and accessibility of service providers.

SmartSPIN brings together **experts from the entire value chain**: energy services companies (Lawler Sustainability); cloud-based energy management platform provider (SMARKIA); energy supplier (EUNICE); measurement and verification specialist (HEBES). Combined with a research team highly experienced in developing business models for performance-based contracting (IERC), an expert in the development of predictive models and algorithms (TECNALIA) and a specialist in successful exploitation of sustainable innovations (EGEN), the SmartSPIN is well prepared to facilitate the roll out of this innovative business model in Europe.

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