



# Ricardo-**AEA**

## Developing performance indicators for the Intelligent Energy Europe (IEE) programme

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# The IEE programme



- Run by the Executive Agency for Small and Medium-sized Enterprises (EASME)
  - Previously the Executive Agency for Competitiveness and Innovation (EACI)
- Role of IEE:
  - *‘funding specific actions within the market place to overcome (non-technological) barriers to both the efficient use of energy and the greater use of new and renewable energy sources’*
- IEE has three strands of activity:
  1. To foster energy efficiency and the rational use of energy resources (SAVE)
  2. To promote new and renewable energy sources and support energy diversification (ALTENER)
  3. To promote energy efficiency and the use of new and renewable energy sources in transport (STEER)
- IEE has five fields of delivery in each strand

## Our project for the EASME

- **Task 1 – Literature Review**
  - Compile, review and evaluate evidence from existing studies in the literature on similar exercises to develop performance monitoring metrics
- **Task 2 – Working processes**
  - Developing the results chain approach
- **Task 3 – Analysis of previous projects**
  - Review of 35 pre-selected projects (including telephone interviews with project coordinators) to inform Tasks 2 and 4
- **Task 4 – Development of typical outputs, performance indicators and associated guidance**
  - Production of a full guidance document, including worked examples for calculating project impacts
- **Task 5 – Analysis of IEE Call 2011 projects**
  - Looking to understand their impact calculation methodologies to inform Task 4

## Performance indicators for IEE are challenging because:

- IEE projects address non-technical barriers
- Projects vary widely
- Projects take different approaches to the challenge of calculating outputs and impacts
- Projects have limited impact while receiving IEE support
- Projects find it difficult to define project impacts in terms of the existing Common Performance Indicators (CPIs):
  - Investment in sustainable energy
  - Renewable energy production
  - Energy savings
  - Reductions in GHG emissions
- Diverse impacts are difficult to aggregate at the programme level
- All of the above make programme impacts hard to measure or prove

## What key points were needed for improvement?

- **A clearly defined results chain**



- **Guidance on the attribution gap**

- **Flexible (not mandatory) CPIs.** For some EU-wide policy and market transformation projects, it may not be possible to quantify the impacts except through top-down methods and so it was recommended that the existing CPIs are voluntary for such projects in future.
- **Consistent units.** Confusion was caused by use of decimal places and commas, particularly when Excel had been used to calculate a figure that had then been transposed into a Word document. In addition, many projects quoted their final CPI figures using incorrect units, e.g. MWh instead of toe.

## Updating the CPIs – new Programme Performance Indicators

- Additional indicators considered:
  - **Green jobs created**
  - **SMEs influenced**
  - **Innovation**
  - **Increased skills/capability**
  - **Policy makers influenced**
  - **Attitudes and behaviour changes**
- It is not always possible for a policy project to develop acceptable PPIs for energy and GHG impacts
- Projects have typically assumed that any project impacts persist through to 2020. While this may be reasonable for renewable energy projects and other projects that have an impact on technology deployment, it may be less reasonable for behaviour change projects in the energy efficiency and sustainable transport areas
- While the idea of aggregating selected project output indicators, such as total days of training provided, would provide interesting metrics on the scope and activities of the project, this does not give any idea of programme impact

# Programme Performance Indicators

PPI	Short term (by end of project) Unit	Long term (by 2020) Unit
Additional cumulative investment made by European stakeholders in sustainable energy	€	Additional cumulative €
Renewable Energy production triggered	tonnes of oil equivalent (toe)/year	toe per year AND cumulative to 2020
Primary energy savings compared to baseline projections	toe/year	toe/year AND cumulative to 2020
Reduction in greenhouse gas emissions compared to baseline projections	tCO <sub>2</sub> e/year	tCO <sub>2</sub> e/year AND cumulative to 2020
Policy makers influenced	total	cumulative
Number of people with increased knowledge/skills/capability	total	cumulative
Number of people changing their behaviour	total	cumulative

# Mandatory and optional PPIs

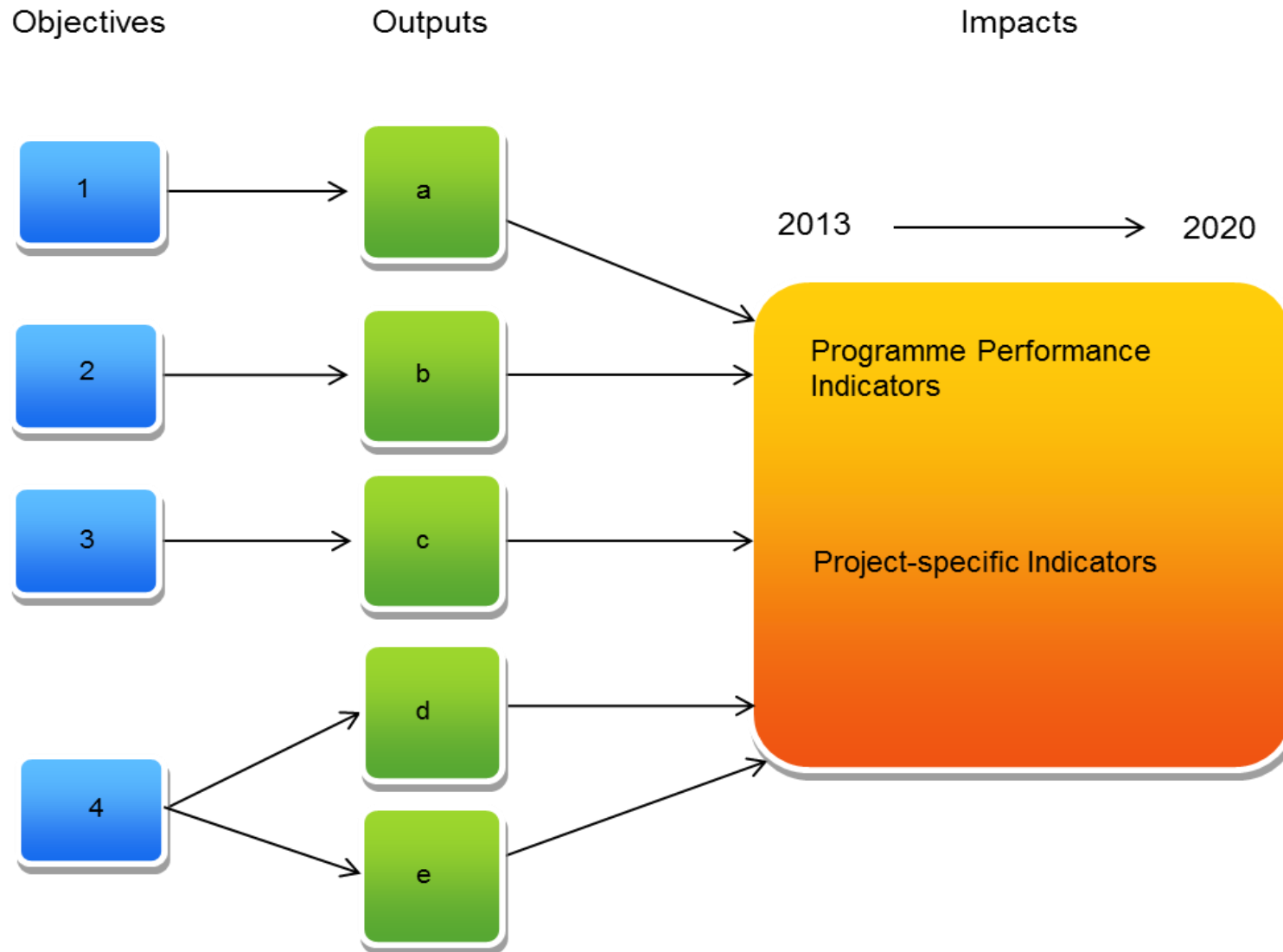
★ Mandatory PPI

○ Optional PPI

Field of delivery	Investment €	RE triggered	Energy saved	GHG reduced	Policy maker influence (all levels)	No. of people with increased capability	No. of people changing their behaviour
Enabling policy	○	○	○	○	★		
Market transformation	○	★	★	○		○	
Preparing the ground for investments	★	★	★	○			
Building capacities and skills	○	★	★	○	○	★	○
Changing behaviour		★	★	○	○	○	★



# Establishing the results chain in a logical manner



## How we reached this model of the results chain.....

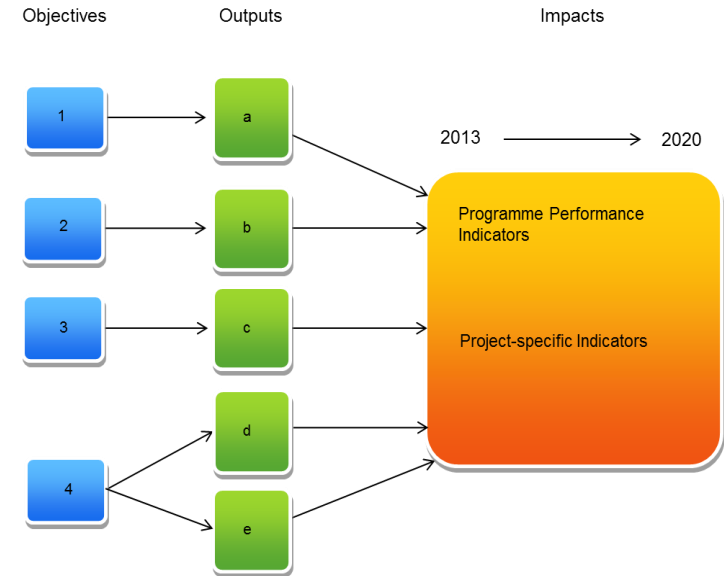
A number of key decisions were made with EASME:

- Limiting the number of objectives and outputs
- Simplifying the existing system of specific/strategic objectives
- Simplifying the results chain
- Creating a standard set of output indicators

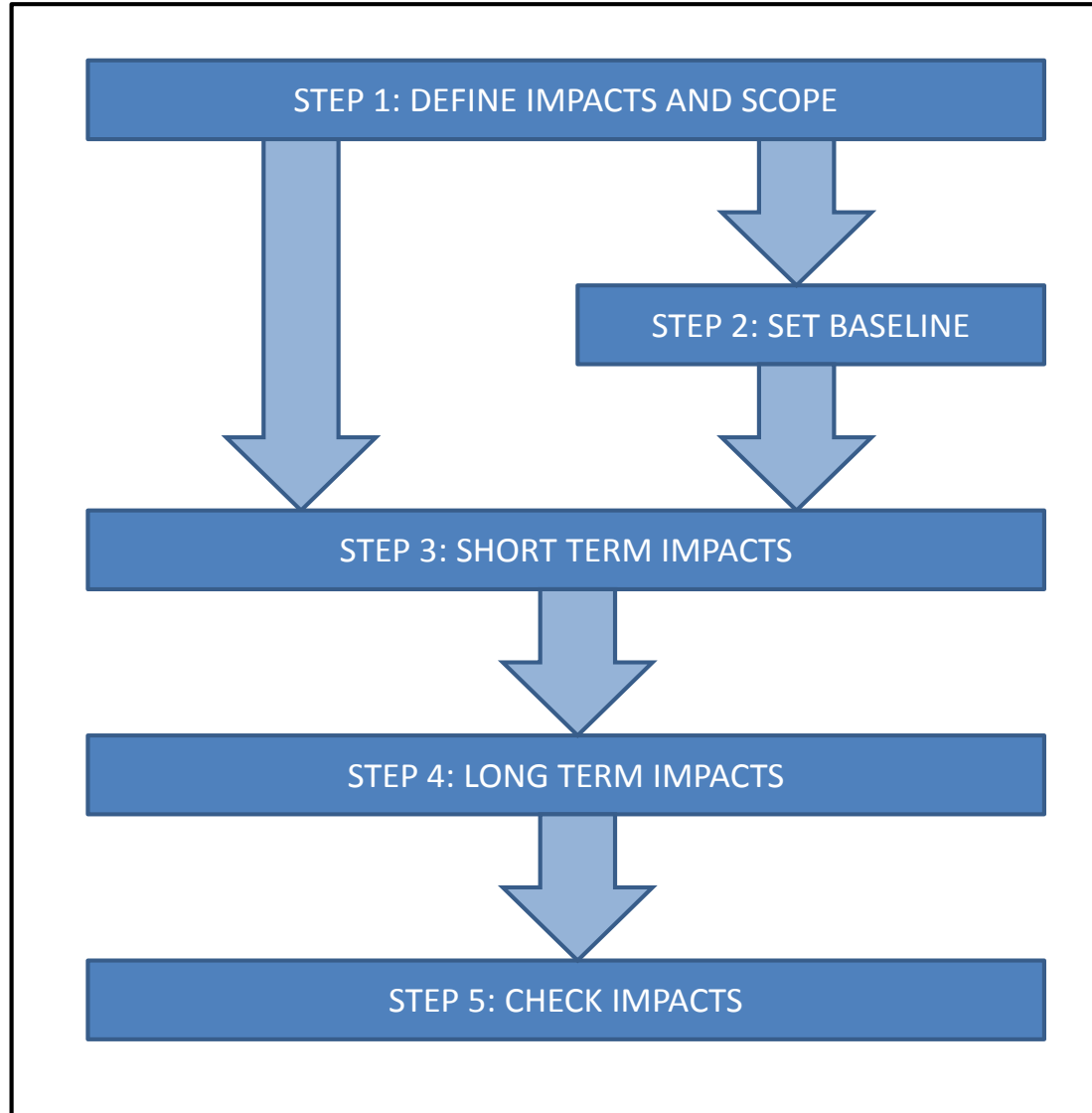
(see the full report

<http://ec.europa.eu/energy/intelligent/files/implementation/doc/guidelines-iee-common-performance-indicators.pdf>)

- Providing flexible guidance on short- and long-term project impacts, including a suggested methodology for their calculation



# The 5-stage PPI methodology



## Conclusions from the work

- Intelligent Energy Europe is a unique programme
- It takes time and effort to calculation reliable impact indicators
- It is important to recognise that some projects will not be able to reliably calculate their impact

### Use of the results of the project (from EASME)

A significant number of applicants to **IEE Call 2013** used the additional guidance provided by EASME. In general, this allowed having a more uniform approach in the elaboration of the indicators and on their quantification (i.e. targets)

For the Energy Efficiency focus area of **Horizon 2020**, despite the new framework and – in some cases – the different type of projects to be funded, in the case of the energy topics with a strong market oriented component, the set of indicators and part of the guidance document have been adopted in the templates used by the applicants for the submission of proposals within the 2014 Call.

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