

#### Technology Procurement -a winning method in driving innovation

Carl-Martin Johborg Swedish Energy Agency





### Technology procurement

- A policy instrument that aims at market transformation.
- The objective is to develop new products, systems or processes that meet buyers' requirements better than the products already on the market.
- Are used to promote the development of new energy-efficient technologies.

## Technology procurement – a process in seven steps



#### Definitions



#### Technology procurement, procurment groups – Innovation-drivers



Resource efficiency Energy efficiency

#### **Technology Procurement**



Complexity

### Permanent procurement groups

- Big advantage with permanent procurement groups as it provides a continuity in the market needs
- Encouraged and co-financed by the Swedish Energy Agency. (40/60)
- Policy instrument corrects market failures such as:
  - Asymmetric information (problems when searching for information and knowledge, lack of technology)
  - Split incentives

#### Permanent procurement groups

Established in 2001. BELOK has 19 members Procurement group commercial all belonging to the largest premises owners in **buildings** - **BELOK** Sweden. Represents 25 percent of the premises real estate area in Sweden. Established 1989. 24 members ranging from social housing associations to public Procurement group apartment authorities and professional organizations. buildings - BeBo Represents 70 percent of the apartment building area. Procurement group family houses -Established in 2013. Members include people from house manufacturers. Besmå Procurement group food premises -Established in 2011. Members from grocery **BeLivs** stores, gas stations, fast food restaurants etc.

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# Example of a successful technology procurement

- Development of energy efficient domestic tap water mixing valve.
- The winner of the procurement was Gustavsberg one of Swedens most well known porceline manufacturers.
- If changing to a energy efficient hot water taps, households could save up to 600 – 750 kWh per year, which is about a 20 percent reduction of the energy consumption for hot water.

## Example of renovation from 210 to approximatly 92 kWh/m2 year



#### Example Belok total project Pennfäktaren 11: Vasagatan 7, Stockholm



Before renovation: 287 kWh/m<sup>2</sup>, år

After renovation: 124 kWh/m², år

Savings: 57 %





## Thanks for your attention!

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#### Men det behövs en agent

- för att leda
- för att finansiera förstudier, provning etc

### **Restrictions in Sweden**

- A maximum of 50% subsidy to the procurement
- The 50% subsidy is required for each step in the procurement.
- Never direct subsidies to the product developer, instead support to buyers
- Maximum 100 000 € funding per buyer