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ESHA Member Newsletter 09 July 2014

Foreword

Dear Members and Supporters of ESHA,

This membership newsletter edition summarizes the activities of the ESHA Secretariat as well as the latest policy developments in the EU arena of the last months. It is therefore larger than previous editions.

ESHA members benefited from receiving direct information from the European Commission and from internal joint policy meetings of renewable energy associations. If you missed including your name on the distribution list, we again offer you the opportunity to review your subscription [here](#).

Next to a summary of ESHA's policy and communications activities, you will find useful information on a range of funding programmes, planning tools and background information for your future projects.

We wish you an enjoyable reading and a relaxing summer break!

Your ESHA Secretariat

Policy

EU policy and legislation processes relevant to the small hydropower sector

Policy and legislation processes on the EU's energy policy will play a major role in the next EU legislation period. The debates and decisions by EU institutions will take place within the frame of three headwords, namely sustainability, affordability and reliability – topics on which ESHA advocates to key decision-makers the various valuable solutions and opportunities which the small hydropower sector offers.

Hydropower within the 2030 framework for climate and energy policies

The European Commission presented its view on an *integrated policy framework for climate and energy policies until 2030* in January 2014 suggesting, among others, the reduction of EU domestic greenhouse gas emissions by 40% below the 1990 level by 2030 as well as a moderate



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increase of the share of renewable energy to at least 27% of the EU's energy consumption by 2030. EREC, among others on behalf of ESHA, called on the Commission and heads of governments for more ambitious goals for all forms of renewable energy.

Within the development process, ESHA provided key information about the opportunities and benefits of small hydropower as well as the large potential of electricity production from new and refurbished small hydropower plants within the EU 28. Meetings between ESHA staff members and key representatives from EU institutions will continue until EU leaders will decide on this framework in autumn 2014.

State Aid Guidelines

Thanks to the input and support from several ESHA members, the ESHA Secretariat provided comprehensive comments to the Commission's consultation on the Energy and Environmental State Aid Guidelines (SAG), especially paragraph 123, *Aid for small-scale RES*. Unfortunately, the Commission did not take over ESHA's request to grant support for small hydropower installations for up to 10MW.

The new guidelines foresee a gradual move to market-based support for renewable energy. Feed-in tariffs will be progressively replaced by competitive bidding processes. Small installations or technologies in an early stage of development can be exempted from participating in competitive bidding processes. The Guidelines define small installations as those producing less than 1 MW of power from small hydropower sources. In addition, small hydropower installations that are below 500kW are considered to have less potential to participate in the wholesale market and can continue to benefit from any form of aid including feed-in tariffs.

ESHA's Secretariat, together with ESHA members, is in the process of gathering more information about the envisaged bidding processes and will assess their potential impact on the development of the small hydropower sector.

Commission's communication on European Energy Security Strategy

Following several events potentially threatening the supply of energy to the EU, the Commission published a communication on a European Energy Security Strategy. Unfortunately, the Commission focusses on the diversification of conventional energy imports from various



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countries rather emphasizing the increased development of indigenous renewable energy sources.

ESHA signed a joint open letter of the renewable energy sector addressed to the European Commission calling on the strong development of renewable energy sources within the EU 28. In addition, Dirk Hendricks emphasised the potential and fast development possibilities for small hydropower within the EU during the *First high-level Roundtable on EU Energy Policy European Energy Security Strategy* in Brussels in June 2014 which was upon personal invitation by the European Commission.

Water Framework Directive, environment and small hydropower

DG Environment started developing new **guidelines for hydropower plants in Natura 2000 areas** in autumn 2013. ESHA, in cooperation with HEA-E, provided relevant input and comments during the drafting process to strengthen the position of hydropower. ESHA also presented some findings and recommendations of the IEE project stoRE in which ESHA had participated during the last three years. The EC's guidelines for hydro projects in environmentally sensitive areas will be available in autumn 2014.

Within the **Common Implementation Strategy (CIS) process of the Water Framework Directive (WFD)**, ESHA staff and members participated in several CIS working groups related to hydropower providing information and positions of the hydropower sector. ESHA followed especially the working group on e-flows which members work on a definition of "**ecological flows**" and a conceptual scheme. As this might have a crucial impact on the small hydropower sector, ESHA staff and experts from its members provided input and comments on this topic and attended meetings of this working group, among others in Madrid and Trondheim in March and June 2014 respectively.

In this respect, several ESHA members met in Brussels at the end of March 2014 to start developing new ESHA positions and background information on environmental topics which are/will be used in the on-going implementation process of the WFD. If you still want to join this working group, please contact [Dirk Hendricks](#). The Secretariat will circulate a draft **ESHA fact sheet on environmental issues** to group members during summer for finalization. Several meetings with representatives from DG Environment are scheduled for autumn 2014.



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With the support of the EU's Visegrad Fund, ESHA and the CEE Bankwatch Network organised a **roundtable on environmental and social criteria for small hydropower development in Central and Eastern European countries** in Brussels in November 2013. Though environmental groups in Eastern Europe have been promoting small hydropower as a sustainable energy source, they are getting concerned about certain projects which do not correspond to state-of-the-art small hydropower plants in the EU. Consequently, social opposition to small hydropower is on the rise. The representatives of the CEE Bankwatch Network requested ESHA's assistance in developing and promoting best-practice criteria for the implementation of new small hydro projects in this region.

Horizontal Eco-design Consultation Forum

Thanks to the input and support from several ESHA members, the ESHA Secretariat provided comments to the Commission's consultation on the eco-design of hydropower turbines smaller than 50 MW. With the gathered results, the Commission did not continue its efforts for turbines in this range.

Relevant cases at the European Court of Justice

ESHA monitored the case **Ålands Vindkraft AB v. Energimyndigheten case (C-573/12)** at the European Court of Justice as its verdict was regarded as an important precedent for the renewable energy sector. ESHA welcomes the recent court's judgment which reaffirmed the conformity of the Renewable Energy Directive (2009/28/EC) with the EU Treaty.

Finnish Ålands Vindkraft company applied to the Swedish authorities for electricity certificates in respect of its wind farm production on the Finnish Åland archipelago. The application was refused by the Swedish Energy Agency on the grounds that only green electricity production installations located in Sweden may be awarded. The Swedish Court of Linköping had requested a preliminary ruling by the ECJ asking if the no authorisation for outside Renewable production to benefit from the Swedish mechanism is discriminatory and violating the free movement of goods principle. And if the latter would be the case if there are grounds to declare this scheme compatible with EU law.



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ESHA monitors the **court case between the European Commission and the Government of Austria concerning the Schwarze Sulm river** following the authorisation of a hydropower project in 2007. The Commission took Austria to court in April 2014 as it regards this authorisation as a failure of the Austrian Government to ensure adequate protection for this river. The verdict might set a precedent for similar cases throughout the EU.

Staff members also follow the court case between the **European Commission and the Government of Germany (Case C-525/12) concerning the concept of “water services”**. Germany excludes water services such as impoundment which is intended for hydro electric power production, navigation and flood protection from the scope of water services. The Commission regards this as a violation of articles 2(38) and 9 of the Water Framework Directives. Advocate General Jääskinen rejected the Commission’s arguments in his [opinion](#). Let’s see if the court will follow his view.

Promotion of hydropower research

Several ESHA members responded to the Secretariat’s request for specific research topics on small hydropower. ESHA collected these answers and presented them to the DG Research which is currently in the process of selecting some of the suggested topics for the calls under the new *Horizon 2020 programme* for 2016 and 2017.

The Joint Research Centre of the European Commission recently requested the ESHA Secretariat to support their research activities on the small hydropower development in the EU focussing on the assessment of suitable locations for small hydro plants, modelling and optimization of their operation and energy market analysis.

ESHA’s Secretariat also prepares a request to the European Commission to include funding opportunities for (small) hydropower in the NER300 which is a European funding programme for innovative low-carbon energy demonstration projects.



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General issues

The **European Commission** has appointed new focal points for hydropower-related issues. Ms Paula Abreu Marques is the new Head of Unit of Renewables and CS Policy in **DG Energy**. Mr Pavel Misiga is the new Head of Unit of Water in **DG Environment** (Water Framework Directive).

The Committee on Industry, Research and Energy of the European Parliament (ITRE) will play a significant role in upcoming legislation processes for the EU energy policy. Jerzy Buzek (European People's Party, Poland) is elected Chair of this Committee. Vice-Chairs are Patrizia Toia (Group of the Progressive Alliance of Socialists and Democrats in the European Parliament, Italy), Hans Olav Henkel (European Conservatives and Reformists Group, Germany), Miloslav Ransdorf (Confederal Group of the European United Left - Nordic Green Left, Czech Republic) and Morten Helveg Petersen (Group of the Alliance of Liberals and Democrats for Europe, Denmark).

With the new elections for the European Parliamentarians, the activities of the last EP **Intergroup Water** which provided a platform for hydropower issues within the **European Parliament** have ended in May 2014. MEP Dr Richard Seeber hosted an ESHA event on presenting the opportunities and challenges of the European small hydropower sector as well as the recommendations of the IEE project stoRE in the European Parliament at the beginning of April 2014. ESHA, in cooperation with other hydropower representatives, looks for a successor of Dr Seeber to continue the activities of this EP Intergroup.

Members of the **European Renewable Energy Council (EREC)** decided the “voluntary” dissolution of the non-profit organisation on the 6th of March 2014 due to its high liabilities arising from its lease obligations for the Renewable Energy House. The dissolution of one of the key representations of the renewable energy sector impairs the sectors advocacy work for a favourable investment climate for the renewable energy sector in Europe. ESHA participates in on-going talks about a new representation for the renewable energy sector.

ESHA increased its cooperation with the **Working Group Small Hydro of the International Energy Agency (IEA)** creating new synergies on existing databases for small hydropower and enhancing the call on politicians to establish clear and fair long-term investment conditions for the sector in Europe and beyond.



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ESHA staff also participated in the Editorial Board for the [World Small Hydropower Development Report](#) providing information and statistics about the small hydropower sector in Europe. ESHA will continue this cooperation with **UNIDO and the International Centre on Small Hydropower (ICSHP)** to support the sector's development.

ESHA supported the small hydropower campaign for Latin America of the **Alliance of Rural Electrification (ARE)** through technical advice and communication activities during the first six months of 2014. Please check out the special publication on [Small Hydropower in Latin America](#) as well as the [highlights of the second International Off-grid Renewable Energy Conference](#).

PR & Communication

Hidroenergia 2014

The [Hidroenergia 2014 Congress and Trade Fair](#) took place in Istanbul between the 21st and 23rd of May 2014. ESHA's event, co-organised with the Turkish Government, attracted more than 300 visitors and 53 exhibitors of the finest hydropower companies which actively promote hydropower development to increase hydro-electricity production in Europe and around the world. Their products and services impressively illustrate that hydropower can truly be considered as one of the most efficient, reliable and cost-effective forms of electricity production, providing a steady, secure and local source of electricity supply.

The ESHA and Hidroenergia 2014 Team cordially thanks the Gold Sponsor **Global Hydro Energy**, the Silver Sponsor **Andritz Hydro**, and the sponsors **The International Journal for Hydropower & Dams**, **Troyer** and the **European Commission** for their commitment and support of this Hidroenergia edition.

Several specialised journalist covered the congress sessions and conducted interviews with exhibitors and sponsors. An assessment of the evaluation questionnaires from participants demonstrated that Hidroenergia is one of the most important events for the small hydropower sector.

In the closing session, ESHA President Marko Gospodjinački announced Verona in Italy as the next venue for Hidroenergia 2016.



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In the last months, ESHA has been invited to speak on European small hydropower and actively promoting key projects:

- May 2014
 - *RESTOR Hydro: Unleashing micro hydropower potential in Europe and Workshop on the IEE RESTOR Hydro project*, Hidroenergia 2014 in Istanbul, Turkey
 - The presentations will be soon available to congress participants.
- April 2014
 - *Trends and solutions in the development of SHP in the EU*, HydroTech Balkans 2014 in Belgrade, Serbia
 - Presentations with a strong focus on the **Balkans** are available [here](#).
 - *Sustainable Hydropower in the EU*, European Parliament, Brussels, Belgium
 - Event presentataions with focus on **energy and pumped storage** are available [here](#).
 - *Trends and solutions in the development of SHP in the EU*, Small Hydro 2014 in Vancouver, Canada
 - Event presentations with a strong focus **North America** are available [here](#).
- October 2013
 - *RESTOR Hydro: Unleashing micro hydropower potential in Europe*, HYDRO 2013 in Innsbruck, Austria
 - Conference proceedings available upon request.
 - Renewable Energy Forum 2013 in Kiev, Ukraine
 - Event presentations with a strong focus on Ukraine and CIS are available [here](#).
 - UNIDO's 6th Hydro Power for Today Forum and the 3rd Technical Workshop of the Observatory for Renewable Energy in Latin America and the Caribbean in Campinas, São Paulo, Brazil
 - Event presentations with a strong focus on **Latin America and China** are available [here](#).



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ESHA Secretariat has published the following articles during the last months:

1. [Erster weltweiter Kleinwasserkraft-Bericht mit interaktiver Kleinwasserkraft-Weltkarte](#), ZEK Magazin (06/2014) *German*
2. [Europas Kleinwasserkraft-Elite traf sich in der Megacity am Bosphorus](#), ZEK Magazin (06/2014) *German*
3. [The first ever small hydropower report and interactive global small hydropower map](#), ZEK International (05/2014) *English*
4. [New guidebook on how to establish a small hydropower cooperative](#), ZEK International (05/2014) *English*
5. [A Small platform to give great power](#), Renewable Energy Technology (03/2014) *English/Chinese*
6. [First Ever World SHP Report and Interactive Global SHP Map](#), New Energy (03/2014) *English*
7. [Hydroenergia: the traditional business platform for the hydropower sector / RESTOR Hydro: Unleashing micro hydropower in Europe](#), The International Journal on Hydropower and Dams (02/2014) *English*
8. [New guidebook on establishing small hydropower cooperatives](#), New Energy (01/2014) *English*
9. [Rynek hydroenergetyczny w Turcji - szansą dla inwestorów i dostawców](#), Energetyka Wodna (12/2013) *Polish*
10. [HYDRO 2013 reflects global commitment to hydropower](#), The International Journal on Hydropower and Dams (12/2013) *English*
11. [Debata na temat energetyki wodnej podczas EUSEW 2013](#), Energetyka Wodna (09/2013) *Polish*

ESHA members are invited to send their news, interesting stories and pictures around small hydropower to ESHA's Secretariat. Next to ESHA's communication tools, the Secretariat regularly publishes articles about small hydropower in various professional journals and newsletters with which ESHA has established a formal cooperation.



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EU Projects

ESHA's policy and communications activities are partly carried out through EU sponsored projects. Especially successful is the on-going RESTO Hydro projects which demonstrates the huge refurbishment potential of abandoned small hydropower plants and promotes clear and fair long-term investment conditions for the sector in Europe as well as cooperatives as an additional form of project financing and as a means to increase social acceptance.

RESTOR Hydro

In the past months, ESHA and the project partners have developed new tools for the European SHP sector.

1. The project partners developed guidelines on how to establish small and micro hydropower cooperative. The *Guidebook on Cooperatives* is now available for download.

Cooperatives increase the bankability of restoration projects. One or more sites in a region can be aggregated under an umbrella organisation responsible for assessing the sites' potential and preparing a viable financial plan for their refurbishment. Small and micro hydropower cooperatives bring new dynamism to local communities. Community collaboration to produce decentralised energy creates economic vibrancy, increases electricity supply security and improves environmental conditions, resulting in win-win outcomes for the region.

Further supporting documents include

- Business Model - an explanation of the internal mechanisms of the cooperatives, especially the roles of the various stakeholders: site owners, cooperative members, partner suppliers, end-users, etc.
- Template for Master Agreement - this is template that can be used to support the Shares Offering Program. It is a support to explain the projects that need funding and invite citizens and companies to invest in it
- Financial tool - an Excel based tool allowing you to assess the profitability of a portfolio of potential sites based on some simplified assumptions

2. A new SHP video reporting on the project and hydropower potential is online.



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3. In July 2014, ESHA will publish *The Small and Microhydropower Restoration Handbook – the all-inclusive replicable model*, a handbook which addresses small hydropower permitting, technical restoration and funding aspects. The latter chapter includes a valuable list of available funding sources for small hydropower projects.
4. Project partners organised RESTOR Hydro workshops in Poland, Lithuania and Sweden during spring 2014, attracting different types of stakeholder interested in learning more about SHP cooperatives, looking for partners and getting advice. Further workshops will be organised in Belgium, France, Greece, Italy and Slovenia in autumn 2014 and spring 2015. Please contact ESHA, if you would like to be informed.
5. The RESTOR Hydro Map is currently showing 21,659 potential points for small and microhydropower refurbishment. If you know of other mills or databases, please share your knowledge by contacting ESHA.

Belgium was the first country to launch the [small hydropower crowd funding campaign](#) which ends on 13th of July. Currently, 63% of the € 4,000 needed have been collected to start the refurbishment cooperative. To raise more awareness, the project received a slot in the Belgian French-speaking prime time news. [Check it out!](#)

StoRE

This three year IEE project on how to boost the development of, among others, hydropower storage throughout the EU finished at the end of April 2014. ESHA's finalized its final project report for the European Commission in June 2014. ESHA discussed the project's recommendations with EU decision-makers and hydropower stakeholders in a final event in the European Parliament in April 2014. The final results are available on the project [website](#).

New project proposals

ESHA's Secretariat participated in the development and submission of two new project proposals for EU funding programmes in January and March 2014. *CrowdFundRES* would assess and develop crowd-funding as an additional tool to finance small hydropower projects. *KNOWRES Centre* would assess the current status of education for hydropower jobs and identify the future education needs of the industry. The European Commission will publish their selection results in autumn 2014.



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Opportunities for ESHA members

The European Commission launched a new EU Research and Innovation Programme Horizon 2020 for the period 2014 to 2020. Hydropower stakeholders have the possibility to develop project proposals for the relevant calls concerning hydropower.

The European Commission also published the new call for the LIFE funding programme which promotes, among others, hydropower projects related to environmental issues.

ACQUEAU, the first cluster dedicated to financing water innovations, announced the deadlines for their next open call. The project outline submission is open until October 1st 2014, 17:00 CET. ACQUEAU Open Call supports projects with the potential of developing breakthrough innovations in the water sector. It is a two-stage submission and evaluation process and delivers the EUREKA label.

If you are interested in knowing more about these funding programmes and how to best develop a project proposal and to find consortium partners, please contact Dirk Hendricks.

As an ESHA Member, you get a discounted entrance for **RENEXPO Poland** (23-25 October, Warsaw) and **Romania** (19-21 November, Bucharest). Please contact Martina for the online code.

ESHA members are given the opportunity to actively participate at the **HydroTech Georgia** on the 6th and 7th of November 2014 in Tbilisi, Georgia. If you are interested to attend or would like to receive beneficial entry requirements, please contact Martina for further information.

Remember that **ESHA members benefit from reductions** when visiting ESHA supported events (see event calendar).

If you are interested in a vertical Kaplan turbine suited for a level difference between two and five meters and a required water flow of 12 m³ per second upwards, please contact Mr Klaus Schulz (klaus.schulz@bluewin.ch).

Highlight your events on ESHA's event calendar! Please provide Dirk Hendricks with the event name, place, dates and website link.



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If you like to **receive the latest copies** of magazines such as HRW, ZEK Hydro (English or German), New Energy, Neue Energie, REVOLVE for free, please notify Martina.

Membership

Please welcome the following new ESHA members:

Energji Shqiponje (Eagle Power) I.t.d is a service company, which operates in the different fluid transport sector, specifically water. “Mirakatec® Pumping System”, which is a pumping system, enables constant production, with full capacity in energy production. The company’s main intention is licensing exclusive in national basis and offering opportunities to ESHA member through the “Mirakatec® Pumping System”. Please contact Mr Miraka (info@eaglehydropower.com) for details.

Fonko Hydro is a SHPP (Small Hydro Power Plant) company a partnership founded by both an electrical and a mechanical engineer. Together with a team of expert engineers in diverse fields, Fonko Hydro offers feasibility, design, consenting and installation expertise for small-scale hydropower projects throughout the Republic of Macedonia.

Guy Teuwissen is an expert mechanical engineer who has developed his professional career on the renewable energy sector. After having worked several years in Reseach&Development for diverse generation technology projects.

Kovosvit MAS is a traditional Czech manufacturer of modern machining centers with very strong development and technical backgrounds. Within the small hydropower field, the company develops, among others, Archimedes screw turbines. Please visit their [website](#).

Montivus acts as advisor focusing on investments in small hydropower assets in Europe. Its Swedish values and the Swiss environment have served as an inspiration for the foundation of the company. Montivus is concerned with the protection of the environment by targeting investment for smaller hydropower plants around 1-10 MW.

Profish Technology S.A. offers a broad range of services and products, based on a scientific expertise acquired and cultivated primarily in the field, making it possible to reconcile human



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activities with legal requirements. They offer consultancy services supporting industrial projects and environmental restoration projects being the security of fish migration routes their premier field of expertise. Profish also offers technological solutions directly affecting fish behaviour such as an infrasound barrier reducing fish mortality by 80 % at cooling water intakes. Please contact Dr Damien Sonny (d.sonny@profish-technology.be) for details.

Internal

The ESHA Boards and Secretariat specifically request each ESHA member to respect the deadline for membership fee payments to ensure ESHA's financial sustainability and to enable the staff to focus on ESHA's policy work. **Those members who have not paid yet their outstanding membership fees are requested to settle this issue in due time.** Thank you for your cooperation and swift action in advance.

Within the framework of the EU's Leonardo Programme, ESHA recruited two new Project Assistant Trainees: Mr James Gray from the UK for the period January to May 2014 and Ms Elena Quiroga from Spain for the period of May to August 2014.

ESHA's joint Governing and Executive boards met in Paris in March 2014. ESHA's General Assembly convened in Istanbul during Hydroenergia 2014 in in May 2014. The minutes will be circulated soon.

ESHA's next joint Governing and Executive boards meeting will take place in Malmö, Sweden, on the 26th of September 2014.

A second General Assembly including, among others, elections for the posts of ESHA's President and Vice-Presidents as well as members of the Governing Board is scheduled for autumn 2014.