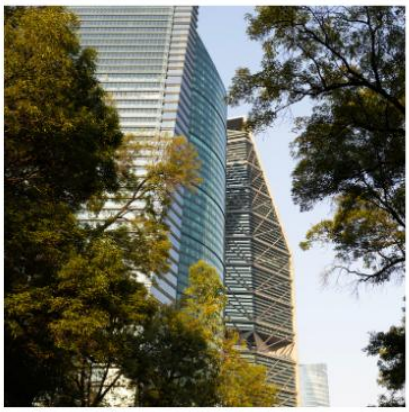
PROSPECT





Learning Handbook on Energy Agencies

Co-funded by the European Union under project ID 1012128. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.

Technical information

Project Acronym	PROSPECT CUBE
Project Name	Capacity Building for Local and Regional Authorities
Grant Agreement No.:	101212861
Topic:	LIFE-2024-CET-LOCAL
Type of Actions:	LIFE-PJG (LIFE Project Grants)
Project Coordinator:	Institute for European Energy and Climate Policy (IEECP)
Website url:	https://h2020prospect.eu/

About the project

PROSPECT aims to strengthen the capacity of local and regional authorities (LRAs) across Europe to implement sustainable energy and climate actions by reducing reliance on public funding and increasing the use of innovative financing schemes (e.g., one-stop-shops, energy agencies, energy communities). The project offers a peer-to-peer Capacity Building Programme (CBP) tailored to the needs and time constraints of LRAs, available in multiple languages and structured in adaptable learning modules. Through large-scale outreach, including very small and remote LRAs, PROSPECT CUBE acts as an entry point to EU programmes and financing opportunities for authorities with limited experience in the field.

PROSPECT CUBE builds upon two successful Horizon 2020 initiatives: PROSPECT (2017–2020) and PROSPECT+ (2022–2025).

Disclaimer

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Climate, Infrastructure and Environment Executive Agency (CINEA). Neither the European Union nor the granting authority can be held responsible for them.

Copyright message

Table of Contents

Contents

List of Figures

List of Tables

List of abbreviations

Abbreviation	Description
AREC	Agence Régionale Énergie Climat (France)
AREC -Val de Loire	Agence Régionale Énergie Climat Centre-Val de Loire (France)
CoR	Committee of the Regions
ECUK	Energy Centre of the Ústí nad Labem Region (Czech Republic)
EE	Energy Efficiency
EED	Energy Efficiency Directive
EPBD	Energy Performance of Buildings Directive
EISEA	Estonian Islands Energy Agency
EU	European Union
EIB	European Investment Bank
IEE	Intelligent Energy Europe
KEM	Regional Energy Management (Krajský Energetický Management)
KPIs	Key Performance Indicators
LEAP	Local Energy Agencies for Peripheral Regions
LIFE-CET	LIFE Clean Energy Transition
LRA	Local and Regional Authority
MEPs	Minimum Energy Performance Standards
NGO	Non- governmental Organisation
OSS	One-Stop Shop
PDU	Project Development Unit
PPP	Public-Private Partnership
RED	Renewable Energy Directive
RES	Renewable Energy Sources
SECAP	Sustainable Energy and Climate Plan
SME	Small-Medium sized Enterprise
TREA	Tartu Regional Energy Agency
UVP	Unique Value Proposition

1. Introduction

Local and regional Energy and Climate Agencies are key enablers of the energy transition across Europe. Created at the initiative of public authorities, these agencies act as trusted, non-commercial organisations with a public mandate to support the design, coordination, and implementation of energy and climate policies at the territorial level. They bridge the gap between ambitious European and national objectives and concrete action on the ground, helping municipalities, regions, businesses, and citizens navigate the technical, financial, and governance complexities of the transition.

When it comes to innovative financing schemes, Local and Regional Energy Agencies operate precisely at the interface where most financing barriers arise: between policies, project pipelines and demand. Their public mandate and non-commercial nature allow them to act as trusted intermediaries, capable of bundling dispersed projects, standardising processes, and reducing transaction costs for both public and private financiers. By aggregating small-scale projects across municipalities, buildings, or households, Energy Agencies help reach the scale required to attract investment and enable mechanisms such as revolving funds, on-bill financing, energy performance contracting, blended finance or guarantee schemes. At the same time, their technical expertise allows them to ensure project quality, manage risk and improve bankability.

1.1. Purpose of this handbook

This handbook is designed as a practical guide for understanding the role, value, and functioning of local and regional Energy Agencies, as well as for supporting their creation, strengthening, or evolution. Learners will gain a clear overview of what Energy Agencies are, why they matter, and how they contribute to delivering EE, renewable energy (RES), climate mitigation, and adaptation measures. The handbook also provides insights into governance models, mandates, legal forms, service portfolios, and funding mechanisms, drawing on decades of European experience. Ultimately, readers will be better equipped to use energy agencies as effective delivery vehicles for energy and climate action in their own territories.

1.2. Target audience

This handbook is intended primarily for local and regional authorities (LRAs), including municipalities, regions, provinces, and inter-municipal structures, that are responsible for planning and implementing energy and climate policies. It will also benefit existing or emerging Energy Agencies, public authorities seeking to clarify or strengthen their mandate, governance, and services.

In addition, the handbook is relevant for policy makers, public utilities, funding bodies, and other stakeholders involved in the energy transition, such as housing agencies, social services, business support organisations, and civil society actors. By clarifying the unique value proposition of Energy Agencies, the handbook helps all these actors better understand how to collaborate with, support, or leverage Energy Agencies to maximise territorial impact.

1.3. How to use this handbook

The guidance provided in this handbook applies to “Local and Regional Energy and Climate Agencies”. Historically, these organisations have been called “Energy Agencies”. For the rest of this handbook, the reader should construe “Energy Agencies” as referring to “Local and Regional Energy and Climate Agencies”.

The handbook is structured to guide the reader progressively from context to action. Early sections explain why Energy Agencies exist, how they emerged in Europe, and what distinguishes them from other actors. Subsequent chapters focus on how to develop or strengthen an energy and climate agency, covering key building blocks such as political mandate, legal status, governance, team structure, and alignment with EU and national policies.

Thematic sections outline typical service portfolios, target groups, and funding models, supported by references to concrete practices and lessons learned across Europe. Throughout the handbook, examples and case studies illustrate how different regions and cities have translated these principles into operational realities. Readers can use the handbook either sequentially, as a step-by-step guide, or selectively, by focusing on specific sections relevant to their immediate needs, such as setting up an agency, expanding services, or ensuring long-term sustainability.

2. Why Energy Agencies?

In response to the first oil crisis in the 1970s, the first Energy Agencies were created to support regions and municipalities in managing their energy supply and demand. Since then, Energy Agencies across European Union (EU) have become effective delivery agents of the energy transition in their territories. Today, they are the EU's territorial anchors, ensuring European policies achieve their full potential in improving the lives of citizens, achieving climate neutrality and building a sustainable society.

To encourage the development of expertise in tackling energy policy's implementation challenges at local and regional levels, the European Union has contributed to the establishment of more than 250 local and regional Energy Agencies in the EU through two key funding programmes:

- first via the SAVE programme from 1991 to 2002,
- then through the Intelligent Energy Europe (IEE) programme I and II from 2003 to 2013 (with 2008 being the last year in which the IEE calls for proposals included a priority for the creation of new Energy Agencies).

Energy Agencies help stakeholders overcome barriers, collaborate effectively, and make informed decisions that align with local and regional energy goals and priorities. Each energy agency, within its own territorial and economic context, develops tailored solutions to address energy and climate challenges. Their diversity of approaches offers a wealth of experience to be shared and further developed, making them well-equipped to drive and sustain change. The common set of competencies across these agencies includes the following:

- **Energy expertise**: Energy Agencies have a deep understanding of the energy systems, technologies, and policies that drive the green energy transition. They provide product-independent, client-oriented advice for the best possible sustainable energy outcomes.
- **Climate Adaptation**: Many Energy Agencies are adding "Climate" to their mandate and scope of services; they are becoming instrumental in driving adaptation efforts, leveraging their expertise to support long-term planning and the development of climate adaptation strategies. With their intimate understanding of regional specifics, they are ideally positioned to propose integrated mitigation/adaptation solutions, aligning closely with the evolving climate resilience needs across the EU.
- **Advocacy and support**: Energy Agencies advocate for ambitious policies and support the public sector in leading by example. They inform and influence policy at the local, regional and

sometimes even national level and push for more ambitious targets for the green energy transition.

- **EU policy delivery agent**: Often established through EU programmes, these agencies retain as a core objective the promotion of European integration and the advancement of the European green energy transition.
- **Project implementation and technical assistance**: Energy Agencies develop and carry out policies and programmes for regions and cities, including strategic planning at different levels. They provide facilitation, advice, and support for sustainable energy projects (project development, design, and implementation) to multiple target groups (including public authorities, citizens, communities, business sector, etc.).
- **Education and training**: Energy Agencies provide education, training, and awareness-raising services on sustainable technologies and financing. They promote the benefits of the green energy transition and provide training to public authorities.
- **Collaboration**: Energy Agencies collaborate with a diverse spectrum of stakeholders, including local businesses, policymakers, and community groups, to activate value chains across sectors. They act as key facilitators, exchanging knowledge and best practices to bridge gaps, unite varying perspectives, and stimulate collaborative solutions and innovative approaches, thereby enhancing the impact of their actions.

The map below displays all the energy agencies located across the EU. There are more than 320 organisations of this type in Europe with a combined workforce of approximately 4,000.

Figure 1. Map of Energy Agencies in Europe

3. How do you develop an Energy Agency?

Whoever the initiator of a new energy agency is, there are a few foundational preconditions that must be first considered.

The political anchoring: The establishment of a local or regional Energy Agency requires strong institutional backing. Typically, this involves one or more LRAs acting as founding members. Alignment with broader policy frameworks, particularly those of the European Commission, is essential to ensure access to funding and policy coherence.

The territorial scope: The agency's geographic mandate must be clearly defined. This may include a single municipality, a cluster of municipalities or a regional or provincial territory.

The mission and objectives: The Energy Agency should be established with focused and measurable missions, such as:

- reducing energy consumption in public buildings;
- increasing local RES capacity;
- supporting the renovation of residential buildings;
- supporting municipalities in accessing external funding.

Depending on the local or regional context, funding and other supporting mechanisms involved, the implementation of the steps presented below may take place in a different order or in parallel. The local and regional energy and climate diagnostic as well as the political landscape will also influence the laying of the following building blocks (see sections below).

3.1. Secure political and administrative mandate

A formal mandate from LRAs is essential for the establishment and effective operation of an Energy Agency. It provides the legal authority, political legitimacy, and institutional support needed for contributing effectively to local energy and climate objectives.

In the absence of such a mandate, an Energy Agency risks being perceived merely as an external consultant or project-based organisation, limiting its ability to influence decision-making and support long-term policy objectives.

In doing so, a formal mandate establishes the Energy Agency as a recognised entity within the public governance framework and clarifies:

- the agency's role and responsibilities;
- its relationship with public authorities;
- its capacity to act on behalf of municipalities or regions in specific domains.

This legal recognition is particularly important when engaging with regulatory frameworks influenced by the European Commission, where eligibility for programmes and initiatives often requires formal institutional status. If the development of the agency is not already part of the broader climate and energy strategy of the LRA, then securing a formal mandate will be step 0.

In practice, this is a strategic and political process rather than a purely administrative step.
It requires aligning interests, demonstrating value, and building trust among public decision-makers.

The following steps should help you get started. However, they will have to be tailored to the local/regional context as well as your position.

3.1.1. Initiators

While the establishment of an Energy Agency is typically presented as having been initiated by a coalition of actors, the advocates building that coalition are often single individuals who understand the value proposition of an agency for their territory. These initiators play a critical role in advocating for, shaping, and mobilising support for the creation of an Energy Agency at local and regional levels, drawing on a combination of technical expertise, political access, and strategic vision.

Based on existing examples, the following provides a non-exhaustive list of potential initiator profiles:

- Elected officials and political leaders: Elected representatives such as mayors, regional ministers or councillors are often initiators or sponsors of Energy Agencies.
- Senior public administrators: Higher-level civil servants within municipal or regional administrations (e.g. directors of energy, environment, or planning departments) can be key drivers behind the creation of the Energy Agency.
- Technical experts and other energy professionals: Engineers, energy consultants and sustainability experts frequently act as initiators, particularly in the early conceptual phase.
- Academic and research institutions: less frequently, universities and research centres can also become initiators or co-initiators.

In order to secure the formal approval by the public authority, these initiators will have to follow the local or regional decision-making process. Political backing will enable the agency to operate with a long-term perspective, reducing (but not cancelling entirely) the risk of disruption due to shifting priorities or electoral cycles.

3.1.2. Laying the ground to secure the mandate

An initiator who must advocate to obtain the mandate of their LRA should consider the preparatory steps presented below, which are further detailed in the following sections.

Mapping governance structures: The first step is to identify the relevant authorities and decision-making bodies, including: (i) municipal councils; (ii) regional government; (iii) energy, environment or planning departments; (iv) public utilities or inter-municipal organisations, etc.

Understanding who holds decision-making power in the territory is essential for targeting engagement.

Policy and strategy alignment: While securing their mandate, the initiators must make sure the Energy Agency's activities are aligned with (or even embedded within) the local and regional policy priorities most often laid out in documents such as (i) Sustainable Energy and Climate Plans (SECAPs); (ii) Climate City Contracts; (iii) Regional energy and climate strategies; (iv) Urban development and spatial planning, etc.

Alignment with priorities promoted by the European Commission strengthens the case for institutional support, and should also be ensured with mandates provided by EU legislation or national (see next sections).

Develop a strong value proposition: LRAs will only grant a mandate if the Energy Agency clearly addresses their needs and political promises. A compelling value proposition should demonstrate how the agency will:

- help achieve existing energy and climate policy targets by translating them into concrete action and accelerating implementation;
- bring benefits beyond energy and climate, with due consideration to economic benefits such as job creation, reduction of energy prices, creation of new business opportunities, new funding and financial opportunities;
- bring visibility to the achievements of the local and regional authority/representatives;
- bring potential cost savings or efficiency gains;
- provide services to a wide range of stakeholders, including public advisory services for citizens undertaking home renovations, support for groups establishing energy communities, and assistance to municipalities in addressing local energy and climate challenges.

Concrete examples and preliminary data significantly increase credibility. Learnings from the work of EU projects such as the Energy Efficiency Watch on "New Narratives for the energy transition" should be leveraged[1].

Build a coalition of supporters: the initiator should engage early in discussions with key stakeholders who can influence the decision-making of the LRA, including elected officials (mayors, regional ministers), senior civil servants, technical departments or utilities. This early engagement should help refine the proposal but also build ownership. The initiators should secure the support from influential individuals within the administration. These "champions" can advocate for the Energy Agency within formal decision-making processes.

Form strategic partnerships: Embedding the energy agency in a larger EU movement can strengthen the legitimacy and credibility of the agency, such as the EU Covenant of Mayors[2], ManagEnergy Europe[3] or the Climate Neutral Cities Mission[4]. Collaborating with recognised European networks such as FEDARENE, Energy Cities, and Climate Alliance can also strengthen the credibility of the agency (see the section below on EU alignment) and help connect the Energy Agency to existing successful initiatives and relevant contacts.

3.2. Strategic alignment with EU and national policies

For an Energy Agency, alignment with national and European policy frameworks is not optional but a strategic necessity ensuring a legally mandated function, legal compliance, access to funding opportunities, policy relevance and legitimacy, as well as overall long-term institutional sustainability. Many mandates affecting Energy Agencies originate directly or indirectly from European legislation and national transposition measures.

This section describes the various mandates new Energy Agencies should take into consideration when being established.

3.2.1. EU legislation and national transposition

Since the '90s, EU policies and programmes have influenced the development of the mandate of Energy Agencies in Europe. The political climate under Commission President Jacques Delors was favourable

[1] What's the story? New Narratives for the energy transition – Final report from the Energy Efficiency Watch 5 project, 2025, link: EEW5-Brochure-Final-28-July-2025.pdf
[2] EU Covenant of Mayors | EU Covenant of Mayors
[3] ManagEnergy - Homepage - ManagEnergy - European Commission
[4] Climate-neutral and smart cities - Research and innovation

towards a stronger and more direct connection with citizens and their concerns. Each Directorate-General was encouraged to propose concrete, people-focused actions.

Launched in 1990, the PERU programme (Plans Énergétiques Régionaux et Urbains) was designed to encourage the development of local and regional energy strategies. But as those strategies began to shape, it became clear that there was a need for permanent local structures to implement them. That led to the 1992 call for the creation of local energy management agencies. Over the next ten years, the SAVE I and II programmes supported more than 200 agencies, creating around 1,000 jobs and establishing a network of local actors working on sustainable energy. Energy Agencies were expected to help people understand where their energy comes from, how they use it, and how they could reduce or even produce it themselves. That local connection made all the difference. The Energy Agencies served as a bridge between policy and daily life.

Since 2022, several EU policies and legislative acts have established objectives, instruments and frameworks which directly or indirectly create mandates for Local or Regional Energy Agencies.

3.2.1.1. REPowerEU action plan

In 2022, after Russia's invasion of Ukraine, the European Commission announced the REPowerEU Action Plan, setting objectives and instruments enabling Europe to start phasing out the use of Russian fossil fuels in Europe. In its main communication, the European Commission committed to "working with Member States in promoting the development of regional and local Energy Agencies as a single entry point for energy projects". This recognition linked the role of Energy Agencies to Europe's energy security imperative and their capacity to carry out energy projects in an integrated manner. LRAs, through their agencies, are also mentioned to be ideally placed to mobilise citizens for EE and foster behavioural changes.

3.2.1.2. Energy Efficiency Directive (EED)

The revised EED (2023) is raising the ambition of EE and energy savings targets of the EU towards 2030. More importantly, the final text mentions and underlines the key role of Energy Agencies in implementing the related provisions across the 27 Member States. Energy Agencies are acknowledged as key stakeholders in priorities such as supporting LRAs in rolling out EE measures through long-term planning and developing renovation One-Stop Shops (OSSs).

Article 5 - Public sector leading on EE

This legal provision requires Member States to ensure that the total final energy consumption of all public bodies combined is reduced by at least 1.9% each year, when compared to 2021. Member States shall also

ensure that LRAs integrate specific EE measures into their long-term planning tools (such as decarbonisation or sustainable energy plans). These must be developed after consulting relevant stakeholders, including Energy Agencies where appropriate, and the public -particularly vulnerable groups at risk of or highly susceptible to energy poverty.

Energy agencies are ideally placed to support public authorities in planning their decarbonisation, renovating their buildings through the agencies' One-Stop Shops, and complying with the directive.

Case studies:

- A variety of Energy Agency-led OSSs for public buildings are collected by the FACILITAT EU LIFE-CET project: D2.4_OSS-models-and-services_v3.pdf
- West Sweden: Accelerating Electrification - Fedarene
- Driving Croatia's District Heating Transformation – The LIFE D2Heat Success Story - Fedarene

Article 11 – Energy management systems and energy audits

This legal provision requires Member States to ensure that enterprises falling within specific ranges of energy consumption either implement an energy management system or are subject to an energy audit. Member States must also develop programmes with the aim of encouraging and providing technical support to SMEs to undergo energy audits and to subsequently implement the recommendations arising from those audits. Member States shall ensure that these programmes include support to SMEs in quantifying the multiple benefits of energy efficiency measures within their operation, in the development of energy efficiency roadmaps and in the set-up of energy efficiency networks for SMEs, facilitated by independent experts.

Energy Agencies, due to their commercial independence and strong technical expertise, are ideally positioned to provide these services.

Case study:

- Leading the Industrial Energy Transition in Upper Austria - Fedarene

Article 22 – Information and awareness raising

This legal provision requires Member States, in cooperation with LRAs, where applicable, to ensure that information on available EE improvement measures, individual actions, and financial and legal frameworks is transparent, accessible and widely disseminated to all relevant market actors, such as final customers, final users, consumer organisations, civil society representatives, renewable energy

communities, citizen energy communities, LRAs, Energy Agencies, social service providers, builders, architects, engineers, environmental and energy auditors, and installers of building elements.

Member States must also take appropriate measures to promote and facilitate an efficient use of energy by final users. These measures shall include the creation of a supportive framework for the market actors above, including Energy Agencies, in particular for:

- the creation of OSSs or similar mechanisms for the provision of technical, administrative and financial advice and assistance on EE, such as energy checks for households, energy renovations of buildings, information on the replacement of old and inefficient heating systems, and the take-up of RES and energy storage for buildings to final users, especially household and small non-household ones, including small-medium sized enterprises (SMEs) and microenterprises;
- cooperation with private actors that provide services such as energy audits and energy consumption assessments, financing solutions and execution of energy renovations;
- the communication of cost-effective and easy-to-achieve changes in energy use;
- the dissemination of information on EE measures and financing instruments;
- the provision of single points of contact, to provide final users with all necessary information concerning their rights, the applicable law and the dispute-settlement mechanisms available to them in the event of a dispute. Such single points of contact may be part of general consumer information points.

Energy Agencies are ideally placed to run awareness campaigns, deliver targeted support for vulnerable households, as well as operate local advisory services and OSSs.

Case studies:

- Prospect CUBE Stories - ESV Upper Austria

Articles 29 on Energy services and 30 on National energy efficiency fund, financing and technical support

Article 29 lists multiple measures which Member States must implement to promote the energy services market and access to it for SMEs, including setting up and promoting the role of advisory bodies and independent market intermediaries, including OSSs or similar support mechanisms to stimulate market development on the demand and supply sides, and making information about those support mechanisms publicly available and accessible to market actors.

The status, services and specificities of Energy Agencies effectively make them trusted market intermediaries. In its recommendation from 13 September 2024 setting out guidelines for the interpretation of Article 29, the European Commission provides examples of how Member States could fulfil the requirement to set up and promote advisory bodies and independent market intermediaries.

Among these examples, the Commission mentions "establishing advisory hubs for energy services by extending the tasks of existing Energy Agencies or One-Stop Shops". The Commission reminds Member States of the importance of easy access to facilitation services for the development of energy service markets, as confirmed by the experience of several EU countries (e.g. Austria, the Czech Republic, Germany, Slovenia, and Spain). "Currently, it is mainly energy agencies on a regional, local and national level who act as facilitators, alongside small energy efficiency advisories, energy audit companies, or some legal advisors, who offer parts of their services in cooperation with experienced energy services consultants."

Article 30 further requires Member States to facilitate the establishment of financing facilities, or the use of existing ones, for EE improvement measures to maximise the benefits of multiple streams of financing and the combination of grants, financial instruments and technical assistance. In this framework, Member States must promote the establishment of local expertise and technical assistance, where appropriate, through existing networks and facilities, to advise on best practices with regard to achieving the decarbonisation of local district heating and cooling, such as access to dedicated financial support.

Energy Agencies are ideally placed to provide the local expertise and technical assistance that Member States need to promote. In its recommendation from 12 December 2023 on transposing Article 30, the European Commission provides examples of measures through which Member States may fulfil the requirements of establishing financial support schemes, local expertise and technical assistance for the refurbishment of individual and district heating and cooling systems through a number of measures.

Among these measures is included "Establish OSSs for the refurbishment of heating and cooling systems: OSSs can be established within public agencies, utilities, retail banks, consumer organisations, etc. to provide technical assistance alongside financing and to build a local skills basis for refurbishing individual and district heating and cooling systems."

3.2.1.3. Energy Performance of Buildings Directive (EPBD)

The EPBD's latest revision brought new objectives and policy instruments to accelerate the renovation of buildings in Europe. It aims for all new buildings to be zero-emission by 2030, and for new public buildings to be zero-emission by 2027. Other measures include:

- minimum energy performance standards for non-residential buildings,
- roll out of charging infrastructure in buildings,
- making energy performance certificates compulsory,
- integrating National Building Renovation Plans into National Energy and Climate Plans, and
- developing "Renovation Passports" for buildings.

All the policy instruments (updated and new) are affecting the mandates of existing Energy Agencies, which are providing comprehensive packages of services to public authorities and citizens in terms of energy management of their buildings, renovation plans and financial solutions.

While LRAs and Energy Agencies are mentioned in the recitals as "indispensable for delivering the Renovation Wave", the provision with the highest potential of generating new mandates for existing or new Energy Agencies is the obligation of Member States to develop OSSs for the energy performance of buildings.

Article 18 - One-stop shops for the energy performance of buildings

In accordance to this article, Member States shall, in cooperation with competent authorities, and, where appropriate, private stakeholders, ensure the establishment and the operation of technical assistance facilities, including through inclusive OSSs for the energy performance of buildings, targeting all actors involved in building renovations, inter alia homeowners, and administrative, financial and economic actors, such as SMEs, including microenterprises.

Member States must ensure that these technical assistance facilities are available across their territory by establishing at least one OSS:

- per 80,000 inhabitants;
- per region;
- in areas where the average age of the building stock is above the national average;
- in areas where Member States intend to implement integrated district renovation programmes;
- in a location that can be reached within less than 90 minutes of average travel time, on the basis of the means of transport that are locally available.

OSSs managed by Energy Agencies deliver impact differently due to their institutional integration, local trust, and capacity for multi-stakeholder coordination. The unique value proposition of Energy Agencies running these one-stop shops relies on the following key features:

- Energy Agencies are embedded within local governance structures, enabling seamless coordination with housing, social services, and employment departments;
- Energy Agencies are technology-neutral and non-commercial, perceived as impartial, non-profit entities, fostering trust among homeowners and stakeholders;
- OSS, when linked to permanent structures such as LRAs and their Energy Agencies, serve as engines of territorial development as they will facilitate the renovation market by not only providing tailored advice to citizens, companies, and public authorities on the demand side, but also preparing local supply chains to meet demand, anchoring economic benefits locally, on the supply side;
- Energy Agencies have public mandates, cross-sectoral expertise, and stakeholder networks that allow them to deliver tailored services to multiple target groups, including public authorities, households, and vulnerable consumers;
- Energy Agencies have a culture of stakeholder mobilisation, they establish robust feedback mechanisms through workshops, surveys, and stakeholder consultations, enabling adaptive programming and refinement of the OSS approach;
- Energy Agencies promote multilevel governance models as they support institutional coordination between regional agencies, municipalities, and national governments[5];
- Energy Agencies leverage their national networks (such as RENAEL [6] in Italy) to deploy OSS effectively across regions; these networks offer ready-made infrastructure and expertise to support OSS development and renovation acceleration (see example of the Italian RENOSS national network of OSSs[7]).

The mandating of energy agencies to run such OSSs is further recommended in key guidance notes from the European Commission supporting Member States in the transposition of the EPBD.

The guidance note from June 2025 outlines how Member States can support the development of OSS as critical instruments in facilitating the renovation journey for citizens and businesses. Member States are encouraged to reach out to their established networks of local Energy Agencies, which could “be used to

[5] The Covenant of Mayors at the heart of multilevel governance in Croatia | EU Covenant of Mayors
[6] Renael
[7] RENOSS - Il portale degli One Stop Shop

set up one-stop shops for energy renovations". Networks such as RENAEL, the Italian Network of Local Energy Agencies, are already developing in partnership with their national government, OSSs to support the development of renewable energy communities across regions in Italy.

The guidance from March 2026 further highlights that when developing OSS, Member States should not start from a blank page: "throughout the described 'customer journey', many professionals – including tradespeople and installers, energy auditors, architects, brokers, utility companies, retail banks and energy agencies – already offer renovation-linked services to building owners". It further highlights that the absence of coordination and their diverging interests are what prevent a holistic answer to the needs of building owners. As mentioned above, such coordination is naturally facilitated by Energy Agencies.

The guidance note reminds national governments that "OSS may be operated by various entities, including public or semi-public bodies such as LRAs or Energy Agencies, but also private organisations, ranging from associations and community groups to commercial enterprises." It cites financial support available under grant calls such as the LIFE CET sub-programme supporting OSS development through awareness raising and the promotion of existing best practices, peer-to-peer exchanges, support for capacity building and the establishment of the OSS community of practices[8].

The guidance also promotes the ManagEnergy initiative, which provides dedicated master classes Energy Agencies and their LRAs to foster, stimulate and support sustainable energy projects. In particular, dedicated ManagEnergy master classes are organised on setting up OSS for energy renovations.

Synergies with Article 9 on Minimum energy performance standards for non-residential buildings and trajectories for progressive renovation of the residential building stock

Minimum Energy Performance Standards (MEPS) are one of the novelties of the new EPBD, mandating Member States to establish binding renovation calendars for non-residential buildings. The EPBD guidance explicitly recognises the possibility for Member States to delegate implementation of MEPS to Energy Agencies: "Alternatively, they could decide to organise a decentralised MEPS scheme, assigning responsibilities, e.g. to local authorities or municipalities or public one-stop shops, or commission the implementation to energy agencies to enact the scheme on a regional or local scale."

[8] The EU Peers community of practice is specifically dedicated to supporting the one-stop shop movement to scale-up: EU Peers - Community for Integrated Home Renovation Services

The successful roll out of MEPS will rely on enabling frameworks that stimulate the energy efficiency market. To this end, the facilitation activities provided by Energy Agencies through their regional OSS will be instrumental.

Previous experiences of MEPS show that embedded flexibilities within the instrument easily turn into loopholes, leading to renovations entailing only strictly minimal measures ensuring compliance with the closest deadline, or based on the more convenient baselines that allow for the least effort in terms of energy savings. This is where a territorial OSS steps in and ensures building owners opt for immediate deep renovation, when financially feasible, avoiding the necessity of subsequent renovations and the risk of lock-in of suboptimal renovations, while tapping into the multiple benefits of such comprehensive renovations.

The synergy between renovation OSSs and MEPS becomes particularly powerful when OSSs are operated by Energy Agencies. MEPS create the needed regulatory "push" by requiring buildings to meet certain energy performance levels within specific timeframes. In parallel, OSS provide the essential "pull" by simplifying and supporting the renovation journey, offering integrated services such as technical advice, financial guidance, contractor coordination and monitoring. When run by Energy Agencies, these OSSs can tailor support to local building stock, socioeconomic contexts and available funding. This dynamic push-pull interaction accelerates deep renovations, ensures compliance with MEPS, and maximises the social and economic co-benefits of the EPBD on the ground.

Case studies:

- RENOSS: RENOSS - lo sportello digitale per le CER
- Opengela: Home En - Opengela
- MultiHome project

3.2.1.4. Renewable Energy Directive (RED)

Expanding on the 2009 and 2018 directives, the revised directive puts forward more robust measures, accelerating the mainstreaming of renewable energy. Alongside the new overarching goal of doubling the current share of RES, it establishes a policy framework to support electrification across various sectors. This includes higher, sector-specific RES targets in heating and cooling, transport, industry, buildings, and district heating and cooling, as well as measures that encourage the use of electric vehicles and the development of smart charging infrastructure.

While the new targets and all measures required by the RED influence the policy frameworks and markets in which Energy Agencies operate, there are two key legal provisions which have the potential of creating new mandates for existing or new agencies.

Article 16 Organisation and main principles of the permit-granting procedure

In accordance to this legal provision, Member States must set up or designate one or more contact points which must guide and support applicants to RES permits through the administrative permit-application procedure, including the steps relating to the protection of the environment, in a transparent manner up to the delivery of one or more decisions by the competent authorities at the end of the permit-granting procedure. These contact points must provide the applicant with all necessary information and, where appropriate, involve other administrative authorities.

Energy Agencies are well-suited to act as contact points under Article 16 as they combine technical expertise with a neutral, coordinating role. They understand RES technologies, regulatory requirements and local conditions, which allows them to guide project developers efficiently through the often complex permitting procedures. At the same time, they can act as a bridge between authorities, investors, and stakeholders, helping streamline communication, reduce administrative delays, and ensure a more transparent and predictable permit-granting process. Some Energy Agencies are already in discussions with their national governments to be recognised as the designated contact points.

Article 22 – Renewable energy communities

This legal provision created the definition, regime and obligations for Member States to ensure renewable energy communities may develop in their countries. To this end, renewable energy communities are entitled to produce, consume, store and sell renewable energy, share it within the renewable energy community, as well as access all suitable energy markets.

LRAs leverage their Energy Agencies to tackle the remaining regulatory, technical and financial barriers of energy communities. Energy Agencies address those challenges through their unique ability to act across three key dimensions anchored in territorial knowledge and community engagement:

- policy implementation,
- energy expertise, and
- project facilitation.

Their independent, people-centred approach ensures that advice and technical support are grounded in a deep understanding of the energy sector, social services, and citizens' realities. They support renewable

energy communities through tools like OSSs which provide all the technical assistance and support required for citizens to develop or consolidate energy communities.

Case studies:

- Gran Canaria: energy communities as key for resilient energy systems in outermost regions | EU Covenant of Mayors
- Scaling Energy Communities: The Strategic Role of One-Stop Shops - ManagEnergy

3.2.1.5. Climate resilience

Climate adaptation is a core pillar of Europe's climate agenda, requiring anticipatory action, risk preparedness, and long-term resilience planning rooted in territorial realities. In response to these challenges, many Energy Agencies are increasingly evolving into Energy and Climate Agencies, expanding their traditional role in sustainable energy planning to support public authorities in climate risk assessments, adaptation strategies, and preparedness measures.

Energy and Climate Agencies help integrate adaptation into energy and infrastructure planning, translate climate data into actionable insights, and facilitate coordination across sectors and levels of governance. They have been playing this role through multiple EU initiatives and programmes, including the EU Covenant of Mayors, the Climate Neutral Cities Mission, and the EU Mission on Adaptation to Climate Change. By combining technical expertise with deep local knowledge, they enable LRAs and citizens to design measures that strengthen resilience, protect vulnerable populations, and ensure the continuity of essential services in a changing climate.

The growing recognition of this role is reflected in the Committee of the Regions' (CoR) opinion on the European initiative for climate resilience and risk management. The CoR calls on Member States to establish national coordination structures for multilevel climate adaptation that actively LRAs, municipal associations, and local and regional climate, energy, and environment agencies. It also urges the European Commission to engage Energy and Climate Agencies in the development of tools that facilitate private financing, in cooperation with the European Investment Bank (EIB), as well as in the advancement of Earth Observation services, particularly Copernicus, to support climate monitoring and adaptation planning.

Moreover, the CoR proposes the establishment of a European Climate Adaptation Academy, building on the experience of the ManagEnergy initiative, to strengthen the capacities of decision-makers, practitioners, and public authorities, including climate, energy, and environment agencies, in planning and implementing integrated mitigation and adaptation measures. The CoR further emphasises the

importance of embedding adaptation within territorial development models and spatial planning processes, highlighting the need for closer collaboration between specialised institutions, local and regional climate, energy and environment agencies, and centres of territorial competence.

Case studies:

- ClimaSTORY: A Dynamic Tool for Climate Adaptation Strategies - Fedarene
- Climate Resilience in Action: Insights from Regions and Energy and Climate Agencies across Europe - Fedarene

3.2.2. EU initiatives for local and regional authorities

In addition to the EU legislation influencing the mandates of local or regional Energy Agencies, the European Commission has established multiple instruments and frameworks supporting directly local and regional authorities in planning, implementing and monitoring energy and climate measures. Across these EU initiatives, Energy Agencies have key functions ensuring the success and roll-out of these initiatives (non-comprehensive list):

- **EU Covenant of Mayors for Climate and Energy**: Energy Agencies act as supporters, providing technical assistance to municipalities throughout the entire process, from commitment and implementation to the monitoring of Sustainable Energy and Climate Action Plans; [9]
- **Climate Neutral Cities Mission**: Energy Agencies led the development of many climate City Contracts and are supporting their implementation;
- **European City Facility**: Energy Agencies are country experts/ national hubs guiding municipalities through the application process and the development of investment concepts (Energy Agencies that are not country experts also support municipalities' applications to the Facility and develop investment concepts on their behalf);
- **Energy Communities Facility**: Energy Agencies are national experts supporting the outreach to emerging communities and stakeholders interested in developing energy communities, guiding the selected beneficiaries in the development of their business plans;
- **Energy Poverty Advisory**: Energy Agencies are national partners, providing technical assistance to beneficiaries;

[9] Example: Bridging local and national effort: the Cyprus Energy Agency's role in climate action and energy transition | EU Covenant of Mayors

- **Clean Energy for EU Islands Secretariat**: Energy Agencies are regional partners, providing technical assistance to beneficiaries;
- **EU Climate Pact**: Energy Agencies are Country Coordinators, raising awareness among community members at the national level. In their personal capacity, many staff members of Energy Agencies also act as EU Climate Pact ambassadors.

When developing a new Energy Agency, the initiators, in accordance with the objectives and missions set out, should consider the support and frameworks available under these EU initiatives and position their new Energy Agency accordingly.

3.3. Legal status

The choice of legal status is a strategic decision that will directly affect the governance, funding, autonomy and long-term sustainability of the Energy Agency. It should not be treated as a purely administrative step but rather as a design choice aligned with the agency's mission, the stakeholders it addresses as well as the operating environment.

Therefore, while the legal status will be discussed and decided when the mandate is secured, the decision should take into consideration the customer segmentation, alignment with national and EU policies, the service portfolio and general territorial needs and context.

3.3.1. Deciding the legal form

The legal status must reflect the role and scope of the Energy Agency:

- policy support and public service role (typically non-profit or public entity);
- project development and implementation (may require more flexible or hybrid structures);
- advisory and coordination functions (often suited to non-profit associations).

If the agency is primarily acting on behalf of public authorities, a structure with strong public oversight will generally be preferable, but this can be organised as part of the governance structure of multiple legal forms. The composition of the founding members will also influence the legal form:

- only public authorities involved: inter-municipal entity or public agency;
- public and private organisations: public-private partnership (PPP);
- broad stakeholder coalition (including NGOs, academia): non-profit association.

The legal structure should enable appropriate representation and decision-making rights for all key stakeholders. In practice, Energy Agencies take various legal forms, depending also on the laws that apply: non-profit association, limited liability company, or economic interest grouping. Provided that autonomy is ensured, an agency does not need to have a particular legal form.

The legal status of an Energy Agency, as promoted by the IEE programme, was of "not-for-profit independent/autonomous organisation, which receives a mandate and support from public authorities to provide information, advice and technical assistance to energy users and contribute to the development of local sustainable energy markets". Such Energy Agencies are usually headed by a director who reports to a Management Board which may include private sector representatives, but keeps a majority drawn from the public sector.[10]

Based on this approach, the administrative structure of each Energy Agency is adapted to national circumstances and legal requirements. Consequently, Energy Agencies can take various organisational forms, while similar functions may also be carried out by other entities, such as municipal energy departments or NGOs, operating under different legal and governance arrangements.

3.3.2. Balancing autonomy and accountability

Institutional autonomy is a critical success factor for Energy Agencies. It enables them to operate efficiently, innovate, attract qualified staff, become a force across political mandates, keep a focus on long-term policy implementation, and maintain credibility with a wide range of stakeholders. However, autonomy must be carefully balanced with public accountability, particularly when the Energy Agency is mandated and funded by LRAs. The legal status of the Energy Agency is the initial instrument through which this balance is achieved.

Autonomy in the context of an Energy Agency is multidimensional and includes:

- operational autonomy: freedom to manage the day-to-day activities and projects of the agency;
- financial autonomy: ability to manage budgets and diversify funding sources;
- administrative autonomy: flexibility in hiring and internal processes;
- Strategic autonomy: capacity to define priorities and strategies within the framework of its mandate.

[10] Energy Agencies in Europe – Results and perspectives, 2015

The legal structure must support these dimensions while ensuring alignment with public objectives. The autonomy of Energy Agencies varies between countries. One weakness which may occur when an Energy Agency works under the control of a sole LRA (usually the one which supported its establishment in the first place), is that the responsible LRA can limit the choice and hinder the development of new, independent technical projects or services.[11] In contrast, a good number of Energy Agencies have acquired more independence by linking themselves to more than one public authority, which has given them better security and more control over their activities and projects. The communication activities, carried out by those agencies established using an IEE grant, are very much appreciated on the ground. These activities can contribute to the transparency of the actions led by the Energy Agencies and help them engage with decision-makers by offering them good visibility.

As evidenced since 2015 in the "Energy Agencies in Europe – Results and perspectives" report and confirmed by trends since then, if political support is key to the establishment of new Energy Agencies, it is even more crucial for the sustainability of their activities in the medium-term. For an Energy Agency, being dependent on only one LRA can be a risk because any political changes (elections) or even a local political quarrel can lead to a loss of support.

Such problems have led to the disappearance of a number of Energy Agencies across countries. Securing support from several local, regional (or sub-regional) authorities may mitigate this risk, even though coordinating activities in a fragmented political context (possibly involving multilevel governance) can also be a challenge, especially when working to implement concrete actions.

The legal status of "not-for-profit independent entity" seems to be the most appropriate for many Energy Agencies in Europe. However several criteria need to be taken into consideration while navigating between autonomy and accountability:

- the administrative requirements or other accounting certifications linked to such a status;
- flexibility in terms of procedures, when it comes to hiring staff (recruiting of new staff can be adversely affected in the case where public funding is limited or even blocked for public authorities or for those entities depending on them);

[11] Energy Agencies in Europe – Results and perspectives, 2015

- capacity for a private not-for-profit organisation to receive contributions from both the public and private sectors, with diverse contributors, in order to protect itself from the potential impacts of political changes or future budget restrictions;
- recognition by local authorities and other institutions, and potential confusion with private energy service providers in their area;
- capacity to obtain energy data from energy companies;
- national definition of public interest: most Member States have their own definition of public interest; some Energy Agencies with the status of an association can have more or less flexibility according to the countries.
- the possibility for Energy Agencies to apply for exemption from corporation tax in several countries.

3.4. Governance and team

The design of the governance and team structure of the Energy Agency is a determinant of its long-term success. Evidence shows that the most effective agencies combine:

- governance balancing public legitimacy with operational independence;
- small-medium, highly skilled multidisciplinary teams;
- strong links to stakeholders and funding ecosystems.

3.4.1. A balanced governance

Flowing naturally from the assessment of the success regarding the political mandate and legal status, three main criteria need to be taken into account when developing an Energy Agency's governance structure:

- the LRA, which took the initiative of setting it up, should have a special role as coordinator and/or organiser, with the representatives being involved in strategic decisions;
- sufficient autonomy with respect to the municipal or regional departments, to spare it the day-to-day routine tasks that should be the direct responsibility of the Energy Agency;
- involvement of several partners for a balance of powers and responsibilities (concept of multiple dependence) and initiatives oriented to local players.

These requirements should be reflected in the organisation of the Energy Agency at all levels, with a number of partners working side by side with the LRA (e.g. other LRAs, national agencies, trade organisations, chambers of commerce and industry, trade unions, housing associations, energy supply companies, consumer associations, environmental associations, etc.).

In practice, many Energy Agencies are governed by a Management Board dominated by public sector representatives, sometimes complemented by private or technical actors. The role of the Board is to set objectives, lay down strategies and monitor the agency's activities. While observing plurality, the local or regional authority plays a determining role on the Board, which it generally chairs. The independence of Energy Agencies depends to a large extent on having a good mix of representativeness on their Management Board, and especially on the number of public structures involved. Depending on the nature of the Energy Agency's activities, it may be useful to form a technical and/or scientific committee to assist the Board.

As regards day-to-day running, the Chairperson should delegate operational and organisational tasks to a Director (with due consideration to gender equality policies and practices), who is one of the paid members of the team (see team structure below). On this note, we can observe a distinction between the Board-level role (strategic, supervisory) and the executive-level (operational, implementation).

An Energy Agency should keep its own set of accounts, though the actual bookkeeping may be delegated to an outside organisation in the public or private sector. If the Energy Agency essentially operates with public funding, there must be a provision for checking a posteriori by the local or regional authority concerned.

The Management Board may be subject to change over time, which may or may not lead to changes in its political commitment. Such changes have proven to be a critical threat in the past, with some Energy Agencies disappearing due to a lack of political support, particularly after local elections. However, such risks can be reduced by ensuring that the value proposition of the agency addresses priorities from across the political spectrum, with a narrative which may be owned by representatives with different agendas. Ensuring the economic benefits are clear in relation to the impact of the agency is a key success factor. Dependence on more than one public authority is another option to mitigate these risks.

3.4.2. Team structure and composition

Energy Agencies usually start with small but skilled core teams which deliver the key services mandated. In 2023, the average staff per agency was 17 employees (up from 11 in 2017), with 35% having between 4 and 9 employees, and only 26% having more than 20 employees.

Building a multidisciplinary team emerges as a key success factor, with agencies combining diverse skill sets, including: energy engineers (technical design, audits), economists/financial experts (project financing, business models), project managers (EU projects, coordination), and communication specialists (citizen engagement, awareness campaigns). This diversity is essential as Energy Agencies operate at the intersection of technology, policy, finance and behavioural change.

Most Energy Agencies prioritise in-house expertise to conserve internal knowledge and safeguard stakeholder relationships. However, depending on their services, some may combine core staff with flexible external support, such as external consultants for specialised tasks or partnerships with universities or technical institutes.

Another success factor is to ensure continuous capacity building for the team. Given the fast evolution of the energy sector, financial frameworks and policies, Energy Agencies must continuously update skills through training programmes, participation in EU projects for peer learning and exchanges. Capacity building is essential for maintaining their relevance and technical credibility. EU capacity building programmes such as ManagEnergy[12] and Prospect Cube[13] are instrumental in supporting the agility and relevance of Energy Agencies.

From a management perspective, the role of Director is critical, requiring strategic vision, the ability to engage political stakeholders, strong project development skills, and experience in managing multidisciplinary teams.

The location of the agency where the team operates should not be overlooked either, as it must be decided in accordance with its main target audience for which it has received its mandate, for example:

- a public site where many people pass by in the course of their everyday activities, if the main objective is to provide information and advice to the general public;
- a technology/industrial park for an agency oriented to the business sector;
- proximity to intermediate players (LRA technical services, consumer associations and trade organisations, etc.), depending on the Energy Agency's activities.

3.5. Diagnose the local and regional energy context

An Energy Agency should play a key role in laying down and implementing energy directions at the municipal, regional or island level. It should, together with its partners, clearly define its objectives, the initiatives it intends to trigger and the resources it intends to use to achieve them. Defining objectives in energy terms means reaching the best compromise among a number of factors, such as:

- theoretical potential for energy savings or renewable energy generation on a given territory;
- the potential that can be economically and technically exploited;

[12] https://managenergy.ec.europa.eu/managenergy-our-services_en
[13] Home | PROSPECT

- the degree of mobilisation and interest on the part of the territorial stakeholders;
- technical and financial resources available;
- the political priorities of local and regional authorities and other key players;
- the desire for fast, visible results, even though this is a long-term undertaking.

As highlighted in the previous sections, in 2026, Energy Agencies increasingly operate in territories where strategic energy and climate frameworks already exist, such as:

- SECAPs under the EU Covenant of Mayors;
- Climate City Contracts (CCCs) developed within the EU Cities Mission framework.

In this context, the role of the Energy Agencies is not to create new strategies from scratch, but to diagnose gaps, operationalise existing plans, and accelerate implementation.

SECAPs typically provide:

- Baseline emissions inventories;
- Sectoral analyses (buildings, transport, energy supply, risk and vulnerability assessment, energy poverty assessment, etc.);
- Mid- and Long-term targets (e.g. 2050);
- Lists of proposed actions on mitigation, adaptation and energy poverty.

CCCs are more recent instruments that:

- Define pathways to climate neutrality;
- Include stakeholder commitments;
- Integrate governance, finance, and innovation dimensions.

When such plans or similar already exist, the Energy Agencies must position themselves as an implementation and coordination engine. Its added value lies in bridging the gap between plans and projects by structuring delivery mechanisms as well as mobilising stakeholders and finance. To this end, the Energy Agency should carry out a “plan to implementation” gap analysis, identifying where plans fall short.

In practice, the gaps can be:

- financial (lack of funding or investment strategies);
- technical (insufficient feasibility studies or data);
- governance-related (unclear responsibilities or coordination);

- capacity-related (limited human or institutional resources, specific skills missing); or
- regulatory (regulatory inconsistencies or barriers).

Such analysis should ultimately lead to a prioritisation of intervention areas.

Whether these plans exist or not, a key success factor for Energy Agencies has been the successful positioning of their portfolio of services to operationalise regional or local strategies, with each service responding to a specific planned action or implementation gap.

3.6. Target segmentation

This segmentation should flow naturally from the mandate received by the Energy Agency as well as the diagnostic and plans existing at the local and regional level. Overall, public authorities represent a key target group for Energy Agencies. The general public is often the second most important target group, which indicates that actions targeted to citizens are still an important part of their work.

3.6.1. Overview of classical target groups of energy agencies

According to the most recent ManagEnergy survey (2023), Energy Agencies may distribute their efforts across:

- Public sector: approximately 50%
- Citizens and households: approximately 25%
- Businesses and companies: approximately 15%
- Other stakeholders (NGOs, social services, national bodies, EU partners, research institutions): approximately 10%

These figures illustrate both a strong anchoring of Energy Agencies in public policy implementation and a sustained commitment to citizen-oriented action. However, behind these aggregated figures lies significant diversity in how agencies segment and prioritise their audiences.

3.6.1.1. Public entities

Public entities, particularly authorities, are almost universally a primary target group for Energy Agencies, as they are often the founders and governing bodies of the agency, but also holders of legal obligations stemming from EU and national legislation. Public authorities include:

- LRAs such as cities, towns and other urban authorities;
- regional or provincial/county administrations;
- inter-municipal structures, such as unions of municipalities;
- public tertiary actors (schools, hospitals, social housing bodies).

The needs of public entities are generally related to:

- limited internal technical and financial capacity;
- increasing regulatory complexity (EED, EPBD, RED);
- the need to move from plans and strategies to concrete implementation;
- compliance, monitoring and reporting requirements.

Energy Agencies respond by acting as:

- trusted technical advisors;
- project developers and aggregators;
- coordinators between departments, political levels and external actors;
- long-term delivery vehicles that ensure continuity beyond electoral cycles.

For many Energy Agencies, this role forms the backbone of their mandate and justifies stable structural funding (see section 3.9).

3.6.1.2. Citizens and households

Citizens and households constitute the second most important target group for most Energy Agencies. Their inclusion is not incidental; it reflects both the historical roots of Energy Agencies as proximity actors and the growing importance of social dimensions in the energy transition.

This group can be internally segmented into:

- Homeowners;
- Tenants;
- Vulnerable households affected by energy poverty;
- Members or initiators of renewable energy communities.

Their needs typically include:

- simple, trustworthy and non-commercial advice;
- support navigating complex renovation, RES installations or energy community schemes, and subsidy schemes;
- reassurance regarding costs, disruptions and benefits;
- protection against misinformation and low-quality market offers.

Energy Agencies are particularly well-positioned to respond because they are:

- perceived as neutral, public-interest actors;
- embedded in local ecosystems (social services, housing agencies, municipalities);
- able to combine technical, financial and legal support.

With the increasing rollout of renovation OSSs mandated under the EPBD, as well as renewable energy communities under the RED, citizen-focused services are becoming core missions for Energy Agencies in many Member States.

3.6.1.3. Businesses and companies

Support to businesses has generally been a smaller share of Energy Agencies' activities, with a few exceptions in some regions, but it is gaining importance. This target group includes:

- SMEs and micro-enterprises;
- large companies and industrial sites;
- commercial building owners;
- cleantech providers and energy service providers.

Businesses' needs often relate to:

- energy cost reduction and price volatility;
- compliance with energy audit or management system obligations;
- limited time and internal expertise;
- uncertainty regarding return on investment and financing.

Energy Agencies intervene by:

- providing independent and technology-neutral advice;
- supporting audits, roadmaps and investment preparation;
- aggregating projects;
- facilitating access to finance and public support schemes.

The increasing policy focus on industrial decarbonisation, clean technology ecosystems and EE in SMEs is leading many Energy Agencies to progressively expand and professionalise their offer towards this target group. When it comes to many aspects of the practical implementation of the energy transition and the reasons for inaction (lack of management attention, internal expertise, transparency of consumption, financing, etc.), larger businesses have a lot in common with city or regional administrations. Energy

Agencies have observed these similarities and are increasingly transferring their knowledge and tools to provide services to the business sector.

3.6.2. Dynamic and strategic segmentation

EU legislation has opened new avenues where the unique functions of Energy Agencies are necessary, leading to a diversification of target groups (see section above). Among these avenues, we can mention "renewable energy communities" which require legal, technical and financial support that Energy Agencies are qualified to provide. The emergence of industrial decarbonisation and consolidation of Europe's cleantech industries as main priorities at the European and national level is also leading many energy agencies to refocus their services towards businesses of various sizes and sectors. The long-term relevance of an Energy Agency's portfolio services relies on its capacity to respond to evolving needs, challenges and opportunities faced by the citizens, territory and energy system.

As a general rule, target segmentation is not static. As EU legislation evolves, markets mature, and local needs shift, Energy Agencies must regularly revisit and adjust their segmentation. In this context, beyond the three main groups, agencies increasingly work with a broader ecosystem of actors, either as direct beneficiaries or as intermediaries (e.g. renewable and citizen energy communities; social services and NGOs, especially on energy poverty; financial institutions and investors; national agencies and ministries; research centres and universities; and installers, planners and professional associations).

To reassess their strategic segmentation, Energy Agencies should periodically ask themselves:

- Which target groups are underserved by the market or public administration?
- Where does the agency generate the highest public value?
- Which target groups are required to fulfil new legal mandates?
- Where can the agency realistically achieve scale and impact with existing resources?

A conscious and transparent segmentation enables:

- clearer prioritisation of services;
- better alignment with funding sources;
- stronger value propositions towards political decision-makers;
- and improved internal coherence of the agency's activities.

This segmentation exercise forms the foundation upon which the service portfolio (section 3.7) and the value proposition (section 3.8) are built.

3.7. Service portfolio

The mandate, alignment with national/EU policies, local/regional gap analysis and customer segmentation will determine the initial service portfolio. This portfolio is crucial for the credibility and medium-term success of the Energy Agency. At inception, Energy Agencies usually focus on a limited number of high-impact services, such as energy audits for public buildings, advisory services for citizens on energy renovation and RES, and support for funding applications or development of local energy data systems (observatories).

According to the most recent ManagEnergy survey (2023), most agencies consider their top priorities to be:

- support to cities/regions (94%);
- information provision and training (91%);
- support to specific projects (87%).

Other essential tasks include stakeholder engagement and energy planning. In open-ended responses, the most important activity by far was “working on specific projects or city/regional programmes”. The activities of Energy Agencies have evolved from raising awareness on energy issues and project planning on their territory, to actively working with LRAs on project implementation. As a result, although they are, in principle, technical experts, Energy Agencies are becoming more and more involved with financing and ensuring the bankability of investment projects.

The promotion of good practices from other regions by Energy Agencies has often led them to secure new mandates and diversify their services. Their creativity and adaptability are key to their survival, in particular for the development of new projects and for their local energy markets.

For instance, some Energy Agencies have been involved in research activities with good results for their community, allowing new practical initiatives to be tried and tested, and helping local actors to learn about research activities and to embed them in normal practices. Such diversification of activities has also included holistic approaches for projects (e.g. in buildings, education, energy poverty and job creation). Energy Agencies, which were pioneers in raising awareness on EE and RES, are still running education and training activities in order to achieve their goals.

While the services provided by Energy Agencies may vary considerably from region to region, they can be structured across the following categories:

3.7.1. Strategic planning and policy support

Typical services include:

- Development of regional energy and climate plans;
- Development and monitoring of local SECAPs or CCCs (and investment plans);
- Energy and climate policy design and coordination;
- Scenario modelling and long-term decarbonisation pathways.

3.7.2. Technical assistance and project development

Typical services include:

- Energy audits (public buildings, SMEs, industry);
- Feasibility studies (renewables, renovation, district heating);
- Project design and technical specifications;
- Procurement support and tendering;
- Contractor's assessment.

3.7.3. One-Stop Shops and renovation services (public authorities, citizens and SMEs)

Typical services include:

- Energy advice centres (public authorities, households, SMEs);
- Building renovation programmes;
- Renovation OSSs for public and residential buildings;
- Support for public building retrofitting;
- Tailored guidance on subsidies and renovation process;
- Support services for energy-poor households.

3.7.4. Financing and investment facilitation

Typical services include:

- Development of financing schemes (grants, revolving funds);
- Blending EU, national, and private finance;
- Support for Energy Performance Contracting (EPC) and PPP;
- Investor matchmaking and project aggregation.

3.7.5. Renewable energy deployment and system integration

Typical services include:

- Renewable energy project development (solar, wind, biomass, etc.);
- Support for permitting and site selection;
- Local energy system planning (heating, cooling, grids);
- Promotion of energy self-consumption.

3.7.6. Renewable energy communities and citizen participation

Typical services include:

- Creation and support of renewable energy communities;
- Support to governance models and legal structuring;
- Citizen participation schemes.

3.7.7. Capacity building, training and skills development

Typical services include:

- Training programmes for public authorities and professionals;
- Vocational education (installers, planners, auditors);
- Workshops and knowledge transfer.

3.7.8. Awareness raising and behavioural change

Typical services include:

- Public campaigns on energy savings, locally produced energy, etc.;
- Climate awareness initiatives;
- Community engagement programmes;
- Training in schools and cooperation with universities and training centres;
- Dissemination of information.

3.7.9. Data monitoring and observatories

Typical services include:

- Running energy and GHG observatories;
- Data collection and analysis;
- Monitoring of policy impacts and related Key Performance Indicators (KPIs).

3.7.10. Industrial decarbonisation and clean technology ecosystems

Typical services include:

- Energy audits and decarbonisation roadmaps for industry and SMEs;
- Cleantech development and deployment (creation and coordination of regional cleantech ecosystems, support to start-ups and SMEs in the energy transition value chain);
- Collaboration platforms linking industry, research institutions, public authorities and investors;
- Design of tailored financial instruments for industry, including blended finance schemes, guarantees and risk-sharing mechanisms.

3.7.11. Innovation, R&D and pilot projects

Typical services include:

- Participation in EU projects (Horizon, LIFE);
- Pilot demonstrations (smart grids, hydrogen, etc.).

3.7.12. Climate adaptation and resilience

Typical services include:

- Climate risk and vulnerability assessments;
- Adaptation strategies;
- Resilience planning for infrastructure, buildings, communities and businesses.

3.7.13. Coordination, facilitation and stakeholder engagement

Typical services:

- Multi-level governance coordination (EU–national–regional-local);
- Stakeholder facilitation (public-private-citizen);
- Partnership building.

3.8. The value proposition of an energy agency

Formulating its unique value proposition (UVP) for a Energy Agency isn't a one-step exercise but a structured process which aligns the agency's mission with the specific needs of its target groups. This formulation may take place in order to secure the mandate or to scale up the agency later down the road. Each Energy Agency will formulate its value proposition differently depending on its mandate, territorial priorities and constraints, target group segmentation, and understanding of its contribution to market failures and public service delivery. To formulate its unique value proposition, an Energy Agency should consider the following steps and principles:

3.8.1. Clarify mission, mandate, and constraints

The agency team should ask themselves:

- What is the Energy Agency legally mandated to do?
- What are the Energy Agency's strategic priorities (e.g. energy management of public buildings, energy poverty, innovation)?
- What resources and capabilities does it actually have?

3.8.2. Segment target groups

Even within the three main groups highlighted above (i.e. public entities, citizens and companies), the needs differ. Interviews, workshops, surveys and project feedback will help the agency understand the needs, pains (e.g. for citizens, "I want to renovate but don't know where to start", for SMEs, "EE sounds good, but I don't have time or expertise"), gains and motivations of its target groups.

3.8.3. Map existing services, gaps, core strengths and differentiators of the agency

The Energy Agency team should ask themselves:

- What solutions already exist? (provided by consultants, NGOs, or other Energy Agencies etc).
- Which energy-related problems cannot be solved effectively by the market alone?
- Where are the gaps?
- Why should the target groups choose the Energy Agency instead of other market players?

Generally, Energy Agencies have a unique offer because of their:

- Public mandate: trust and neutrality (non-commercial);
- Local presence: context-tailored solutions;
- System perspective: policy, technical and financial integration;
- Ability to aggregate demand: scale and coordination.

3.8.4. Messaging and narrative building

The Energy Efficiency Watch 5 LIFE-CET project analysed the key principles for a successful narrative on the energy transition in the current geopolitical and economic context[14]. By applying the recommendations and following the case studies provided by the project, for an Energy Agency to position itself as a relevant and indispensable actor in the current context, the agency should consider the following messaging principles:

- position the Energy Agency as a solution provider to real-world problems, not merely as a promoter of energy and climate policies;
- lead with the immediate benefits rather than climate targets (e.g. reducing energy bills and protecting households, municipalities and companies from rising energy costs);
- Emphasise local/regional economic impact and control (local job creation, investments, energy independence) - Job creation is usually a powerful driver for persuading politicians[15];
- Position the Energy Agency as an enabler: a trusted partner, a facilitator of solutions, a bridge between policy and implementation.

For further support on developing the narrative of an Energy Agency, we recommend readers to consult the full set of rules and supporting case studies presented in the EEW5 report "What's the story? New narratives for the energy transition – Key results from the Energy Efficiency Watch 5 project" summarised below:

1) **Understand the relevance of the right narrative**: Creating trust must be the essential first step for a successful Clean Industrial Deal (or similar policy relevant to the context of the Energy Agency). Change is not for change's sake, but because we aim for preserving competitiveness, prosperity and stability.
2) **Manage the meta-level connotation of your narratives**: Narratives for the Clean Industrial Deal must be based on the broadest societal buy-in possible. Economically, there is good potential for common ground.
3) For the sake of broad political consent, **avoid mingling economic and other (e.g. ethical) arguments** if one creates more buy-in than the other.
4) **Use a full set of economic parameters**, rather than focusing only on short payback times/advantage of energy cost savings.
5) The world is changing, so must our narratives: **understand who your target group is and adjust your message** to the societal and time-related context.

[14] EEW5-Brochure-Final-28-July-2025.pdf
[15] Energy Agencies in Europe – Results and perspectives, 2015

6) **Put people in the focus of your narrative** and take them along.
7) **The framework is the solution, not the problem**: don't steer by technocratic targets but by enabling key stakeholders.
8) **Never get into reaction mode**! Always establish an upfront communication strategy.
9) **Put each narrative under a positively connotated guiding principle.**
10) Yes, we can! **Communicate the success**, not the struggle.

3.8.5. Tailoring messages to specific stakeholders

As interconnectors and facilitators of stakeholders, Energy Agencies must adapt their messages to multiple target groups while delivering a cohesive narrative. Based on the experience of Energy Agencies and the EEW5 report above, below is a general proposal for tailoring, to be adapted to specific contexts and situations.

Table 1. Tailoring Energy Agency messages to different stakeholder groups

Stakeholder Group	Main Concerns	Value Proposition of the Energy Agency
Local and Regional Decision-Makers (Politicians)	Economic development, political feasibility, public acceptance, budget constraints	Reduced municipal energy expenditure; job creation through renovation and local projects; access to EU and national funding; tangible local benefits for citizens.
Public Administrations (Technical Departments)	Capacity constraints, implementation complexity, compliance requirements	Simplification of complex processes through technical expertise and integrated project support; assistance with procurement and funding; support for data management, monitoring, and reporting.
Citizens, Local Communities and Households	Cost of living, housing quality, trust, simplicity	Clear and accessible guidance; easier access to financial support; improved comfort, wellbeing, and health outcomes.
Financial Sector and Investors	Bankability, risk mitigation, project scale, regulatory stability, transaction costs	Standardised project development processes; technical due diligence and feasibility studies; project aggregation and bundling; increased investment security through public backing; improved project preparation and documentation.
National and European Institutions	Policy implementation, target achievement, efficient use of public funding	Support for the implementation of EU and national policies; development of local and regional project pipelines; market uptake activities; monitoring and reporting capabilities; efficient absorption of public funds.
Businesses and SMEs	Energy costs and price volatility, operational efficiency, investment payback periods, administrative complexity	Simplified energy management support; non-commercial and technology-neutral advice; access to subsidies and financing opportunities; increased investment confidence through potential public backing.

3.8.6. Operationalise the messaging, refine and stay agile

The messages should be tested and refined with the agency's key stakeholders, some of whom might be involved in the governance structure of the agency, allowing an ideal forum for testing and validating the messages. Messages should be deemed by them clear (easy to understand) and relevant (they address the actual problems).

A key success factor for any agency is for the whole team to understand and communicate the UVP of the agency correctly to its multiple target groups. Naturally, the services they offer will also have to deliver on the promise. To this end, the KPIs of the energy agency should reflect the impact promised and delivered (not just activities, e.g. number of workshops organised, but also conversion rate, number of jobs created, etc.). As the energy sector is rapidly evolving, the energy agency should continuously collect feedback from target groups and adjust the UVP as new gaps or opportunities emerge.

Case study:

- AREC Occitanie: A New Blueprint for Regional Innovation: Innovation is at the heart of AREC Occitanie's approach, combining public legitimacy with investment agility to deliver tailored solutions that boost regional competitiveness while accelerating the energy transition and decarbonisation of industry: AREC Occitanie: A New Blueprint for Regional Innovation - ManagEnergy

3.9. Funding of energy agencies

Securing adequate and sustainable funding is one of the most critical challenges in establishing and operating an Energy Agency. Funding strategies will have to address two distinct but interconnected phases:

- Initial funding (establishment and early operations);
- Long-term financial sustainability (stable and diversified revenue streams).

A well-designed funding model ensures the Energy Agency's survival as well as its ability to deliver impact at scale.

3.9.1. Initial funding

The objectives of the initial funding are to:

- Establish the agency's legal and organisational structure;
- Recruit a core team;
- Launch the initial services;
- Build a project pipeline;
- Deliver the early "quick wins".

This phase typically lasts up to three years of operation. More than 250 Energy Agencies were created by the European Commission through the SAVE and IEE funding programmes from 1991 to 2008 in order to encourage the development of expertise in tackling energy policy implementation challenges at local and regional levels. 2008 was the last year in which the IEE calls for proposals included a priority for the creation of new Energy Agencies, and since then, no similar EU funding programmes have been launched. Initiators of Energy Agencies have had to turn to other sources of funding to launch new agencies, often requiring a combination of multiple sources. Below you may find a non-comprehensive list of approaches which led to the establishment of new Energy Agencies in recent years.

3.9.1.1. Regional funding

Across Europe, regional governments are increasingly funding the creation of dedicated energy and climate agencies as operational tools to implement their transition strategies. The regions are stepping in as drivers of coordination, legal establishment, structuring, financing, and project development. These Energy Agencies are typically initiated and funded at the regional level, at least in their early stages, and are designed to bridge a persistent gap between policy ambition and on-the-ground implementation. The three cases below illustrate how this common model takes different institutional forms depending on context.

The Agence Régionale Énergie Climat (AREC) Occitanie, created in 2018 in Occitanie, reflects a relatively mature and investment-oriented model. Its creation was driven by the region's ambition to become a "positive energy region" by 2050, requiring a sharp acceleration of renewable energy deployment and project financing[16]. Rather than starting from scratch, the agency builds on older semi-public energy and infrastructure entities dating back to the late 20th century, which were progressively restructured into a dedicated regional tool. The Energy Agency is conceived as a hybrid organisation, combining public policy objectives with the ability to invest directly in projects. This dual nature allows it to act not only as an advisor to local authorities and businesses, but also as a developer and financial partner, addressing one of the main bottlenecks of the transition: de-risking, access to capital and project engineering capacity.

The Energy Centre of the Ústí nad Labem Region (ECUK) emerged in 2022[17] as part of a broader effort to transform one of the most coal-dependent regions in the Czech Republic. Unlike the Occitanie model, this centre was not designed as an investment vehicle but rather as a knowledge, advisory, and outreach hub. ECUK activities are focused on the energy performance optimisation of all assets owned by the Ústí

[16] AREC Occitanie: A New Blueprint for Regional Innovation - ManagEnergy
[17] Establishment of the Energy Centre of the Ústí Region - Fedarene

Region and increasing energy production from RES. Furthermore, through its "Transformation Centre of the Ústi Region", ECUK offers its energy management services within the region, primarily to the public administration with a particular focus on municipalities and cities. A key tool for the energy system administration is the Regional Energy Management (KEM). Its scope covers activities from energy and water consumption monitoring to data collection and subsequent analysis. Since 2023, ECUK has intended to become an active member of the Union for Community Energy, which would provide the Ústí Region with access to detailed information about the preparation of legislative standards in the field of energy communities and, simultaneously, access to basic data required for the energy communities' development.

Finally, the Agence Régionale Énergie Climat Centre-Val de Loire (AREC -Val de Loire), established in 2023 in Centre-Val de Loire, represents a more recent and explicitly policy-driven approach[18]. Its creation followed the region's declaration of a climate and ecological emergency in 2021, which highlighted the need for a stronger implementation framework. The agency was rapidly set up as a federative platform, designed to bring together existing actors rather than replace them. Its institutional structure is deliberately multi-layered, combining coordination (association), operational support to local authorities (public company), and investment capacity (mixed-economy company). This allows it to intervene across the full project cycle, from planning and advisory to financing and implementation. The emphasis is on scaling up and accelerating existing initiatives, with the agency acting as a central node in the regional energy ecosystem.

Together, these three examples illustrate a shared European movement toward regionally anchored, publicly initiated Energy Agencies, while also highlighting the diversity of models—from investment-driven structures to knowledge hubs—shaped by local priorities and transition challenges.

3.9.1.2. EU technical assistance and market uptake support

In recent years, while no EU dedicated funding programme has been launched, EU-triggering of new Energy Agencies has nevertheless taken place through a different driver. A new wave of agencies is emerging across Europe, not primarily initiated and funded by regions themselves but enabled through EU technical assistance programmes, particularly under the European Union's LIFE Clean Energy Transition (LIFE-CET) framework. This programme aims to overcome structural barriers such as a lack of technical expertise, project pipelines, or coordination capacity by funding Project Development Assistance (PDA) and capacity-building projects and initiatives. Through competitive calls, LIFE-CET explicitly

[18] L'Agence Régionale Énergie & Climat : un pilier pour la transition énergétique | Region Centre-Val de Loire

supports the creation of local or regional "implementation structures", including One-Stop Shops or Energy Agencies, to translate climate goals into investable projects. Unlike earlier region-led agencies, these initiatives often start as projects or pilot structures, with EU funding acting as a catalyst for institutionalisation and long-term scaling.

Examples of new EU-triggered Energy Agencies

The LEAP (Local Energy Agencies for Peripheral Regions) project in Ireland illustrates this model particularly well. Launched in 2022 and running until 2026, LEAP is an EU-funded initiative under LIFE-CET designed to create new Energy Agencies in underserved, rural areas such as Donegal, Sligo, Leitrim, and West Galway. Rather than emerging from pre-existing regional institutions, these Energy Agencies, such as Gníomhaireacht Fuinnimh an Iarthair, were explicitly created as part of the project's implementation strategy. Their role is highly operational and citizen-focused: coordinating home retrofits, providing technical assessments, facilitating access to grants, and connecting households with contractors and financing solutions. LEAP addresses specific territorial challenges such as dispersed housing, ageing building stock, and reliance on fossil fuels, by building an integrated home renovation service. The Energy Agencies work with the local supply chain of building energy assessors, retrofit contractors and installers to work toward a partnership for a more cohesive supply of home renovation services. This is meant to optimise the benefits of the project by increasing employment within the region. Importantly, EU funding not only supports projects but also the creation of a permanent organisational capacity, with the expectation that these agencies will continue operating beyond the project's lifetime.

A similar example is the Estonian Islands Energy Agency[19] (EISEA), which was established in 2023 to support the energy transition of island territories in western Estonia. Like LEAP, its creation is closely tied to EU funding, particularly through the LIFE programme, and responds to structural capacity gaps in geographically isolated regions. Founded by the municipalities of Saaremaa, Hiiumaa, Muhu, Vormsi, and Kihnu, along with local business associations, the Saare Development Centre, and Tallinn University of Technology, EISEA expanded in autumn 2024 to welcome the island of Ruhnu. As Estonia's second regional Energy Agency after Tartu Regional Energy Agency (TREA), it is uniquely positioned to tackle challenges like low population density, weaker grid infrastructure, and untapped RES potential. EISEA works closely with municipalities, businesses, and communities to drive energy improvements. It supports public authorities in renovating buildings, modernising district heating, decarbonising transport, and attracting

[19] A new energy future for Estonia's islands: EISEA leads the way - Fedarene

investment. Businesses benefit from resource efficiency planning, fleet emission reduction strategies, and renewable energy projects, while communities receive guidance on forming energy cooperatives and improving apartment building energy efficiency. Education is also a key focus, with a training programme in development for primary school students.

The agency plays a bridging role between local actors and funding opportunities, while also helping to develop project pipelines and attract investment. As with LEAP, the emphasis is on building long-term local capacity and expertise, turning an EU-funded initiative into a lasting institutional actor in the regional energy system.

These examples highlight a complementary pathway to the region-funded agencies presented earlier: EU-triggered Energy Agencies, where external technical assistance acts as the initial driver. While their origins differ, their long-term objective is similar: creating durable, place-based organisations capable of delivering the energy transition at the local level, especially in regions where such capacity did not previously exist.

A complementary example of EU-funded Energy Agencies is the 4ENERAGENCIES project[20], which further illustrates how European funding is now being used not only to support projects, but to actively create new institutional structures at the local level. Launched in 2025 and co-funded under the LIFE programme, the project aims to establish four new local Energy Agencies in Spain. These are conceived from the outset as part of the EU-funded project, with a defined timeline (2025–2029) and a strong emphasis on replicability and capacity building.

The project responds to a structural gap identified across many European territories: the absence of permanent local organisations capable of planning, coordinating, and financing energy transition actions. 4ENERAGENCIES fill this gap by establishing four new energy agencies across the Canary Islands in Spain, an outermost island region facing significant challenges in energy self-sufficiency. Due to its isolation and lack of grid connection to mainland Spain (over 1,000 km away), the new agencies will focus on improving energy efficiency, boosting renewable energy production, and promoting innovation and digitalisation. The project aims to demonstrate that locally anchored Energy Agencies can act as long-term “delivery vehicles” for EU climate objectives, including renewable energy expansion, citizen engagement, and green

[20] 4ENERAGENCIES - Fedarene

job creation. In this sense, 4ENERAGENCIES goes beyond individual territories: it is explicitly designed as a replicable model, providing a blueprint for other regions in Europe seeking to establish similar structures.

The 4ENERAGENCIES project reinforces the emerging pattern identified in the previous examples: EU programmes are increasingly used to seed new Energy Agencies where none previously existed, particularly in territories lacking institutional capacity. By combining funding, technical assistance, and transnational cooperation, such initiatives help transform short-term projects into lasting governance structures for the energy transition at the local level.

From a project development unit to an energy agency

Starting with technical assistance offers several strategic advantages, including risk reduction, as the Project Development Unit (PDU) is funded, its activities are clearly defined, and its outputs are measurable, meaning the agency is built on a proven operational base rather than created without guaranteed activity.

It also ensures an immediate operational focus, since technical assistance programmes require concrete deliverables and structured project implementation pathways, helping to avoid the creation of “empty” institutions without real impact. The required leverage effect of EU technical assistance programmes also secures the political commitment to the PDU’s activities, under the penalty of reimbursing the funding. In addition, it provides a pathway toward financial sustainability by enabling the development of a project pipeline through which the PDU can generate future revenues (such as project development and advisory services), attract additional funding, and build long-term financial viability.

When designing the PDU, its core functions should include project identification and aggregation, technical preparation, financial structuring, funding acquisition, and procurement support, typically carried out by a multidisciplinary team composed of an energy engineer, a financial/project development expert, a project manager, and procurement/legal support, mirroring the structure of a future Energy Agency team. Even at the PDU stage, governance should be clearly defined with clear reporting lines and, where possible, the involvement of multiple municipalities or stakeholders to facilitate future institutionalisation.

The transition from a PDU to a formal Energy Agency is typically justified when several trigger conditions are met, including the existence of a stable project pipeline, a team that has reached critical mass (for example, 4–6 staff), active engagement of multiple stakeholders, and the identification of long-term funding prospects.

The institutionalisation process then involves obtaining a formal mandate from local or regional authorities, establishing a legal entity, expanding services beyond project development, and integrating the organisation into local governance frameworks (see sections above). Once established, the Energy Agency can build on the PDU foundation by expanding its service portfolio to include strategic planning support (such as SECAPs and Climate City Contracts), policy support, citizen advisory services, data management and monitoring functions, as well as capacity building and communication activities, going beyond the initial scope and objectives of the PDU.

3.9.2. Recovery and Resilience Plan

Another way of funding a new Energy Agency through EU Funding has been by using Recovery and Resilience Funding.

At the beginning of 2026, the Regional Energy Agency of Central Bohemia was created in the Czech Republic. The establishment of this new agency is funded under the EU's Recovery and Resilience plan for the Czech Republic. The aim of the agency is to support the Central Bohemian Region in increasing the renovation pace of the building stock and to contribute to the achievement of climate and energy commitments of the Czech Republic. The aim of the services within the agency is to ensure the implementation of the necessary energy management systems at the level of local governments, to ensure shared capacities and services of energy managers and to gradually create an environment for the creation of one-stop shops.

3.9.3. Medium-long term sustainability

Initial funding of Energy Agencies is typically time-limited. Therefore, they must progressively develop a sustainable funding model.

3.9.3.1. Existing funding models for energy agencies

According to the ManagEnergy survey from 2023, several takeaways can be drawn.

I. Regional and local programmes are the most important funding source overall

They are ranked first by 38% of agencies, more than any other source. Even when not ranked first, they frequently appear as second or third, showing consistent importance.

This confirms that Energy Agencies remain strongly anchored in their territories, with regional and local authorities acting as their core funding supporters. It also reflects their role as implementation tools of local public policy. However, this also implies a structural dependency on local political priorities,

reinforcing in some cases the need to diversify funding or establish a portfolio of services and narratives which can sustain political shifts.

II. EU FUNDING REMAINS A KEY STRATEGIC PILLAR

EU programmes emerge as the second most important funding source overall, but with a slightly different profile. 32% rank EU funding as first, close to regional/local funding. A large share also ranks it second (28%), confirming its structural importance. It acts, therefore, as a major financial contributor, sometimes even the main one. It also enables innovation, project development, and expansion into new topics.

This highlights that many agencies are highly project-driven, relying on European programmes (e.g. LIFE, Horizon, Interreg, but also structural funds) not just for funding but also for strategic growth and experimentation.

III. NATIONAL FUNDING IS IMPORTANT, BUT SECONDARY

National programmes are clearly relevant, but less dominant. Most agencies rank them second or third (32% each) rather than first. Only 14% consider them the primary funding source.

National funding seems to play a complementary role. Its lower ranking suggests that, in many countries, national frameworks are either less directly connected to local implementation, or funding is less accessible or less tailored to Energy Agency activities.

IV. FEES FOR SERVICES ARE MARGINAL, BUT AN EMERGING SOURCE

Revenue from services is clearly the least important funding source. Only 10% rank it as first, while the majority rank it fourth (36%) or fifth (21%). This confirms that Energy Agencies are not primarily market-driven organisations. Their business model is still largely based on public funding and project grants, rather than commercial income. At the same time, the presence of service revenues, even if limited, can indicate a gradual move toward hybrid models and a potential area for future growth to enhance their financial resilience.

Putting all figures together, it seems clear that Energy Agencies operate under a hybrid funding model, but one that is still strongly dominated by public funding. This is in line with the core mission of Energy Agencies (also as defined by the IEE programme), which implies that they should rely mainly on public funds to promote energy efficiency and the use of renewable energy sources in the most neutral way possible. Depending on their

status, their legal context and the availability of public funds, different Energy Agencies rely more or less on ad-hoc contracts signed for specific services, at the national, regional or local level.

At the time of writing this handbook, a detailed survey is being performed by FEDARENE on its constituency to analyse and better understand the funding model of Energy Agencies. This survey will likely shed more light on trends and might confirm or disprove some of the takeaways above.

3.9.3.2. Recommendations for medium-long-term sustainability

The long-term sustainability of Energy Agencies is not automatic and must be actively designed from the outset. While many agencies are successfully launched with public or EU "seed funding", their medium- to long-term viability depends on their ability to diversify funding sources, secure political backing, and evolve their role over time. Based on the reports on funding challenges experienced by Energy Agencies from the past three decades, Energy Agencies (new or existing) should consider the following recommendations for their medium-long-term financial sustainability.

I. Ensure strong and stable political anchoring

A first and non-negotiable condition for sustainability is continued political commitment from public authorities. This aspect is presented in detail in the sections above dedicated to the creation and mandate of an Energy Agency. Securing institutional recognition and legitimacy remains a fundamental priority for Energy Agencies, also to secure their financial viability.

Recommendations:

- Secure a formal long-term mandate from public authorities;
- Where relevant, build a multilevel governance system (multiple municipalities, region, possibly national actors) to reduce political vulnerability;
- Institutionalise the agency's role (e.g. through regional strategies or legal recognition);
- Advocate for formal recognition and clearer policy implementation mandates;
- Develop monitoring and evaluation systems to demonstrate impact and justify funding;
- Communicate results effectively to decision-makers and the public.

II. Diversify funding sources beyond initial public funding

Public funding remains the backbone of most agencies, especially for triggering their creation, but over-reliance on a single source is unsustainable.

Recommendations:

- Combine multiple revenue streams: regional and local contributions, national/EU project funding, service-based income (studies, advisory, project management);
- Plan early (within the first 2–3 years) for the post-grant funding model;
- Gradually shift from grant dependence to a mixed funding portfolio.

III. Consolidate regional/local funding as the financial backbone

The 2023 ManagEnergy survey clearly confirmed that regional and local programmes are the primary funding source, ranked first by the largest share of agencies. Agencies should therefore aim to stabilise and broaden it locally.

Recommendations:

- Treat regional/local funding not as transitional, but as the core structural pillar of the agency;
- Secure multi-year framework agreements with regional and municipal authorities to ensure stability;
- Where relevant, expand the funding base within the territory (e.g. multiple municipalities, counties, inter-municipal structures) to reduce dependence on a single political entity.

IV. Strategically leverage EU funding as a growth engine

EU funding is nearly as important as local funding according to the 2023 survey, frequently ranked first or second, confirming its role as a central pillar rather than supplementary funding. EU funding of projects supports Energy Agencies in developing their portfolio of services, engaging in more complex processes for strategic growth and experimentation.

Recommendations:

- Integrate EU programmes (e.g. LIFE, Horizon Europe) into the agency's long-term business model;
- Use EU funding to develop new services, competencies[21], and project pipelines;
- Ensure post-project continuity by embedding successful activities into the Energy Agency's core services.

V. Position national funding as a stabilising complement

[21] Regional and local energy agencies: boosting energy communities through open energy governance | BUILD UP

The 2023 ManagEnergy survey shows national funding is typically ranked second or third, not dominant. Depending on the constitutional structure and degrees of decentralisation of each country, the national level may be a relevant source of additional funding for Energy Agencies.

Recommendations:

- Actively align agency activities with national energy and climate programmes (or other if relevant) to access funding streams.
- Advocate for better integration of Energy Agencies into national schemes, increasing their eligibility and role.

VI. Evolve from "soft activities" to implementation and financing roles

A critical success factor is the agency's ability to adapt its activities over time. The most successful and resilient agencies typically evolved from their traditional activities of awareness raising, planning and advisory to concrete project implementation and market facilitation, supporting financing and bankability of projects.

Recommendations:

- Build internal capacity in project finance, investment structuring, and public-private partnerships;
- Engage with finance-focused capacity building programmes such as ManagEnergy and the PROSPECT Academy;
- Engage with EU technical assistance programmes (e.g. ELENA, LIFE-CET);
- Develop partnerships with the financial sector as well as ESCOs and other potential investors;
- Focus on developing bankable project pipelines, not just strategies.

4. Conclusions

Local and regional Energy Agencies have proven over several decades to be indispensable organisations in delivering Europe's energy and climate ambitions on the ground. Backed by public mandates and rooted in territorial realities, they transform policy objectives into concrete projects, investments, and services that directly benefit municipalities, citizens, and businesses. At a time when the pace, scale, and complexity of the energy transition are increasing, these agencies are not optional support structures, but essential delivery vehicles for achieving climate neutrality, energy security, and resilience.

The strength of Energy Agencies lies in their unique positioning: non-commercial, trusted, locally embedded, and able to act across policy, technical, financial, and social dimensions. Whether supporting building renovation, RES deployment, climate adaptation, renewable energy communities, or industrial decarbonisation, they bridge systemic gaps that neither markets nor public administrations can address alone. Their capacity to coordinate stakeholders, structure bankable projects, and align local action with national and European frameworks makes them powerful catalysts of change.

The diversity of models and experiences presented throughout the handbook illustrates that there is no single blueprint for an Energy Agency. Successful agencies are those that adapt their governance, service portfolios, and funding models to their territorial context, while remaining anchored in strong political support and a clear public interest mission. At the same time, common success factors emerge clearly: a formal mandate, sufficient autonomy balanced with accountability, skilled multidisciplinary teams, strong links to LRAs, and a long-term strategy for financial sustainability.

Looking ahead, the role of Energy Agencies is set to expand further. New EU legislation, such as the EED, the EPBD, and the RED, together with initiatives on climate adaptation and resilience, increasingly rely on territorial implementation structures. Energy Agencies are uniquely positioned to fulfil these mandates, operating OSSs,

supporting public sector leadership, mobilising citizens and SMEs, and accelerating investment pipelines. As climate impacts intensify and social challenges such as energy poverty become more pressing, their people-centred, place-based approach will be more valuable than ever.

Ultimately, this handbook is a call to action. For LRAs, it highlights the value of establishing or strengthening Energy Agencies as long-term partners in delivering energy and climate objectives. For existing agencies, it offers guidance to reinforce their role, adapt to evolving mandates, and increase their impact. More broadly, it underlines the importance of collaboration around these trusted territorial actors. When adequately empowered and supported, Energy and Climate Agencies are not only implementers of the energy transition but also key drivers of change at the local and regional level.

PROSPECT

IEECP INSTITUTE FOR EUROPEAN ENERGY AND CLIMATE POLICY

TEESlab University of Piraeus Research Center

ENERGYCITIES

FEDARENE

Auvergne Rhône-Alpes Énergie Environnement

TIPPERARY energy AGENCY

energap Energetsko podnebna agencija za Podravje

SEMMO SDRUŽENÍ ENERGETICKÝCH MANAŽERŮ MĚST A OBCÍ

OÖENERGIESPARVERBAND

IdeVa AGENCIA DE INNOVACIÓN Y DESARROLLO ECONÓMICO DE VALLADOLID

Ayuntamiento de Valladolid

eurac research

AGENZIA PER L'ENERGIA E LO SVILUPPO SOSTENIBILE AESS

LinkedIn: Capacity building for cities and regions | PROSPECT+

Website: https://h2020prospect.eu/

Co-funded by the European Union.