



Technology Procurement

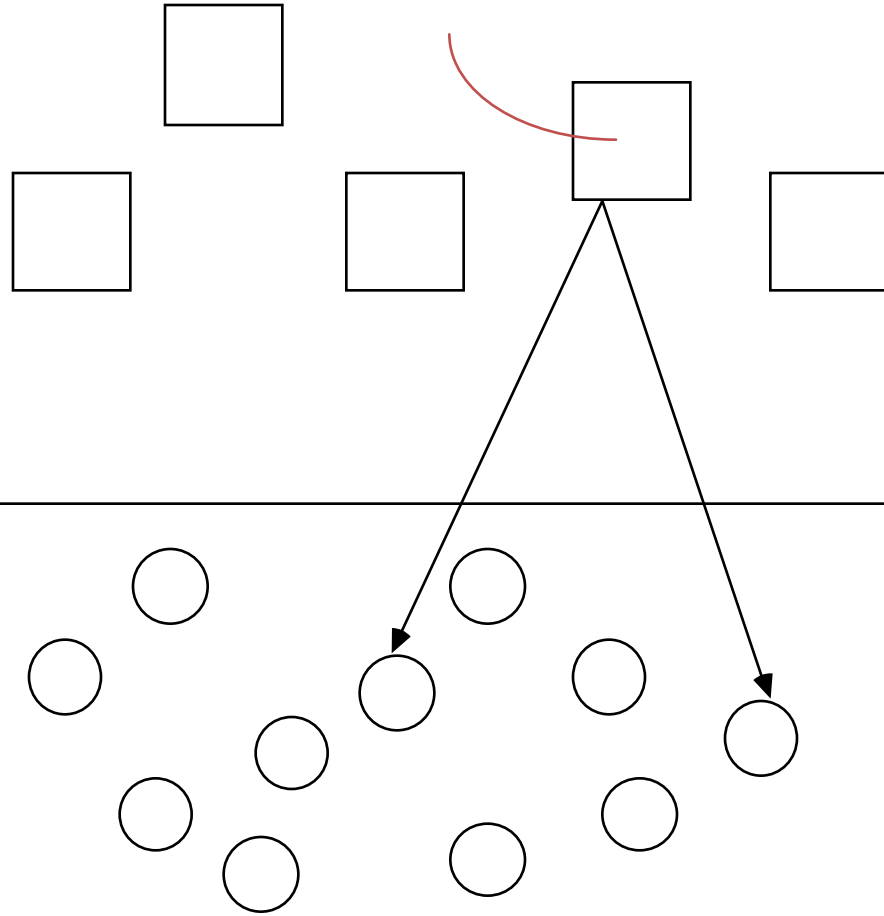
-a winning method in driving
innovation

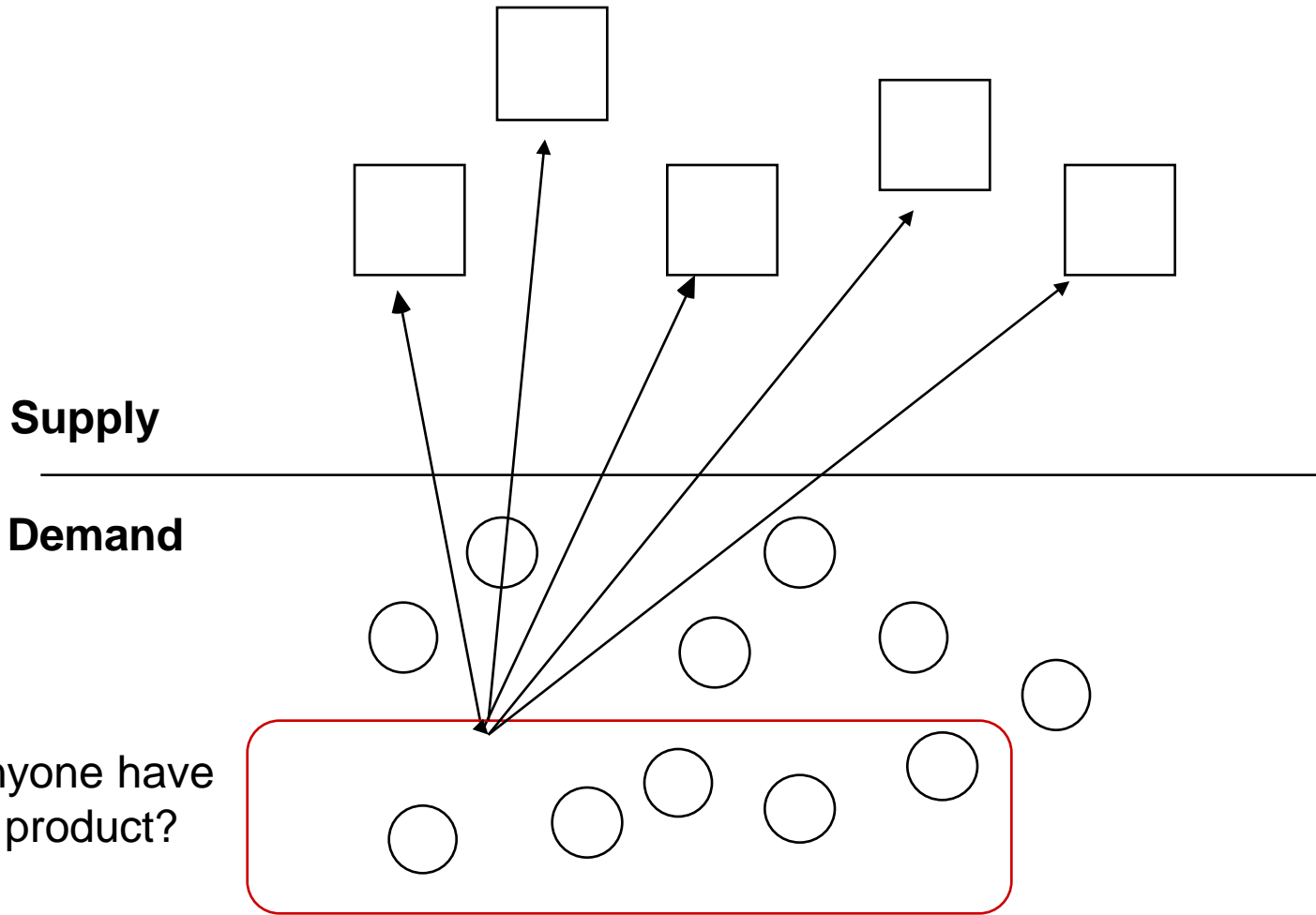
Carl-Martin Johborg
Swedish Energy Agency

Are you interested in a new product?

Supply

Demand



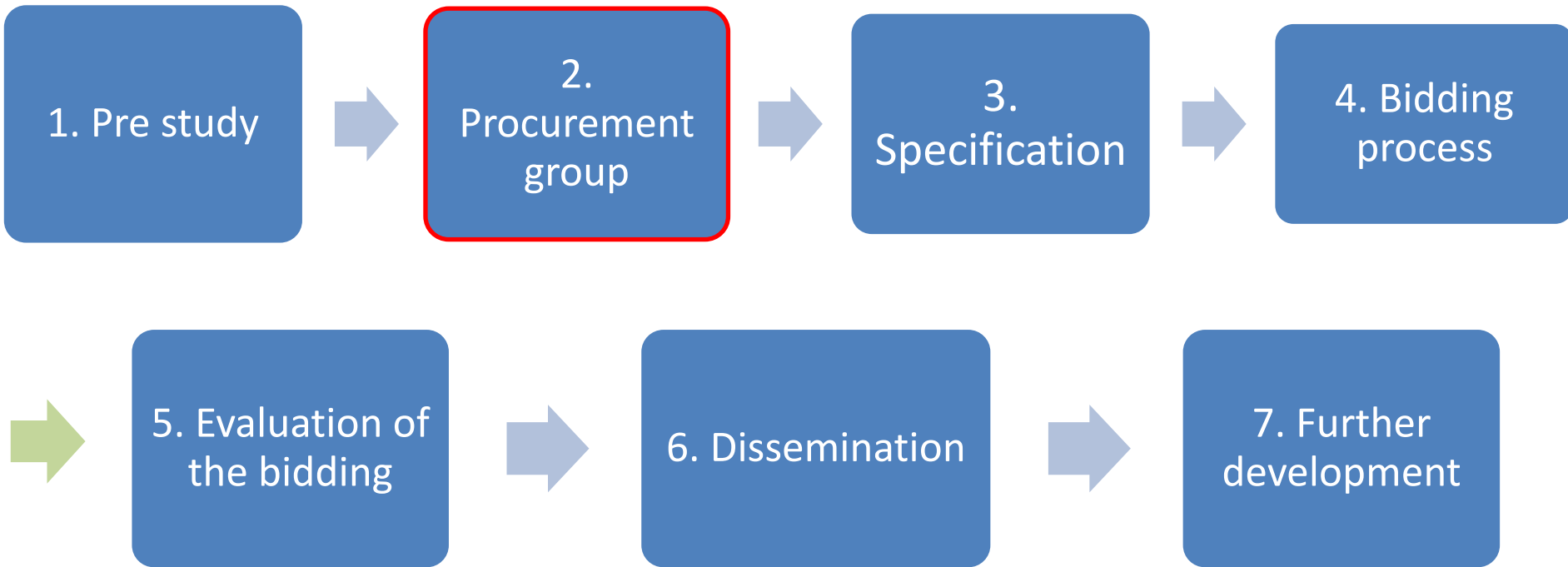


Does anyone have a better product?

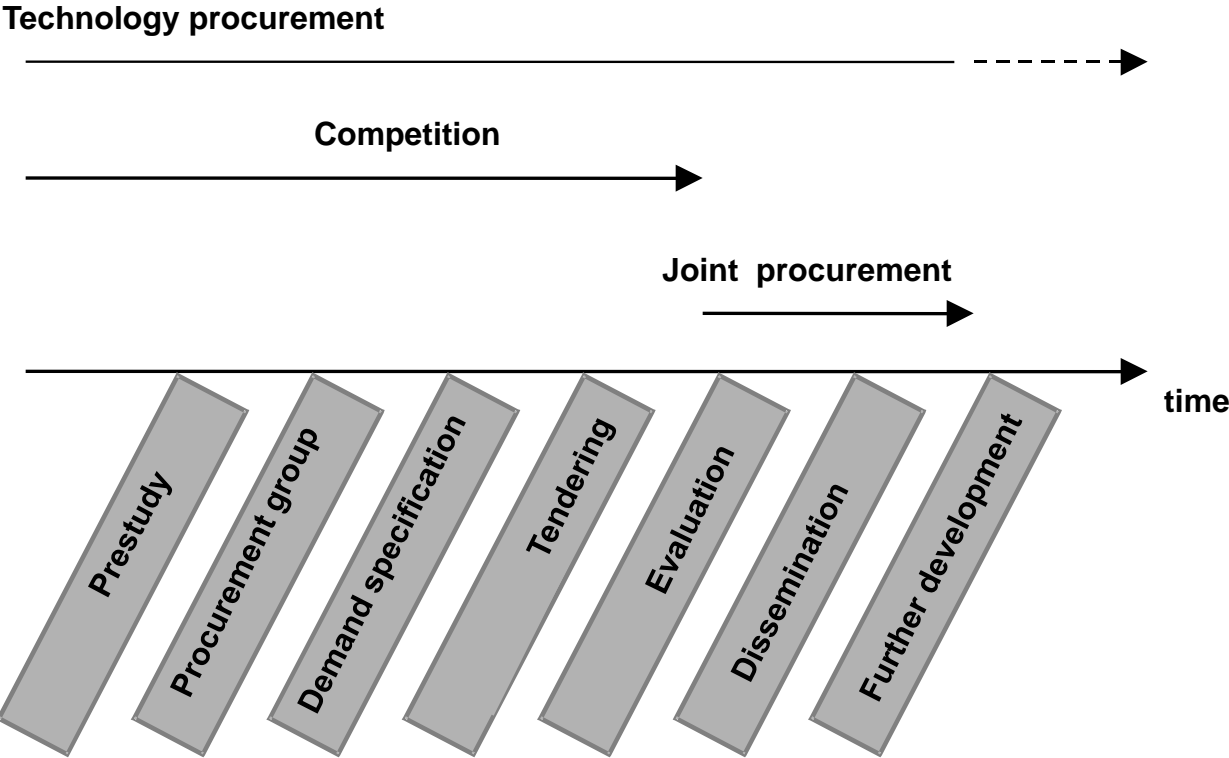
Technology procurement

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

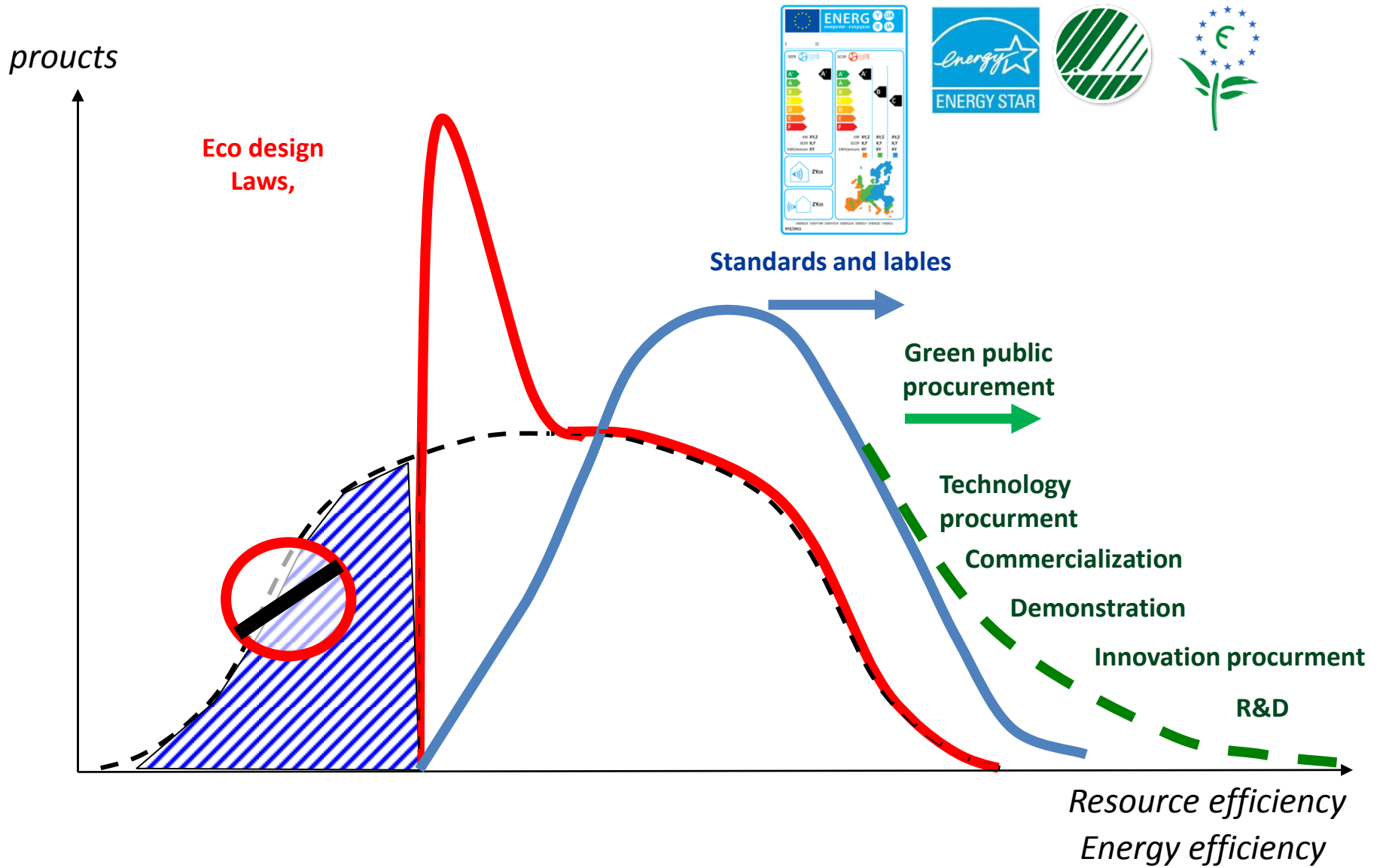
Technology procurement – a process in seven steps



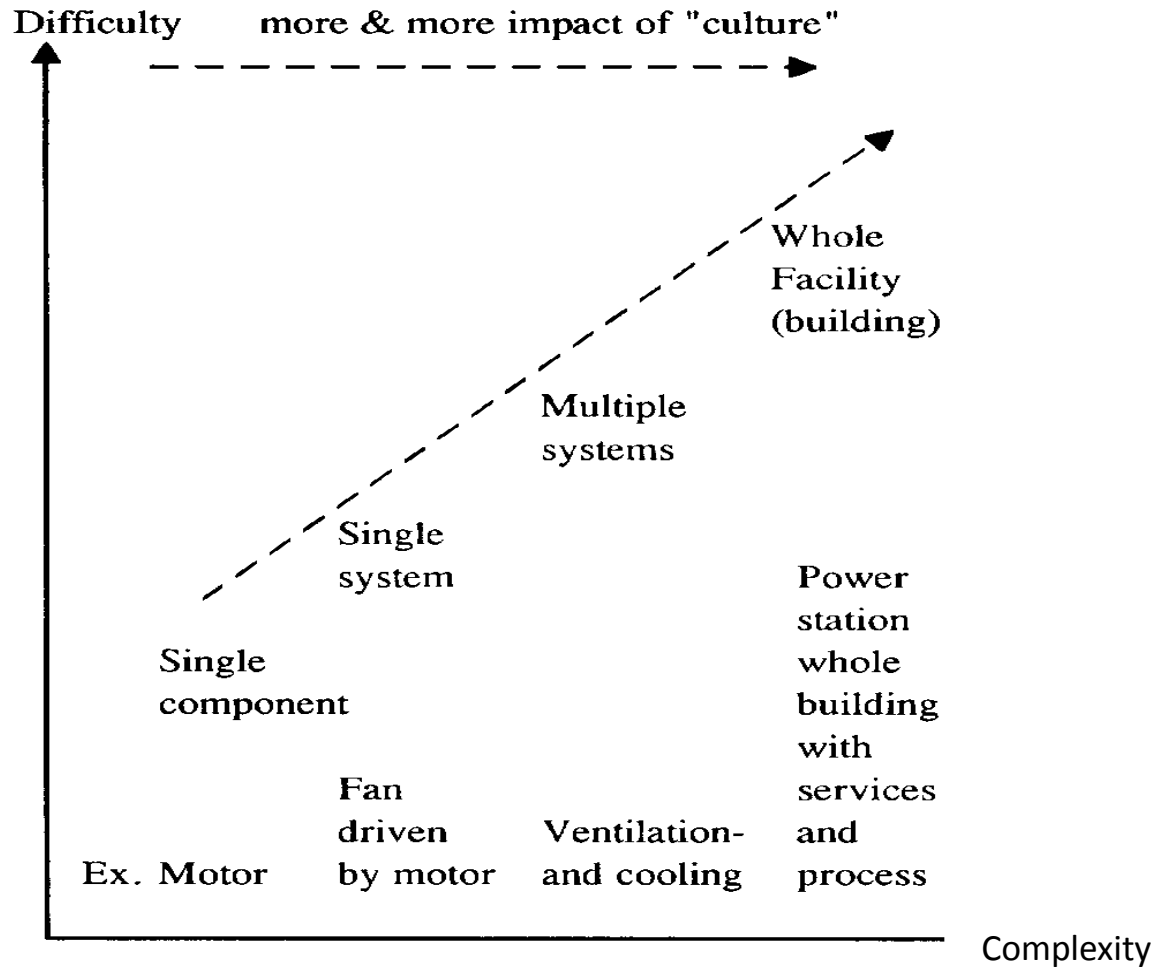
Definitions



Technology procurement, procurement groups – Innovation-drivers



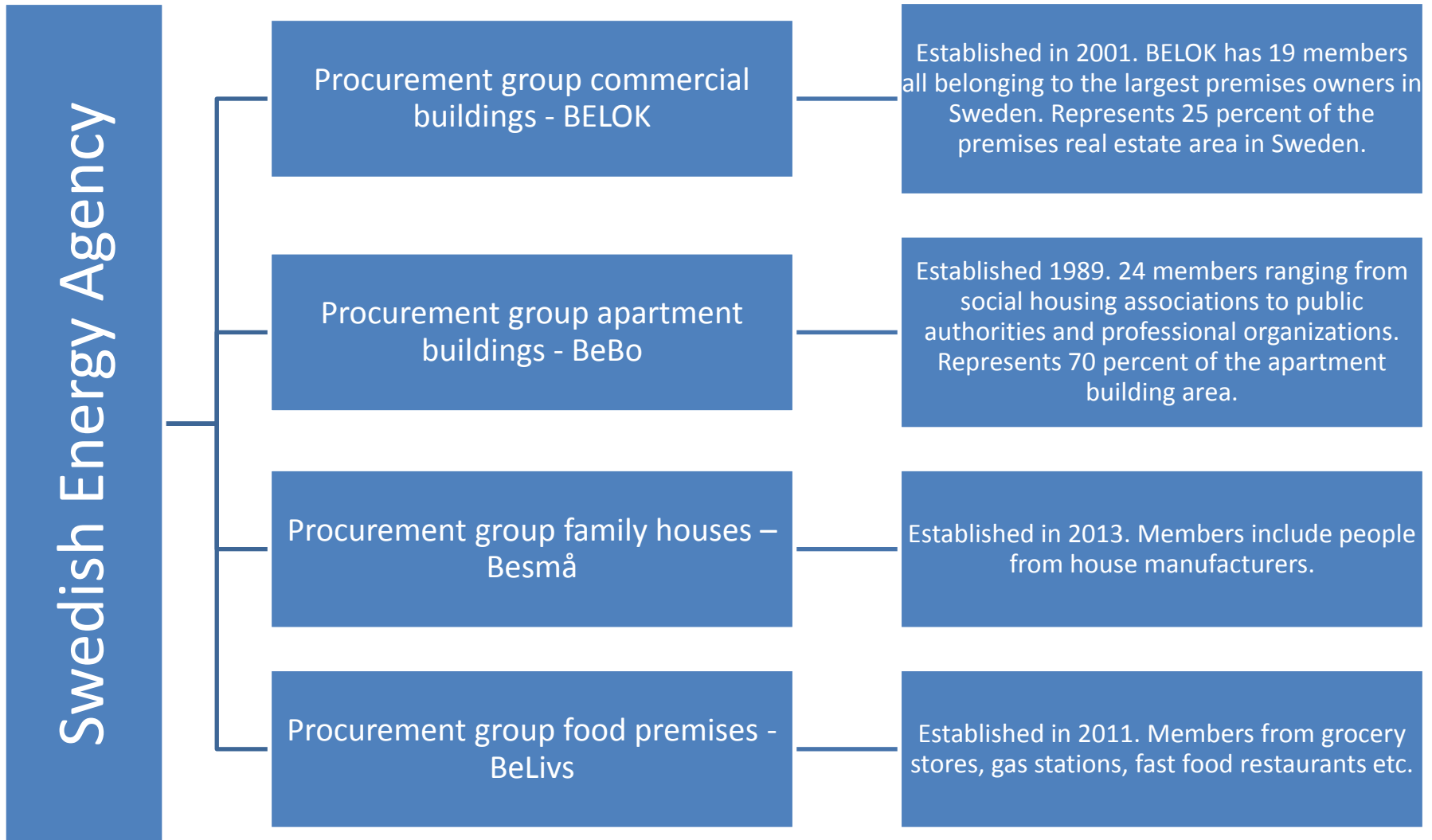
Technology Procurement



Permanent procurement groups

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

Permanent procurement groups



Example of a successful technology procurement

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

Example of renovation from 210 to
approximately 92 kWh/m² year



Example Belok total project

Pennfäktaren 11: Vasagatan 7, Stockholm



Before renovation:
287 kWh/m², år



After renovation:
124 kWh/m², år

Savings:
57 %



**Thanks for your
attention!**

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Swedish Energy Agency

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Men det behövs en agent

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

Restrictions in Sweden

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