

Cookbook:

ideation tools to create successful (smart city) ventures



Energy Poverty Challenge

Abstract

The Energy Poverty Challenge is an initiative rooted in two developments that were part of the WP5 demonstration in Utrecht. The first development is a pressing social issue that is increasingly becoming an important challenge for multiple stakeholders in Utrecht: energy poverty. The second development is the municipality of Utrecht working on the realization of a City Innovation Platform (CIP), as part of the WP5 demonstration. The aim of CIP is to support the data economy, by matching supply and demand of data. Housing corporation Bo-Ex, the municipality of Utrecht, and Utrecht University joined hands to launch the Energy Poverty Challenge. A budget of €20.000 was allocated by the IRIS project to help the winning solution develop the product or service. The result is a concrete product or service, which is pitched to the municipality of Utrecht and Bo-Ex. The best solution is chosen from the entries.

Dish:

challenge | 0,2 FTE

3M preparation + 2M execution + 3M incubation

€20.000

Recipe for:

5 ideas

1 startups



IRIS
Utrecht



The Ingredient List

- **Budget**

- €20.000 award money

- **Time**

Preparation (12 weeks)

- Supporting base and budget: 2 weeks
- Preliminary research: 8 weeks
- Stakeholder workshop: 2 weeks

Challenge (8 weeks):

- Challenge open for entries: 5 weeks
- First evaluation round: 1 week
- Pitch preparation for selected entries: 1 week
- Pitches and final evaluation: 1 week

Incubation (12 weeks):

- Program: 12 weeks, 1 day per week activities

- **Resources**

Types of organizations involved

- Housing corporation Bo-Ex (challenger)
- Municipality of Utrecht (challenge organization)
- Utrecht University (research & business development)
- UtrechtInc (incubation)

Types of roles involved (mentors, organizing team, experts, etc.)

- Organizing team
- Judges for selection of ideas
- Experts for guiding during incubation program

Location(s)

- Registration and selection via www.iris-utrecht.nl/challenge
- Location for pitches
- Location for meetings in incubation program



The Preparation Method

- **Preparation (= Planning)**

The Energy Poverty Challenge is an initiative rooted in two developments in the WP5 demonstration in Utrecht. First, an underlying contextual factor, is a pressing social issue that is increasingly becoming an important challenge for multiple stakeholders in Utrecht: energy poverty. Energy poverty is a situation in which a household spends more than ten percent of the disposable income on energy cost. When people start getting difficulties paying the energy bill, they start building up payment arrears for both energy and rent. This can lead to being disconnected from the energy grid altogether or, in the worst case scenario, to eviction. Second, the municipality of Utrecht is working on the realization of a City Innovation Platform (CIP), as part of the WP5 demonstration. The aim of CIP is to support the data economy, by matching supply and demand of data through an open data platform with relevant local data. CIP offers an open ICT system and open application program interfaces (APIs) that encourage data sharing.



The first step in the preparation of the challenge was to have a clear supporting base within the IRIS-project. Housing corporation Bo-Ex (responsible for TT1, Energy Positive Districts & TT2, Flexible Energy Management and Storage), the municipality of Utrecht (WP5, Utrecht Demonstration & TT4, City Innovation Platform), and Utrecht University (WP3, Business Modelling) joined hands to launch the Energy Poverty Challenge. A budget of €20.000 was allocated by the IRIS project to help the winning solution develop the product or service.

Master students of the Utrecht University program Business Development & Entrepreneurship were asked to do a preliminary study into the scope of the local problem and its local target group, and develop and test a Minimum Viable Product (MVP). Recommendations by the students, combined with various national studies into the scope of the problem of energy poverty and the services already available, led to a workshop in which the challenge was ultimately designed. Participants of the workshop included stakeholders involved in the IRIS projects and experts from the municipality of Utrecht working with the target group.

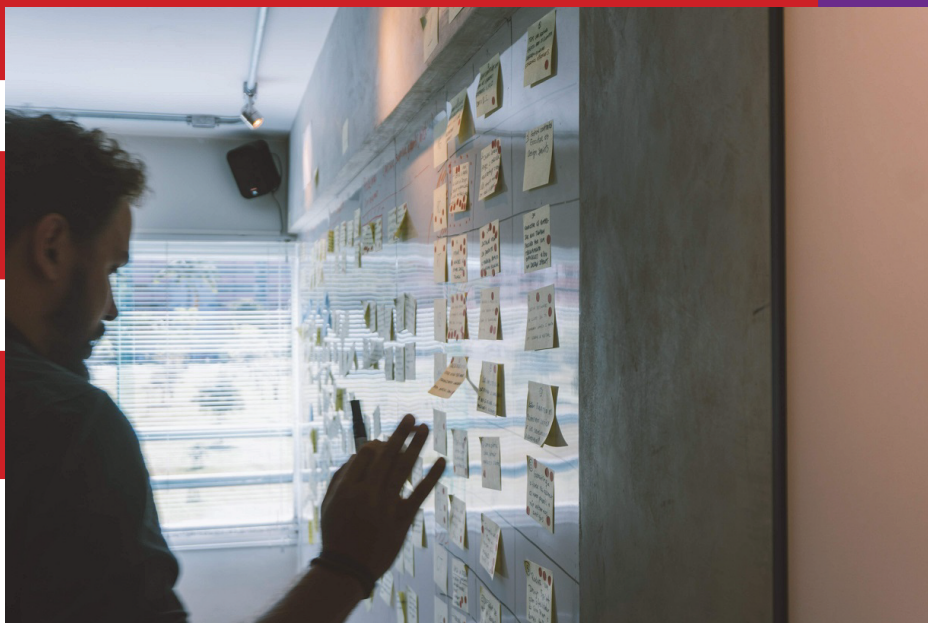


Prerequisites for the solution to the challenge were:

- ▶ to include a data service for tenants of housing corporation Bo-Ex, which gives the tenants control over and/or better understanding of their energy bills, resulting in reduced energy bills and an increase in the disposable income of tenants;
- ▶ An additional requirement for market parties was to make use of data-sets available through the City Innovation Platform in their proposed solution.

The challenge was finally presented on the website of the WP5 Utrecht demonstration. The challenge was presented in a format, that consisted of the following topics:

- 1) the challenge,
- 2) solution conditions,
- 3) context, facts & figures, and
- 4) next steps.



- **Serving instructions (= Event)**

The Energy Poverty Challenge publicly launched at May 21, 2019. The challenge was locally and nationally distributed through and by the Utrecht-based stakeholders in IRIS, including a press release to local media. The deadline for entries was set at June 28, 2019. While the challenge was 'open', potential participants had the opportunity to ask questions to the organizing team through a contact form.

Participation in the challenges was free of charge, and teams were allowed to send in multiple entries. Entries were allowed to be a maximum of five pages, and should include topics like:

- 1) company or team description,
- 2) solution,
- 3) value proposition,
- 4) clients and/or end users, and
- 5) usage of data.



The Energy Poverty Challenge received a total of 5 entries. 2 entries were excluded from the challenge, as they did not meet the prerequisites of the challenge. Mainly, they missed an idea for a business model. 3 entries were invited to pitch their solution to a jury at July 9, 2019. The pitches were judged by 11 representatives: from Bo-Ex (1 representative), Utrecht University (2), incubator UtrechtInc (1), municipality of Utrecht (4), CIP-developer Civity (1), and two representatives from TT5, Citizen Engagement. The entries were scored on 15 criteria, divided into three themes: Market Potential (35% weight), Sustainability (25%), and Market Readiness (40%).

The judges unanimously concluded to select no entry to join the incubator program, led by UtrechtInc.

• Review (= Evaluation)

After the Energy Poverty Challenge concluded prematurely, the program was thoroughly reviewed. Main feedback by the organizing team and stakeholders included:

- ▶ The challenge formulation was clear. Possibly, in the preparation phase, more research could have been done with regards to wishes and needs of end users of the product or service.
- ▶ Communicating about the challenge in the right networks is a challenge. A large number of local outlets have been used and website-traffic shows a clear increase. It is not clear, however, if the right people and organizations have been reached. In addition to current efforts, communication towards incubators and/or startup networks can be improved.
- ▶ The challenge focused on 'ready' ideas, whereas the award money was appropriate for the development of an idea: it was not balanced. Development of a prototype can cost up to €20.000, whereas the development of a functioning product can cost as much as €200.000. Therefore, the appropriate parties might not have been interested in participation.



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