What’s behind EUREKA’s Smart City initiative? (part 2)

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EUREKA publishes a series of short articles to explain the concept behind Smart City, an initiative of the EUREKA Inter-Cluster committee aiming to support investments in this technological field (read here part 1 and part 2).

Using public and private financing, the city of Amsterdam in the Netherlands has encouraged smart city projects through the Amsterdam Smart City Foundation, providing and implemented a series of initiatives to help cut carbon dioxide emissions by 40 percent from 1990 levels by 2025. Amsterdam’s residents can use a system that lists their shared electric and make 39 percent of their commute by bicycle. An Intelligent electricity network “is smart gril” is being tested for 18,000 homes that use sensors and better computer systems to remotely control demand. Another pilot looks at ways of dim street lighting according to the weather and use the saved energy to power Wi-Fi networks.

While Amsterdam is particularly active in smart city projects, it is not alone. In the UK, the government has created a minister for cities and last year awarded Glasgow a “smart cities” grant of about €100 million. Both the Netherlands and the UK are part of EUREKA’s network of 41 countries committed to making smarter cities a priority.

As well as the social and environmental benefits, the move makes economic sense. Innovators can tap a lucrative market as cities are major generators of wealth and tax revenues, making city authorities key players and customers. The street transportation market alone could be worth about $350 billion euros by 2025, estimates Frost & Sullivan.

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Of course, since many of the solutions are experimental, profitability estimates are unreliable. In the experience of Graaf Derks, who works for the Dutchman’s enterprise agency, those solutions require companies and the public sector to be more visionary. “Businesses have to step outside their comfort zones,” he says.

“They’re business case depends on others.” He points to one company that fitted waste disposal units in the sinks of council houses to allow organic household waste to be transported through the sewage system, to be converted to biogas used by the energy company to produce electricity and heat for the city. “The question was who should pay for the units in the sink and who would benefit,” says Derks. “In a smart city, you sometimes need to invest in one part of the system to get a return in another, so we need to rethink our business models and close the gap between investment and revenues” (read here part 1 and part 2).

For more information about the EUREKA Smart City Initiative go to www.eureka-smart