

# Structuring Investor Ready Energy Efficiency Projects



Financing Energy Efficiency in Central and  
South-Eastern Europe

Sofia, 28 June 2018

Peter Seizov, denkstatt Bulgaria



# Lack of standardization is a problem

**Lack of standardization (in project development and documentation) is one of the major barriers to increasing investment into energy efficiency**

*Energy Efficiency – the first fuel for Europe*



**Energy Efficiency**  
Financial Institutions Group

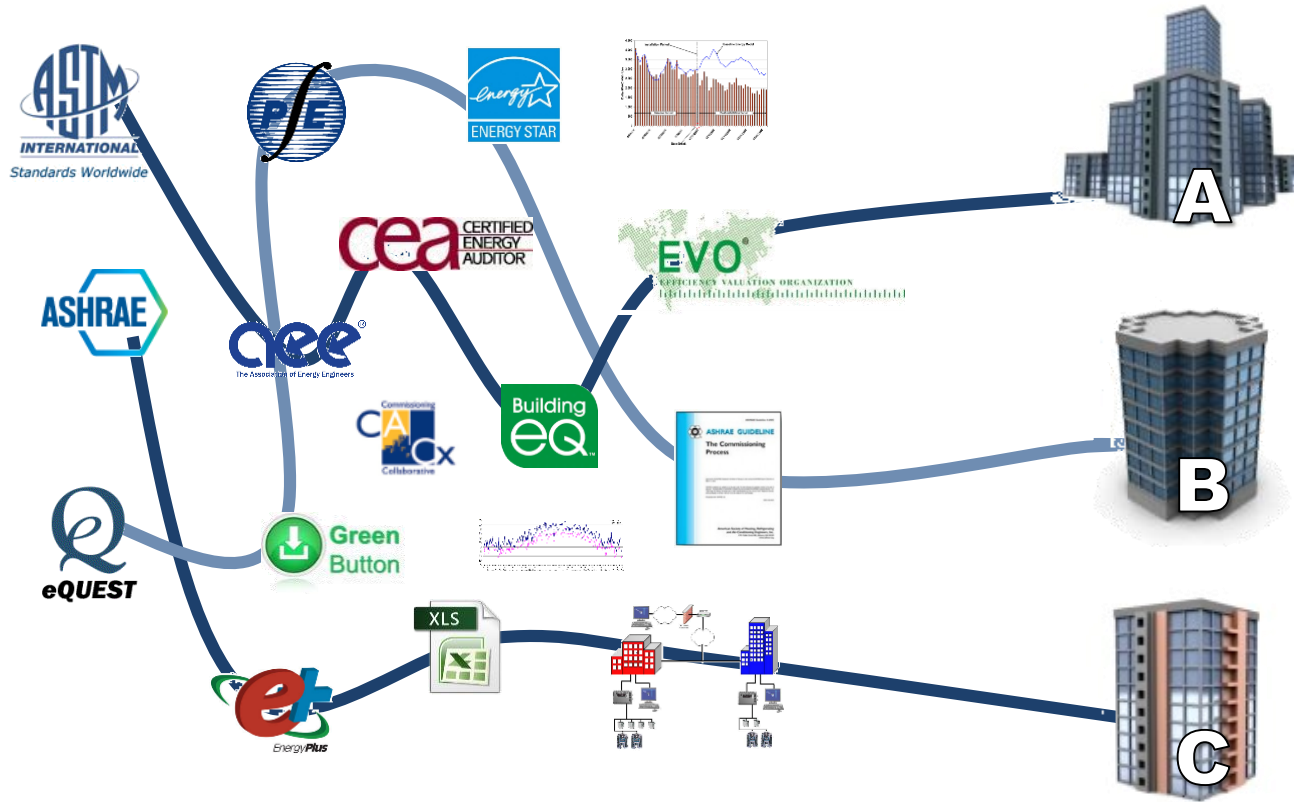
**Energy efficiency projects do not yet meet the requirements of capital markets. No two projects or contracts are alike.**

*Michael Eckhart, MD & Global head of Sustainable Finance*



Lack of standardization results in:

- Greater performance risk
- Uncertainty limiting demand
- Higher transaction costs
- Difficult to build capacity
- Difficult to aggregate



**An international framework for reducing owner and investor risk, lowering due diligence costs, increasing certainty of savings achievement and enabling aggregation.**



- Provides **free tools and resources** to help all energy efficiency market participants
- Ensures transparency, consistency and trust-worthiness through **best practices** and **independent verification**.

# The Investor Ready Energy Efficiency™ Certification

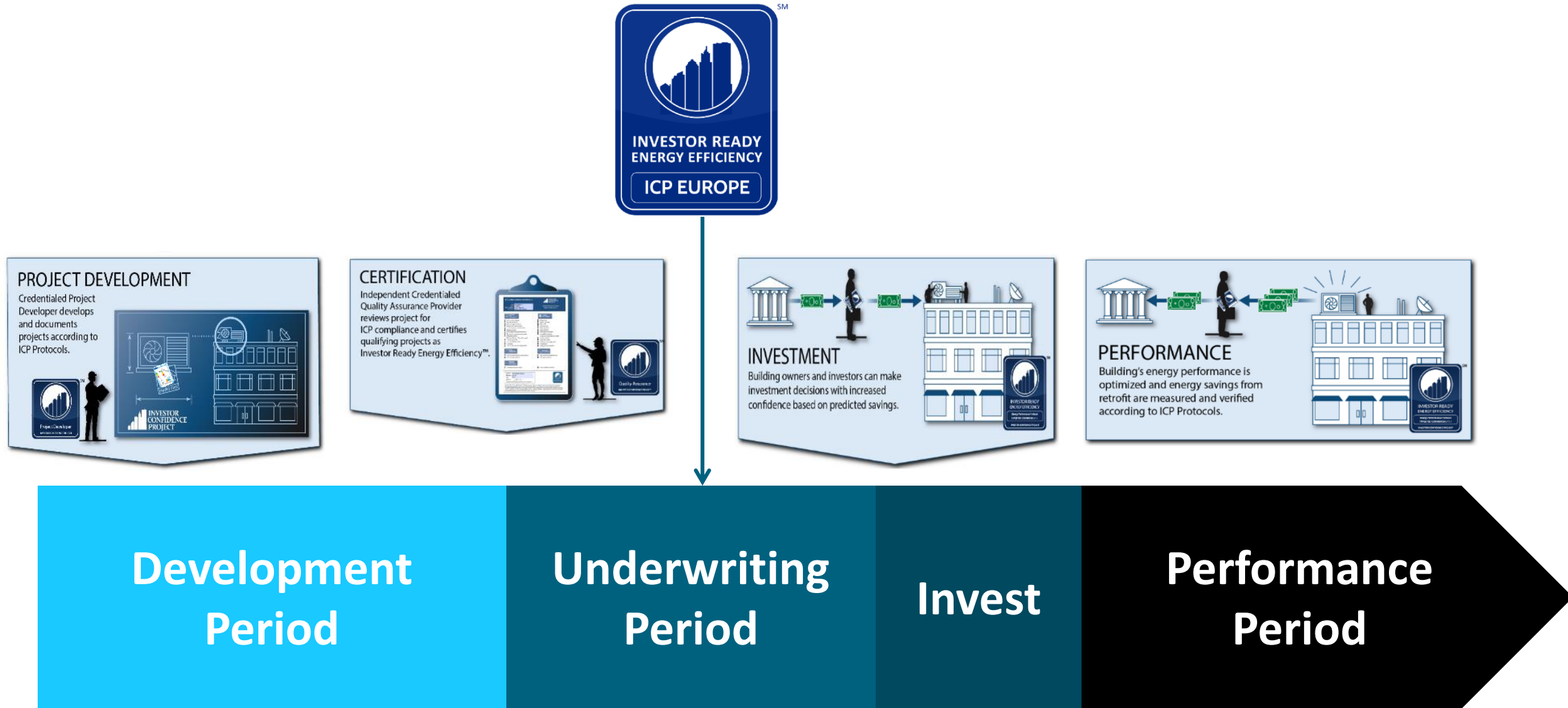


IREE™ is the quality mark like BREEAM or LEED but for a **building, district energy, industry or street lighting efficiency projects**



IREE™ can be used with any building rating system – it is certifying individual energy efficiency projects

# The IREE™ certification is delivered prior to investment decision



# ICP in Europe – Projects, Programmes, Allies

30+

**projects and programmes** in Europe are currently using ICP or are already IREE™-certified in the United Kingdom, Ireland, Germany, Austria, Bulgaria, Latvia, Italy, Spain and Portugal

200+

**allies** supporting the goals of ICP Europe

18

financial institutions part of the ICP Europe **Investor network**

30+

accredited ICP **project developers**

19

accredited ICP **quality assurance assessors**



# ICP Europe Allies





# What project types can be IREE™ certified?



## **Buildings**

- Apartment blocks
- Tertiary



## **Industry**



## **Street lighting upgrades**



## **District energy systems**

# What building(s) projects is IREE™ designed for?

## **Any Tertiary And Apartment Block Building**

- Single or multiple buildings
- Any on-site measures, including building-integrated renewables
- Examples:
  - Lighting upgrades
  - Building controls modifications
  - Fabric improvements
  - Pump and fan motor replacements

# What industrial building projects is IREE™ designed for?

## Any Industrial Facility

- Excluding measures relating to sector-specific manufacturing processes
- Examples:
  - Boiler improvements
  - Compressed air and power supply systems
  - Steam system improvements, such as trap replacement
  - Recovery of process heat

# What district energy system types is IREE™ designed for?

## Heating and/or Cooling Schemes

- Must serve multiple end users via an insulated pipe network
- Scale:
  - Small residential developments
  - Large mixed-use and city-wide schemes
- Examples of sources of energy:
  - Energy from waste facilities
  - CHP
  - Heat pumps

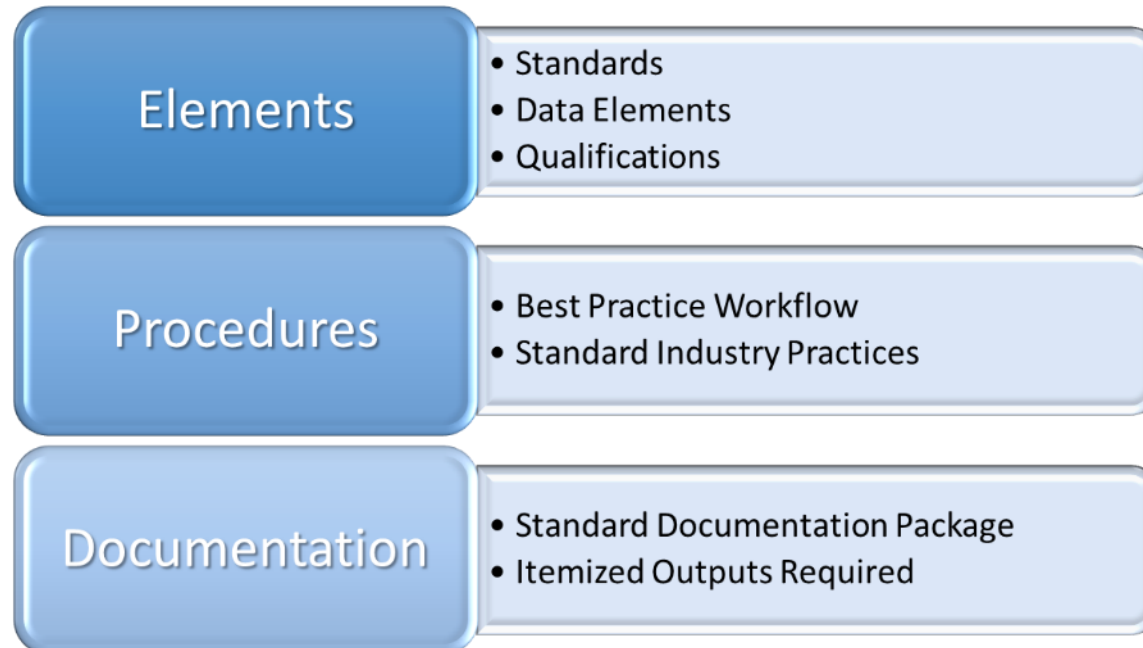
# What street lighting project types is IREE™ designed for?

## Street Lighting Upgrades

- Replacement of lamps or luminaries for more energy efficiency options (e.g.: LED)
- Installation of new energy efficiency lighting controls (e.g.: dimming controls)



# What is the content of the IREE™ certification?



# Benefits: Investors

- IREE reduces due diligence costs and speeds underwriting.
- Opens access to quality projects through vetted Project Developers
- Increases confidence in project fundamentals and engineering.
- Standard projects and document packs with third party allows for the **aggregation of projects** across borders and programmes.





# Benefits: Project developers

- Offers a **repeatable project process**, aiding Quality Assurance
- Enables **more project approvals** due to industry standards and 3<sup>rd</sup> party review
- **Differentiates your company** and increases credibility with customers
- Increases ability to **connect with finance**, insurance, utility programmes, without additional transaction costs





# Benefits: Project owners

IREE's independent review and certification of proposed projects:

- Gives owners confidence in project development and savings achievement.
- Enables the comparison of projects and access to more project investment.
- Can function as a “Tender in a box” and underwriting criteria for buildings and portfolios.





# Benefits: Government programmes

- Investor Ready Energy Efficiency™ is based on internationally recognized and off-the-shelf technical standards **ready to deploy.**
- Ready made provider **training programme.**
- Allows for the ability to distribute Quality Assurance **costs to the market.**





# ICP Network: Project Developers



ICP Project Developers (PDs) have been **trained** by ICP, their **qualifications and experience** have been vetted and are the only ones that can develop an **IREE™ project**.

PDs can be ESCOs, Engineering firms, facility managers, building owners, or others that develop project proposals.

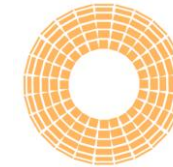
# ICP Network: Quality Assurance Assessors



ICP Quality Assurance Assessors offer **independent and documented verification** of project compliance for IREE™ designation. They have been **trained** by ICP, their **qualifications and experience** have been vetted and can be an individual, independent firms or programs.

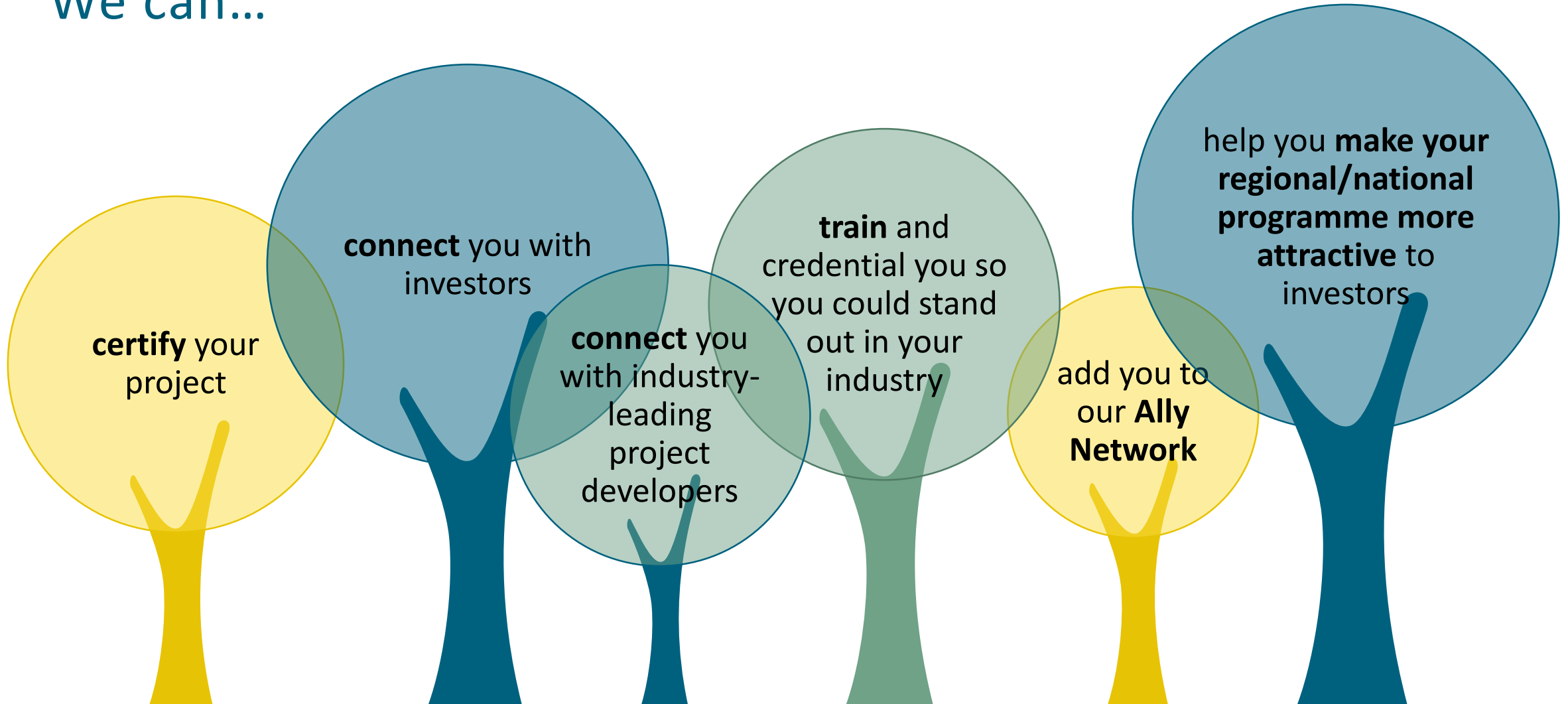
# ICP Investor Network

ICP Investor Network represents **€1.5 billion in energy efficiency project capital**. They are looking for quality projects built to IREE™ standards and some provide incentives for IREE™ projects.



# How Can We Help You?

We can...



**Peter Seizov**

ICP in-country advocate

denkstatt Bulgaria

+359 88 486 5232

peter.seizov@denkstatt.bg

[europe.eepformance.org](http://europe.eepformance.org)



*The ICPEU and I3CP projects have received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649836 and 754056. The sole responsibility for the content of this document lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.*