



Energy Efficiency
Financial Institutions Group

“Energy Efficiency: Risk or Opportunity for Financial Institutions?”

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#EEFIG Goal is to Increase EU Energy Efficiency Investments

The Energy Efficiency Financial Institution Group (“EEFIG”) was established to determine how to overcome the well documented challenges to obtaining long-term financing for **energy efficiency**

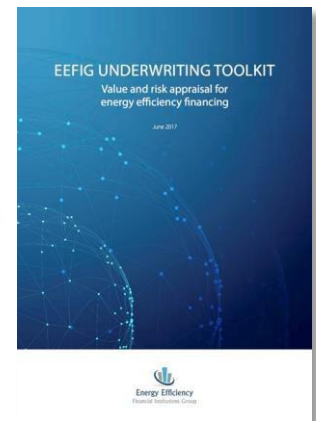
40% of the EEFIG participants either work for, or represent the views of, financial institutions. Participation from financial institutions, policy makers, finance users (buildings, industry or SME) and energy efficiency experts.

EEFIG Phase 1

1. What are the most imminent challenges that must be overcome?
2. Who would be the right party to address them?
3. What should the European Commission/ EU do?



EEFIG Phase 2



Three Keys: Policies to Drive Demand/ Reduce Uncertainty, Simple Financial Instruments and Removing Blocks

Buildings and
Corporate sectors
are very different
Yet...

EEFIG participants identified
cross-cutting themes

which provide a framework to describe
challenges facing energy efficiency investing
in both EU Buildings and Industry

Identified Challenges

- 1 Driving Demand ¹
- 2 Managing Uncertainty
- 3 Distribution and Aggregation
- 4 Blending Grants and Loans ²
- 5 Accounting Treatment
- 6 Horizon Period / Optimal Scope
- 7 Financial Regulatory Issues ³

#EEFIG's input into "Smart Finance for Smart Buildings" platform from 2015 report...

Policy-led Approaches

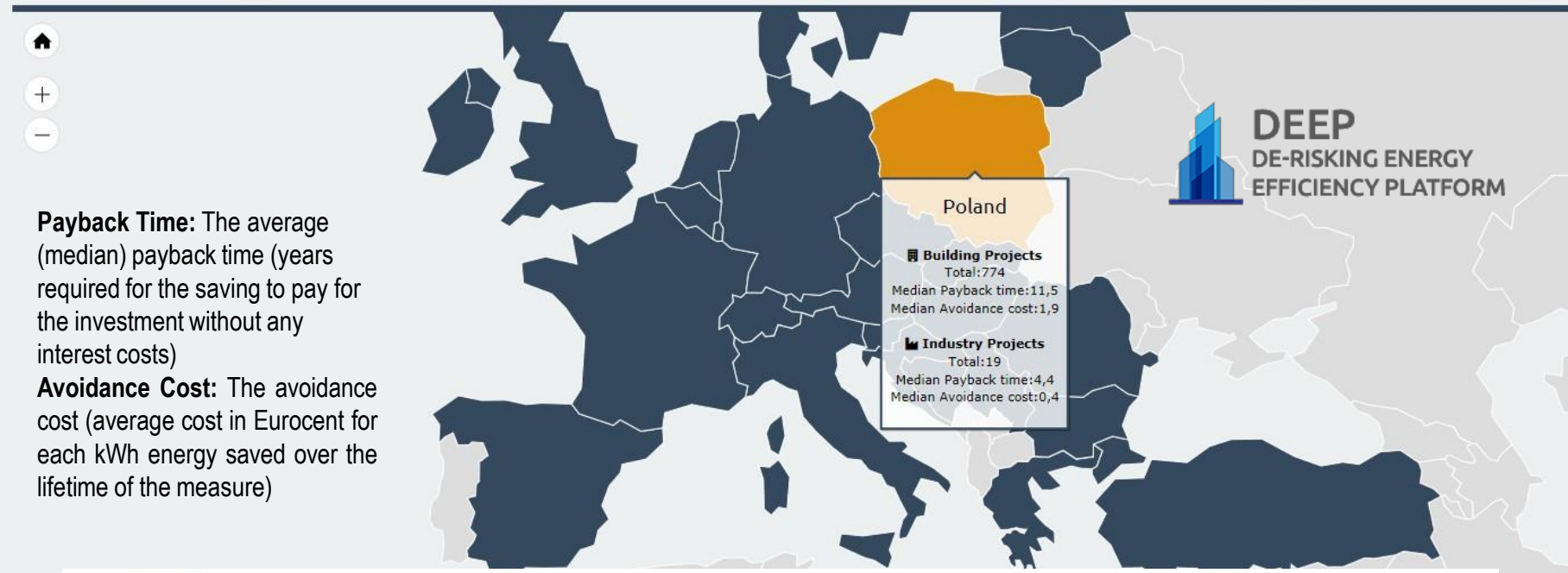
- **Development of Standards and a Common Investment Language**
- Improvement of Buildings Certification and Energy Performance Certificates
- **Open Source EU Buildings Energy Database**
- Industry and Finance supported National Buildings Renovation Roadmaps
- Optimize Use of EU Structural and Investment Funds for Energy Efficiency Investments in Buildings

Market-led Approaches

- **Common and Standard Underwriting and Investment Procedures**
- Linking impact of building energy performance with investment performance
- More Proactive Engagement and Continuous Improvement and Usage of Energy Performance Certificates (EPCs) from Financial Institutions
- **"Operational" Energy Performance Database**
- Project Ratings
- Life cycle portfolio-wide sustainability programmes

DEEP: Shows cost competitiveness of EE Investments, and Reveals gaps in the data in “multiple” non-energy benefits

Key figures Key figures for energy investments in the platform



Payback Time: The average (median) payback time (years required for the saving to pay for the investment without any interest costs)

Avoidance Cost: The avoidance cost (average cost in Eurocent for each kWh energy saved over the lifetime of the measure)

How EEFIG gave Structure to G20 EEFTG: The structured dialogue on finance among 28 Member States helped G20



2014

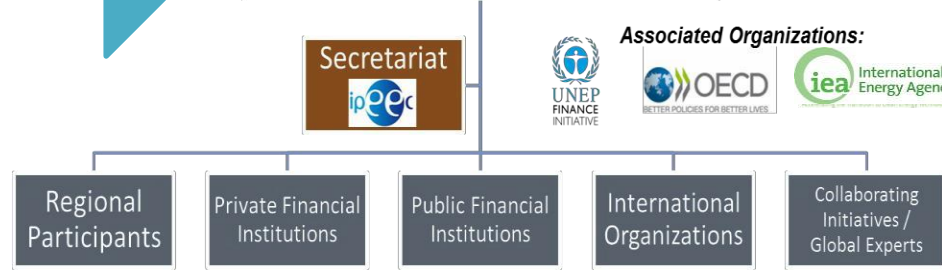
- ✓ Vehicles
- ✓ Products: Networked devices
- ✓ **Finance: EEFTG**
- ✓ Buildings
- ✓ Industrial energy management
- ✓ Electricity generation



EEFTG Country Steering Group

France – Mexico co-chairs (12 members)

Energy Efficiency Finance Task Group
(Target Policy, Expert & Finance members)



EEFTG Results

2015



2016



2017

Snap-shot of EEFTG's G20 Activities in 2016...

Comprised of
15 countries
and co-chaired
by France &
Mexico



In **2016** EEFTG engaged with around **1,200 individuals** through a programme of **18 workshops** or contributions to **G20** and related activities in **Europe, USA, China** and **Latin America**






EEFTG global survey generated **140 specific ideas, instruments, approaches, mechanisms, instruments** and **practices** shared by 72 **experts**

Beijing G20 Energy Ministerial
Communique calls for “upscaling
energy efficiency investment”

Launched campaign to
engaging with **122 banks
& asset managers** managing
\$4+ trillion of funds



Map & Measure: EE Integrated and “Core” Investments

			Integrated	Core
Market	\$	USD trillions	USD 221bn	ESCOs (USD 24 bn); “Self-financed”
Policy	 2000+ policies	Energy subsidies; Inefficient markets; Supply-led planning.	Energy Transition; National Renovation Strategies; Vehicle Fleet Standards; Transparent Energy Planning.	“EE First”; Mandatory targets/ standards; NZEBs; EE Obligation schemes; National EE Action Plans.
		Mainstreaming	Enabling	
Private Sector	Banks  \$110tr	Finance undertaken without explicit consideration of energy “externalities” or cost effective energy improvements.	Green tagging; Green buildings lending; green lending; climate lending; Equator principles.	EE mortgages; Building renovation loan; EE credits/loans; EE tagging.
	Investors  \$70tr	Finance undertaken without explicit consideration of energy “externalities” or cost effective energy improvements.	Green tagging and company disclosure; Collaborative shareholder activism; Green funds; Sustainable real estate funds.	EE funds; Energy Productivity Indexes; Own real estate EE renovation; EE tagging.
	Insurers  \$31tr	Product and services without explicit consideration of energy “externalities”.	Green buildings insurance; Climate mitigation insurance and investments; Addon coverage; Technical assistance, advisory services.	Energy saving insurance; energy performance guarantee; EE advisory services.
Public Sector	Public finance  \$176 + bn	Finance undertaken without explicit consideration of energy “externalities” or cost effective energy improvements.	Resource Efficiency; Safeguards; ESG & Climate Commitments; \$33 bn	Direct EE Lending; EE Policy lending; EE targets; Technical assistance. \$7 bn

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EEFIG Support and Legal Disclaimer (“Thank you”)

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The DEEP database includes over 10,000 energy efficiency projects in buildings and industry from 26 data providers:



This document is a summary of the EEFIG and EEFTG work prepared for the Sustainable Energy Investment Forum, Paris 2017. Consensus views do not necessarily reflect, in their entirety, the individual view of any EEFIG or EEFTG member or participant nor should membership or participation in EEFIG nor EEFTG bind any member or participant to the consensus views described here. EEFIG and EEFTG views and opinions are subject to change without notice. Neither EEFIG, EEFTG, the Commission, UNEP FI, Climate Strategy or any individual member or participant of EEFIG or EEFTG may individually or collectively be held responsible for any use which may be made of the information contained herein. Any examples and case studies described in this document have been provided by specific participants to EEFIG or EEFTG meetings and are based upon information gathered by these individuals; the references can be found in www.eefig.eu or deep.eefig.eu or at www.ipeec.org and should always be considered as the most accurate and complete source of information.