



# EASME

Executive Agency for Small and Medium-sized Enterprises

## EU support to energy efficiency investment – key initiatives

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# SMART FINANCE FOR SMART BUILDINGS

## More effective use of public funds

- Deploying **Financial Instruments** and flexible energy efficiency and renewable financing platforms
- Building on EFSI blending with ESIF funds



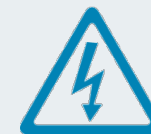
## Assistance and aggregation

- Supporting the project pipeline at EU and local level
- **Project Development Assistance** facilities
- "One-stop-shops"



## De-risking

- **Understanding the risks and benefits** for financiers and investors
- The De-risking Energy Efficiency Platform
- Commonly accepted underwriting framework





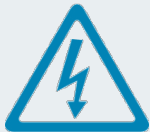
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## Horizon 2020 finance of energy efficiency – turning policy to action

De-risking

7 projects

Understanding the risks and benefits related to energy efficiency investments



Assistance and aggregation

38 projects

Supporting the project pipeline at EU and local level



More effective use of public funds

13 projects

Deploying Financial Instruments and innovative business models to attract private finance



# More effective use of public funds

## HORIZON 2020

13 projects

Deploying Financial  
Instruments and  
innovative business  
models to attract private  
finance

- New, innovative and "exploitable" financing schemes
- Next generation energy performance contracting, next generation energy services
- Establish regional/national aggregators
- National/regional energy efficiency investment roundtables/platforms

# More effective use of public funds

IEE

STEEEP

Support and Training for an  
Excellent Energy Efficiency  
Performance

BE, IT, UK, AT, EE, ES, FR,  
HR, HU, LV

stEEEP

<http://www.steep.eu/>

- **tailored training and guidance** on effective energy management tools and practices provided by an established network of intelligent energy advisors of Chambers of Commerce and Industry (CCIs) from **10 different countries**.

"The know-how we gained from our participation in STEEEP workshops allowed us to monitor effectively our energy use and to identify potential savings." Pascal WEBER Industrial Director...

- Success stories, Q&A
- Over 600 SMEs saved 10-15% of their energy costs in 3 years

# More effective use of public funds

HORIZON 2020

SUSTAINABLE  
ENERGY  
INVESTMENT  
FORUMS



- A series of events to help building capacity & increase demand for EE finance
- 15 EU capitals during 2017-2018
- Showcase exemplary projects & replicable investment models
- Showcase financial instruments and ESIF/national/regional programmes, where relevant
- Public events, roundtables
- Webinars, EU conferences « energy efficiency market place »

<https://ec.europa.eu/energy/en/financing-energy-efficiency/sustainable-energy-investment-forums>

# Assistance and aggregation

HORIZON 2020

38 projects

Supporting the project  
pipeline at EU and local  
level



- Technical assistance to develop sizable projects
- Volume approach: Bundling, pooling, one-stop-shops
- Buildings, industry, transport, or EE infrastructure such as street lighting
- Deliver investment while delivering high degree of innovation
- Leverage: at least 1:15, expected: 800 mln €

# Assistance and aggregation

Intelligent Energy Europe

**Energies POSIT'IF**

France, Ile-de-France region

an innovative instrument  
for energy renovation



[www.energiespositif.fr](http://www.energiespositif.fr)

- Pilot of energy performance contracting in condominiums
- 2000+ units renovated for a value of 40 mln € investment
- Organisational innovation: one-stop-shop to design, implement, finance, monitor for home owners
- Legal innovation: impulse of this project changed substantially the mandate of public ESCOs
- EIB Loan for 100 mln € signed backed by EFSI (Junker Plan)
- 2020: 10.000 dwellings for 175 mln €



# De-risking

HORIZON 2020

7 projects

Understanding the risks  
and benefits related to  
energy efficiency  
investments



- High visibility pilots with potential high market influence
- Development and demonstration of frameworks for standardisation and benchmarking of energy efficiency investment (e.g. labelling, project rating methodologies, risk assessment tools)
- Capacity building for banks
- Gathering and disclosing of large-scale data on actual financial performance of energy efficiency
- Integration of non-energy benefits into project valuation

# De-risking

HORIZON 2020

ICPEU/I3CP

Certified, Standardized,  
Bankable Energy Efficiency



<http://www.eepformance.org/>

- Standardisation of processes and documentation - work with key stakeholders to develop open source protocols and apply them to real projects
- Commercial and residential buildings, as well as industry and infrastructure (new)
- Quality label « Investor Ready Energy Efficiency™ (IREE) »
- Investors Network of 15 financial institutions with EUR 1.5+ billion for investments in ICP compliant projects
- 6 projects certified in the UK, ES, PT and more in preparation in AT, BG, DE, IT
- Commercial exploitation of IREE certification: January 2018

# De-risking



**Energy Efficiency**  
Financial Institutions Group



- established in 2013 by the European Commission Directorate-General for Energy (DG Energy) and United Nations Environment Program Finance Initiative (UNEP FI)
- 120 active participants from 100 organizations
- landmark report "Energy Efficiency – the first fuel for the EU Economy: How to drive new finance for energy efficiency investments" (2015), the EEFIG Underwriting Toolkit (launched in 2017), and DEEP platform

<http://www.eefig.com/index.php>

# De-risking – value and risk appraisal

## Sources of value

Energy  
Savings  
Reduced impact of energy  
price volatility  
Non-energy  
Asset value  
Productivity  
Health & well-being

- Non-energy benefits can be much more strategic and attractive to decision makers than just energy savings
- Financial appraisal needs to identify and value all benefits



## EEFIG UNDERWRITING TOOLKIT

Value and risk appraisal for  
energy efficiency financing

June 2017

# De-risking – value and risk appraisal

- Acknowledge and understand all the risks
- Very little data linking energy performance to financial performance
- Financial institutions should tag Energy Efficiency loans and Green mortgages to enable risk analysis in future
- Better understanding of risk can bring more capital and product innovation



# De-risking – EEFIG underwriting toolkit

Toolkit assisting Financial Institutions in scaling up the deployment of capital into energy efficiency by:

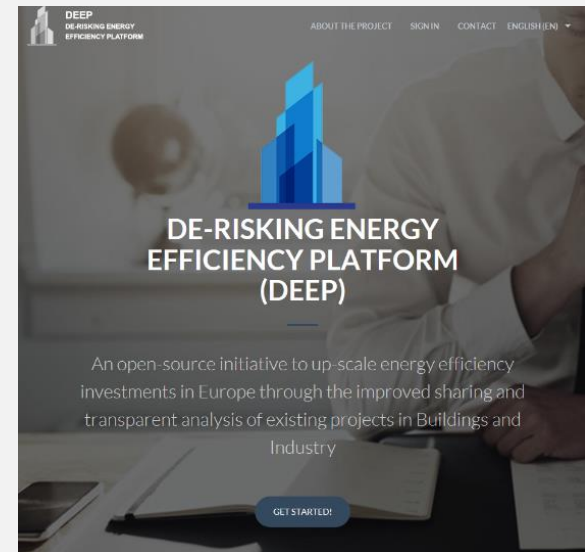
- helping financial institutions better understand and evaluate **value and risks**.
- providing a **common framework** for evaluating energy efficiency investments and analysing the risks.
- helping developers and owners develop projects in a way that **better addresses the needs of financial institutions**.
- fostering a **common language** between project developers, project owners and financial institutions.

## AUDIENCE

- Banks senior management
- Valuation and risk teams
- Investors & project developers

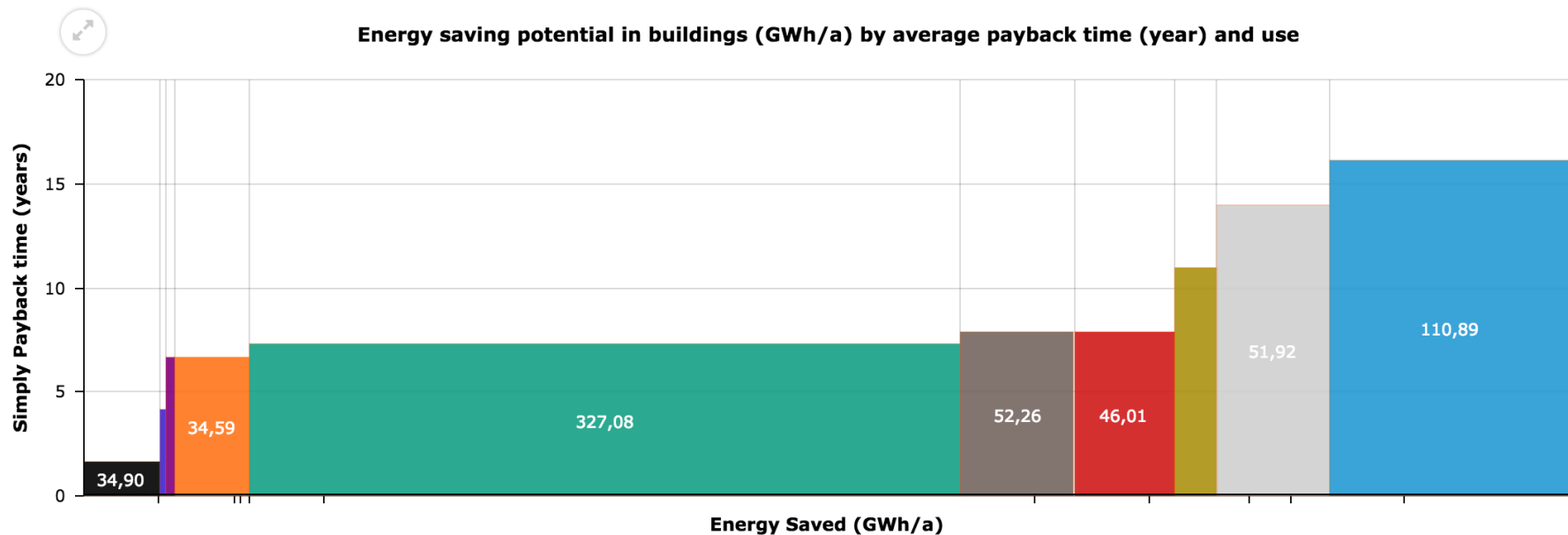
# De-risking – The De-risking Energy Efficiency Platform (DEEP)

- An open source database for energy efficiency investments performance monitoring and benchmarking.
- Objective: to improve the understanding of the real risks and benefits of energy efficiency investments based on market evidence and track record.
- Includes 10,100+ energy efficiency projects in buildings and industry from 28 data providers (October 2018).
- Access through: <http://deep.eefig.eu>



# De-risking – The De-risking Energy Efficiency Platform (DEEP)

Energy saving potential in buildings (GWh/a) by average payback time (year) and use



- Not specified
- Hotels & restaurants
- Wholesale and retail sector
- Office buildings
- Industry
- Educational buildings
- Health care
- Public buildings
- Multi-family buildings 1-4 storeys
- Multi-family buildings 5+ storeys





European Commission

# De-risking – The De-risking Energy Efficiency Platform (DEEP)



De-risking Energy Efficiency Platform

User Guide | Become a Data Provider | Data Privacy Terms | Database Terms of Use | English (en)

Logged in as **camille.blaz**

- Key figures
- Data overview
- View charts
- Add and Manage Projects
- Analysis Toolbox
- Benchmark your Projects

## Key figures

Key figures for energy investments in the platform

BUILDINGS	MEDIAN PAYBACK - BUILDINGS	MEDIAN AVOIDANCE COST - BUILDINGS	INDUSTRY	MEDIAN PAYBACK - INDUSTRY	MEDIAN AVOIDANCE COST - INDUSTRY
<b>5.152</b>	<b>5,0</b>	<b>2,5</b>	<b>5.014</b>	<b>2,0</b>	<b>1,2</b>
Projects	Years	Eurocent/kWh	Projects	Years	Eurocent/kWh

# European Structural and Investment Funds

- 5 funds (ERDF, ESF, CF, EAFRD, EMFF)
- Support to transition to low carbon economy
- Initiatives like PAREER-CRECE in ES: Aid Programme for the Energy Renovation of Existing Buildings
  - for any use (dwelling, administrative, commercial, health, educational, etc.)
  - Range of measures, mainly improvement of thermal envelope, heating and lighting
  - Direct aid (48%) and loan (52%)
  - Municipalities, hotels, escos benefiting
  - Oversubscription by 35% in 2016

## Conclusion

- Markets need to be structured to reach the ambition of (faster) energy efficiency progress
- In many initiatives, action turns into policy
- Lessons learned are precious for European sharing



European  
Commission

# THANK YOU

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