



European
Commission



European policy in support of energy efficiency investments

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ENERGY UNION: WHERE WE ARE AND WHERE DO WE WANT TO GO?

CHALLENGES AND OPPORTUNITIES



Modernise our economy by bringing down greenhouse gas emissions while creating jobs and growth

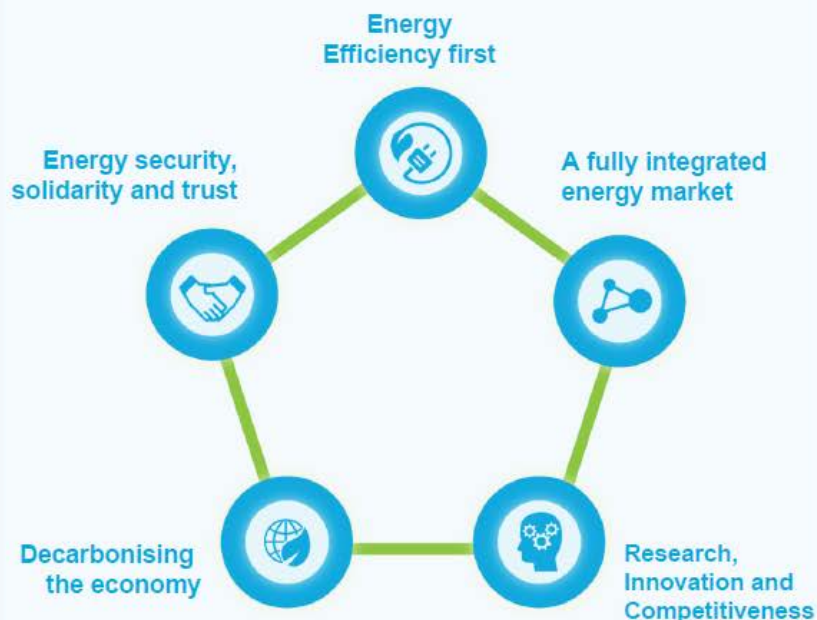


The EU as the world leader on renewable energy and placing energy efficiency first based on new technologies and industrial leadership



Ensure a socially fair transition where regions, cities and consumers play an active role

ENERGY UNION STRATEGY

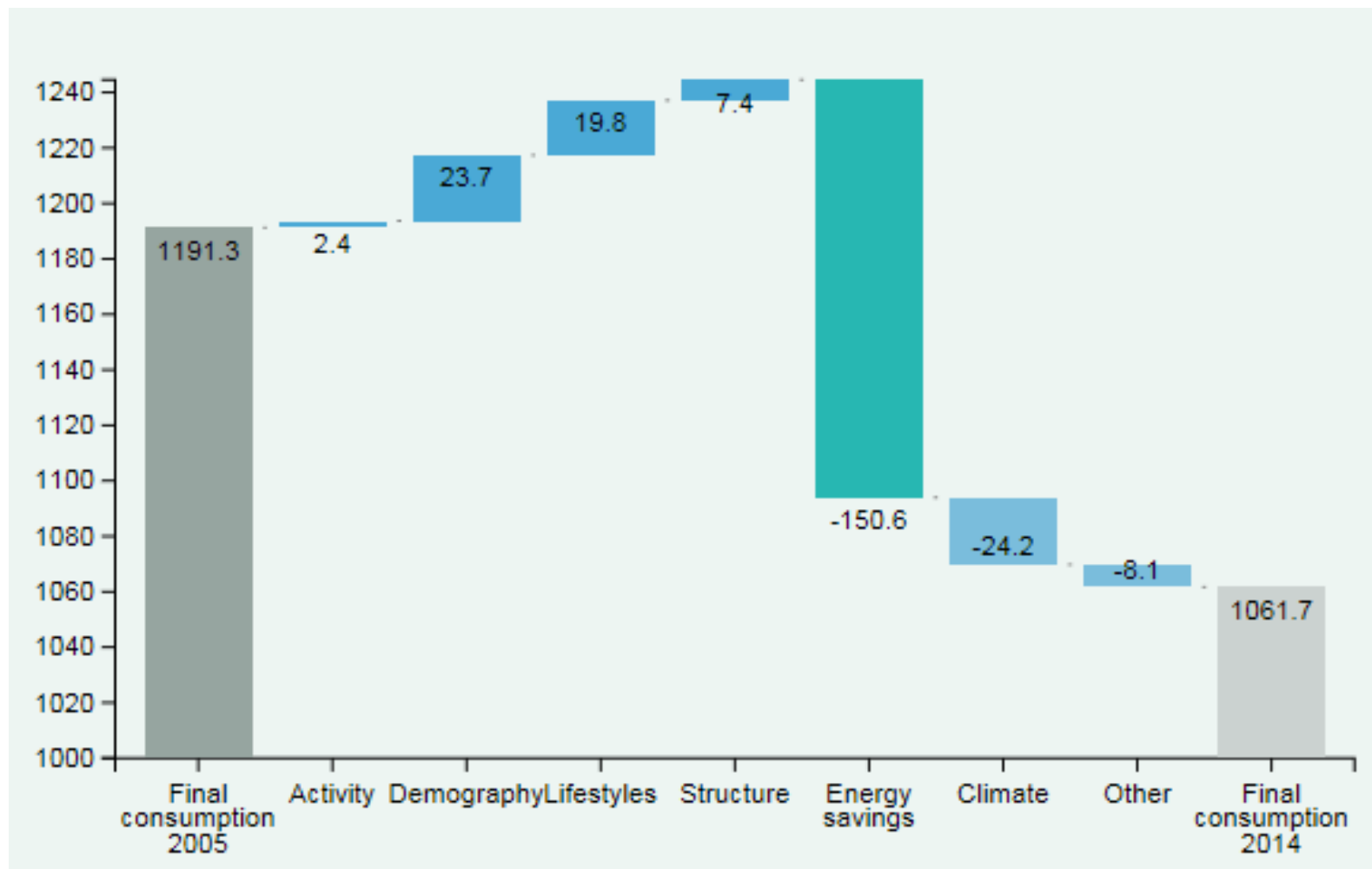


How do we get there?

The right regulatory framework for post 2020:

- **Clean Energy for All Europeans Package (8 legislative proposals):** <https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>
 - ❖ Proposal for a revised Energy Efficiency Directive
 - ❖ Proposal for a revised Energy Performance of Buildings Directive
 - ❖ Proposal for a recast of the Renewable Energy Directive
 - ❖ Proposal for a recast of the Internal Electricity Market Directive
 - ❖ Proposal for a recast of the Internal Electricity Market Regulation
 - ❖ Proposal for a recast of the ACER Regulation
 - ❖ Proposal for a Regulation on Risk-Preparedness in the Electricity Sector and Repealing the Security of Supply Directive
 - ❖ Proposal for a Regulation on the Governance of the Energy Union
 - Eco-design Working Plan 2016-2019
- + Giving a clear signal to investors that the clean energy transition is the growth sector of the future, both through adapting our legislation and putting on the table an enabling environment

Energy efficiency policy works



Variation final energy consumption - European Union - Mtoe (2005-2014)

Source: Odyssee-Mure

ENERGY EFFICIENCY



Energy efficiency first

Ambitious energy efficiency target for 2030

Enable achievement of EU energy efficiency targets for 2030

Accelerate building renovation

Increase energy efficiency investments



A fair deal for all consumers

Better informed consumers

Focus on alleviation of energy poverty

Reinforce the reliability of energy performance certificates for buildings

More effective energy labelling measures

New Eco-design working plan



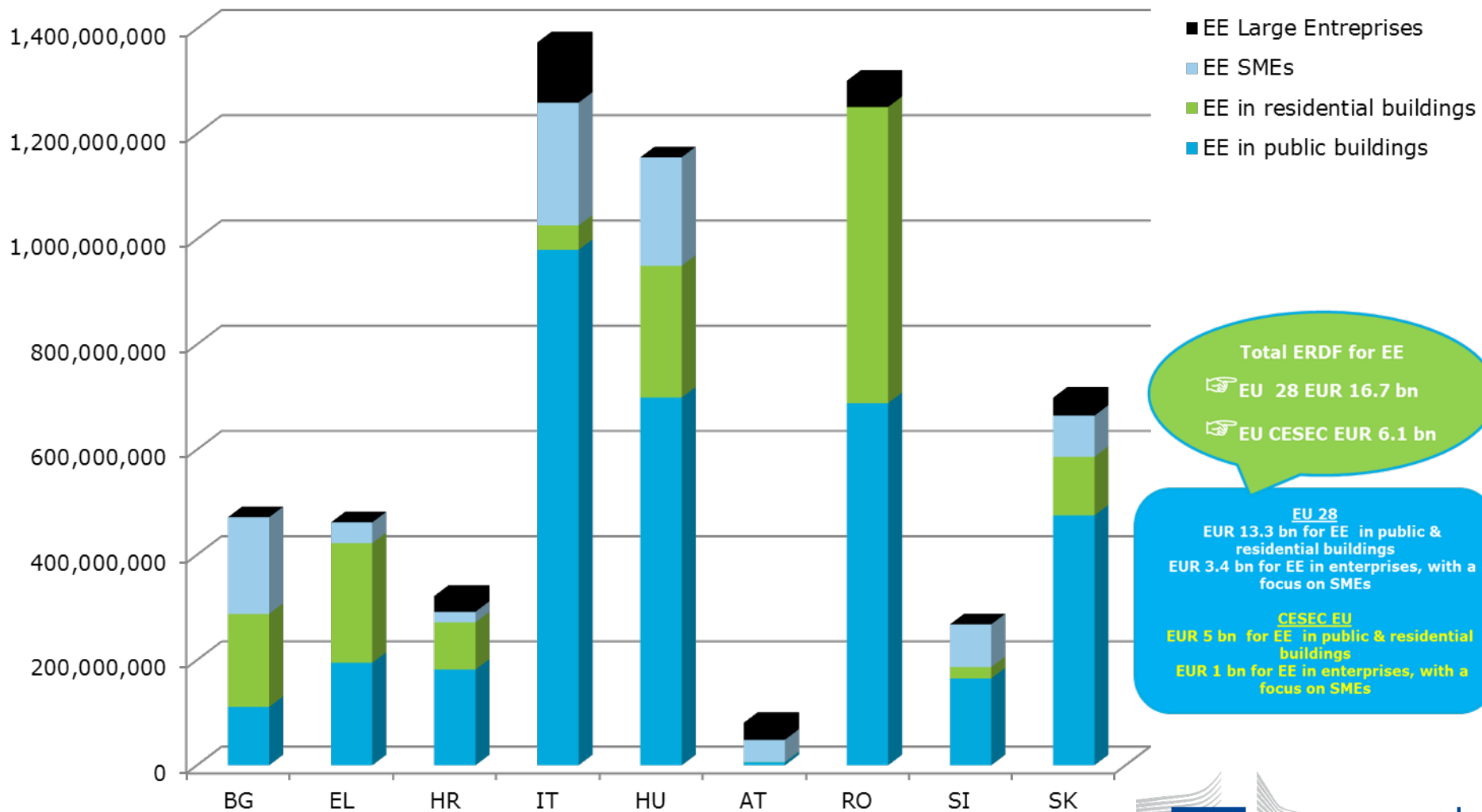
EU to be leader in renewables

Reinforced role of renewables in building energy performance calculations (EPBD)

Updated Primary Energy Factor for electricity generation (PEF)

Integrating renewables under energy saving obligations (EED)

Cohesion Policy 2014-2020 (ERDF) Energy Efficiency Allocation in CESEC EU Member States



Total ERDF for EE

- EU 28 EUR 16.7 bn
- EU CESEC EUR 6.1 bn

EU 28

- EUR 13.3 bn for EE in public & residential buildings
- EUR 3.4 bn for EE in enterprises, with a focus on SMEs

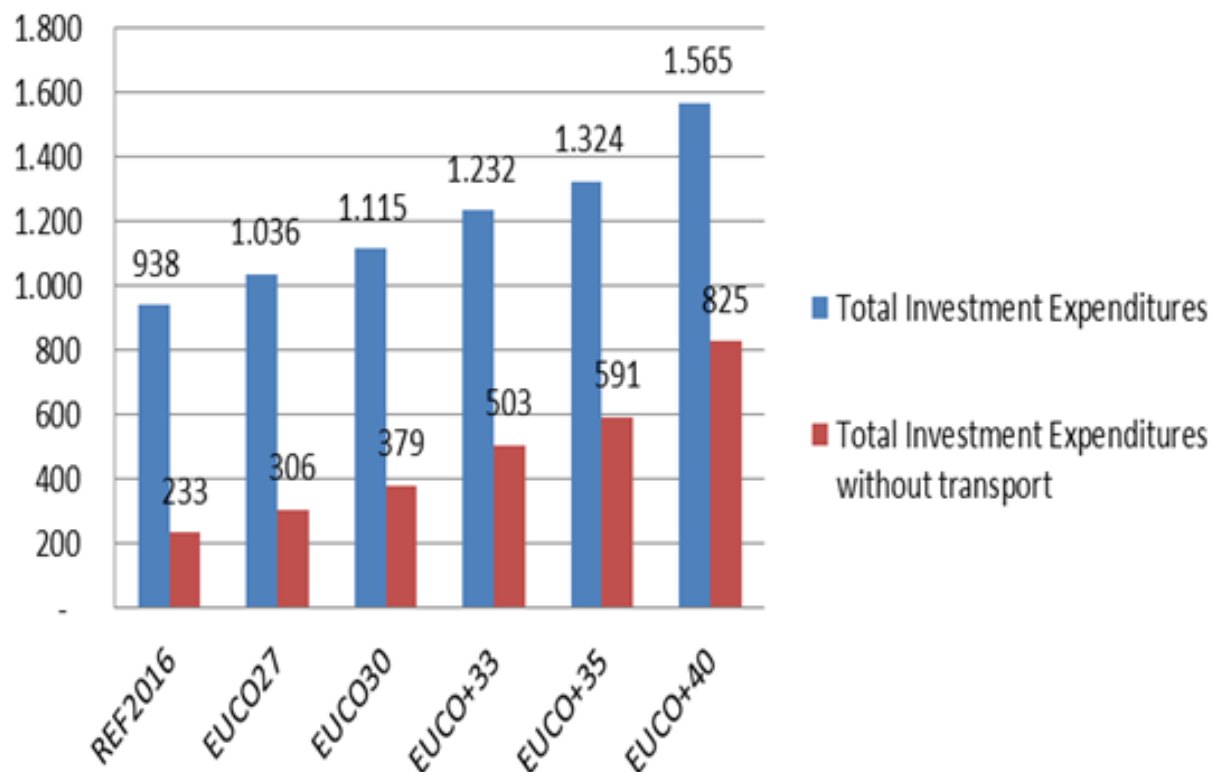
CESEC EU

- EUR 5 bn for EE in public & residential buildings
- EUR 1 bn for EE in enterprises, with a focus on SMEs

*CESEC: Central and South Eastern Europe Connectivity

Investment needs in the energy system

Investment expenditure, average annual
(2021-30), bn €'13



- In 2016-20 average investments needed 269 bn/year to reach binding 2020 targets.
- In 2021-30 in EUCO30 scenario, average of 379/year to reach 2030 targets (40% GHG, 27% RES, 30%EE)

THE "SMART FINANCE FOR SMART BUILDINGS" INITIATIVE

MAJOR GOALS

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



I. More effective use of public funds deploying financial instruments

- *Making more use of financial instruments, to achieve high leverage ratios.*
- *Flexible financing platforms at national level, mixing different strands of public financing (i.e. **ESIF**, **EFSI**).*
- *On-line **EU mapping tool** to understand how public funds can be used to support energy efficiency in Europe.*
- *An initiative to make **the use of Energy Performance Contracting** more accessible to the public sector (in September 2017 Eurostat updated its guidance on the accounting treatment of Energy Performance Contracts).*
- ***Sustainable Energy Investment Forums**
Riga, Prague, Copenhagen, Madrid, Dublin, Milan, Warsaw, Paris
...*



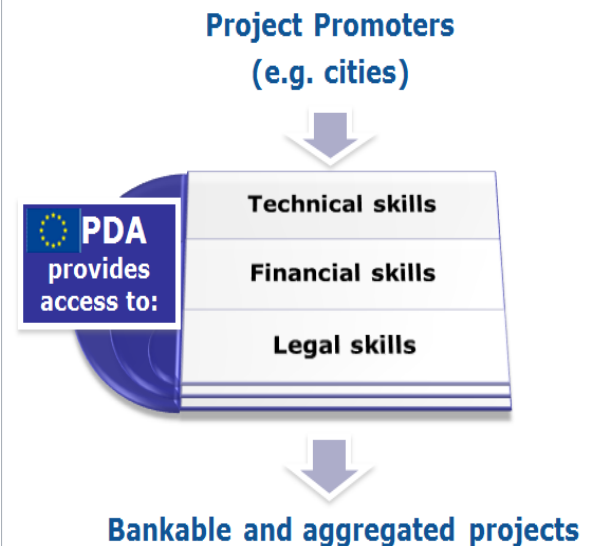
II. Providing aggregation and assistance for project development

Reinforce Project Development Assistance (PDA) facilities at the EU level to help project promoters bring their ideas to maturity.

- **ELENA**, via EIB (PDA facility funded through the European Commission's Horizon 2020 programme)
- PDA calls launched by EASME for smaller projects

*Development of **dedicated local or regional one-stop-shops** for project developers.*

➤ EU Project Development Assistance (PDA)



European Local ENergy Assistance (ELENA)

- *Established in 2009, managed by the EIB and the European Commission*
- *Grant for **preparation** (not implementation) of **investment programmes***
- *Minimum leverage: **20** for energy projects, e.g.*
 - EE renovations of public and private buildings
 - Street and traffic lighting
 - Integration of renewable energy sources into the buildings
 - Investments in district heating/cooling networks
- *Almost **EUR 100m** awarded to projects supporting approx. **EUR 3.8 bn** investments*

III. De-risking energy efficiency investments

*Change the risks perception related to energy efficiency investments - in collaboration with the **Energy Efficiency Financial Institutions Group (EEFIG)**:*

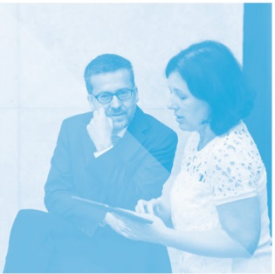
- **The De-risking Energy Efficiency Platform (DEEP)**, an open source database containing real performance data of energy efficiency projects (> 10.000 energy efficiency projects).

<http://deep.eefig.eu>

- **An Underwriting toolkit on the value and risk appraisal of energy efficiency investments** (released on 22 June 2017).

<http://valueandrisk.eefig.eu>





#EnergyUnion

