



# NATIONAL ROUNDTABLE ON FINANCING ENERGY EFFICIENCY IN LATVIA

**EXAMPLE OF STRUCTURED APPROACHES TO RENOVATIONS OF PUBLIC  
BUILDINGS VIA EPC IN BELGIUM.**

**RIGA, APRIL 10<sup>TH</sup>, 2019**

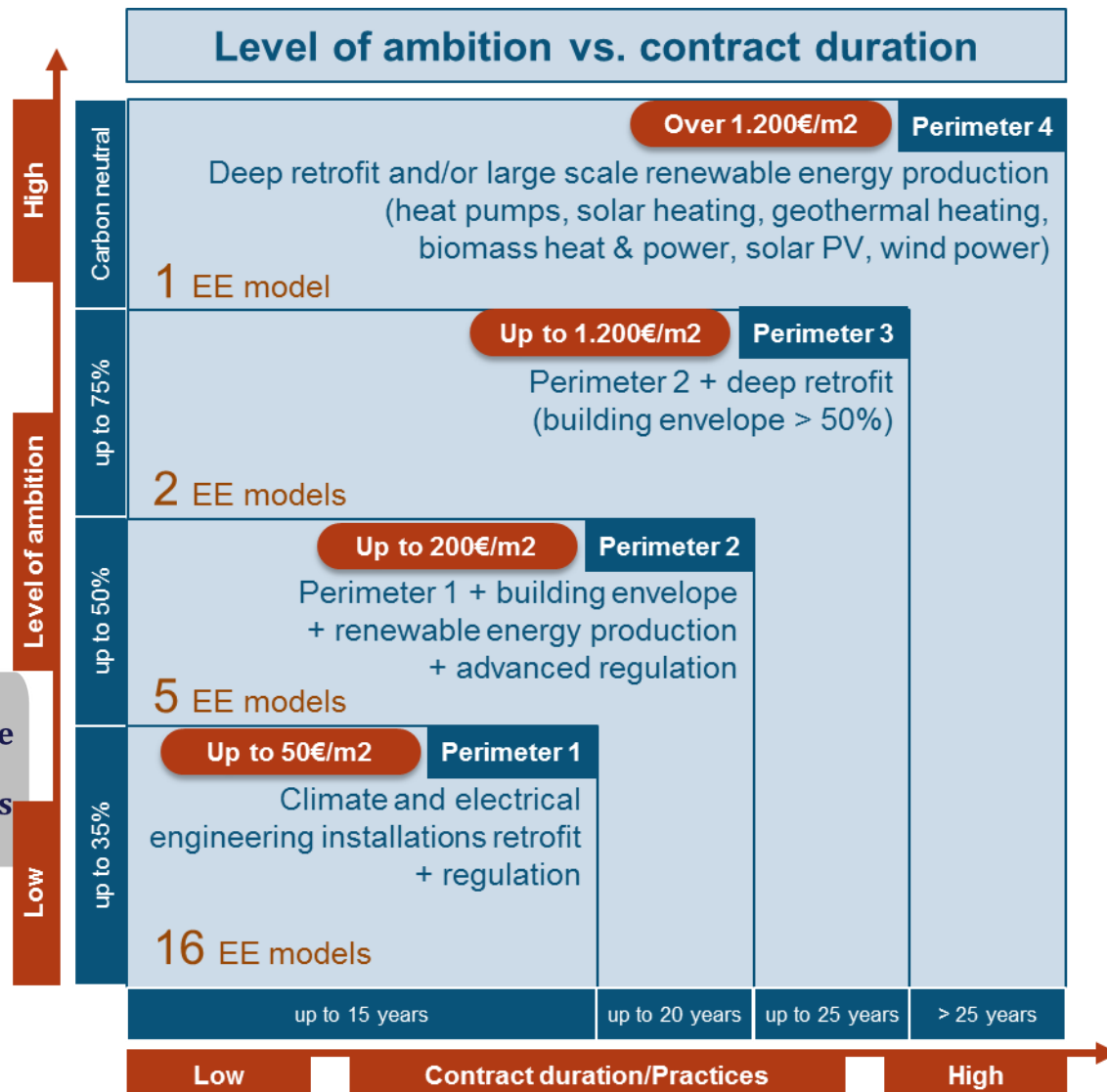
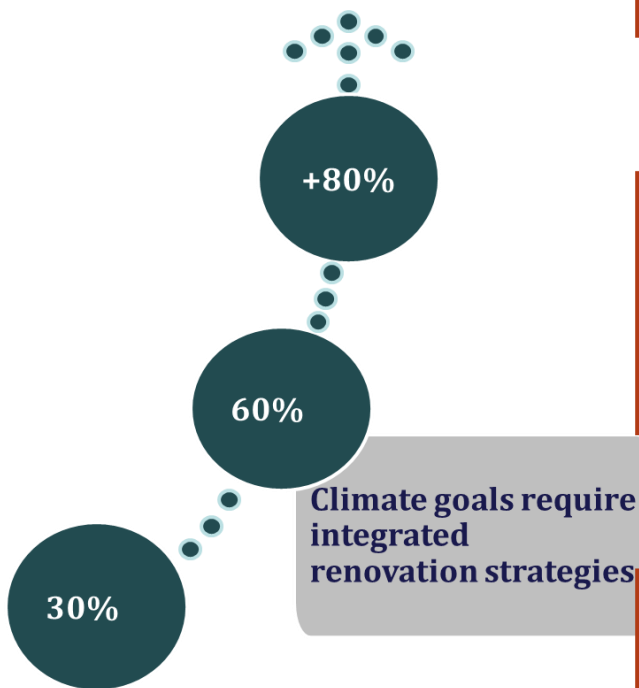
**MIGUEL ANGEL CASAS  
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# Main financing sources for the renovation of public Buildings



- Own funding
- Financial Institutions
- Investment Funds
- (Green) bond issuance
- Public/Semi-Public Third Party Investors (Aggregators)
- Citizen financing (Crowdfunding and Co-operatives)
- **Financing by ESCO (through EPC)**
- Subsidies/Grants/Certificates

Vast majority of the 24 models analysed in CITYinvest project target Perimeter 1 or “standard market practice”, 50% savings models gain attention, and 75% savings models remain marginal.



# There is a considerable gap between the current energy efficiency savings practices and the EU's future energy efficiency targets

## Current situation

- Market practice is rather based on low ambition
  - < 30-35% energy savings, contract duration between 10-15 years

## Future situation

- EU 2050 Long-term strategy, revised EED and revised EPBD
  - 2030 : minimum 32,5%, 2040 : **50%-60%**, 2050 : **+80%**

# Eurostat and EPC

## Important (perceived) barriers on the way to 2050 targets

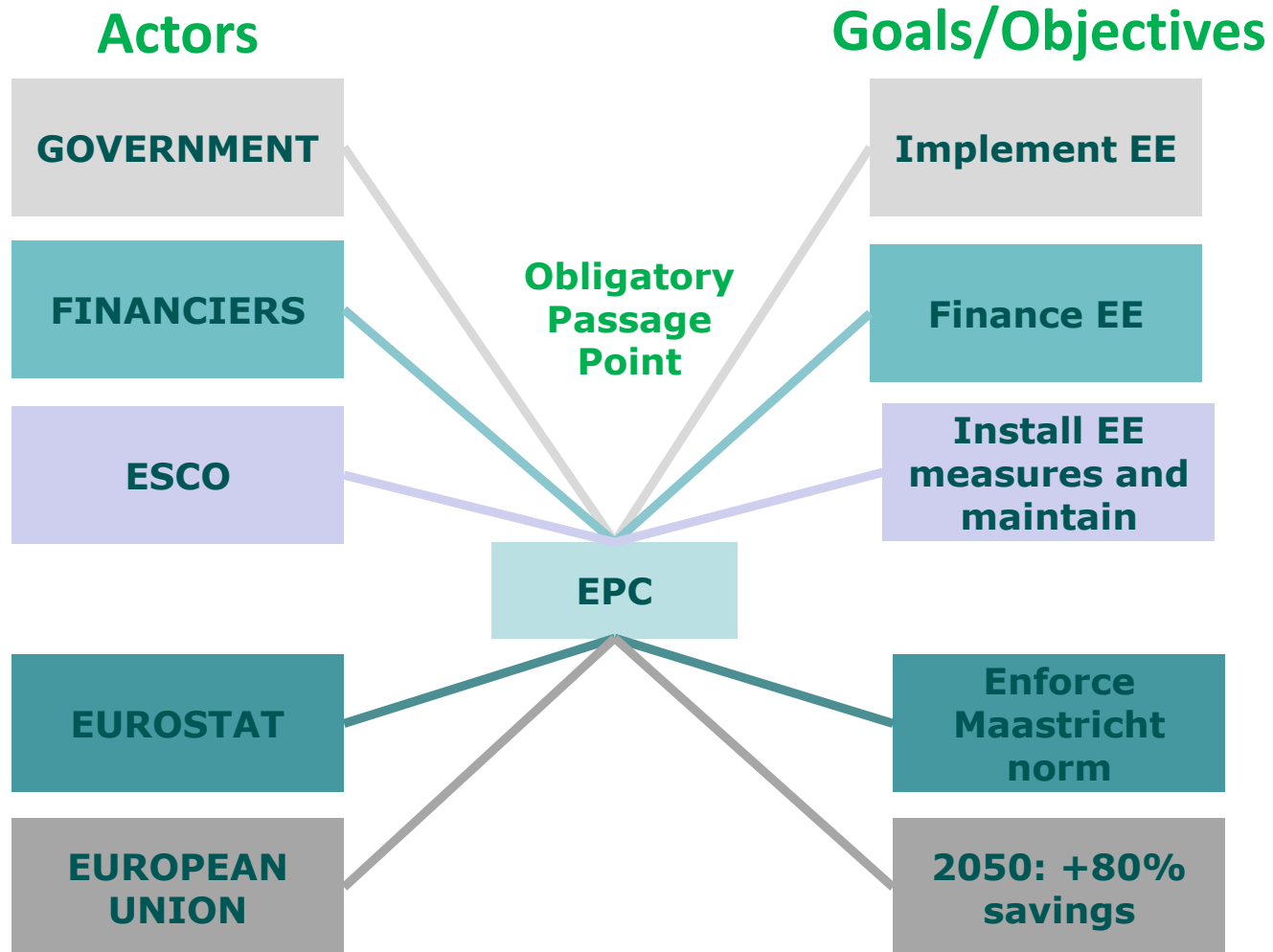
- Access to finance
- Maastricht norm



Need for public sector to record EE investments “off balance”

- Revised EUROSTAT Guidance note 2017 and EPC Guidelines 2018 open way to off balance recording of EPC contracts
- Only EPC offers the possibility (besides PPP) for off-balance financing . Hence, ESCOs can become a heavy and crucial player in the EE market as they would be the (only) gate to this off-balance financing.

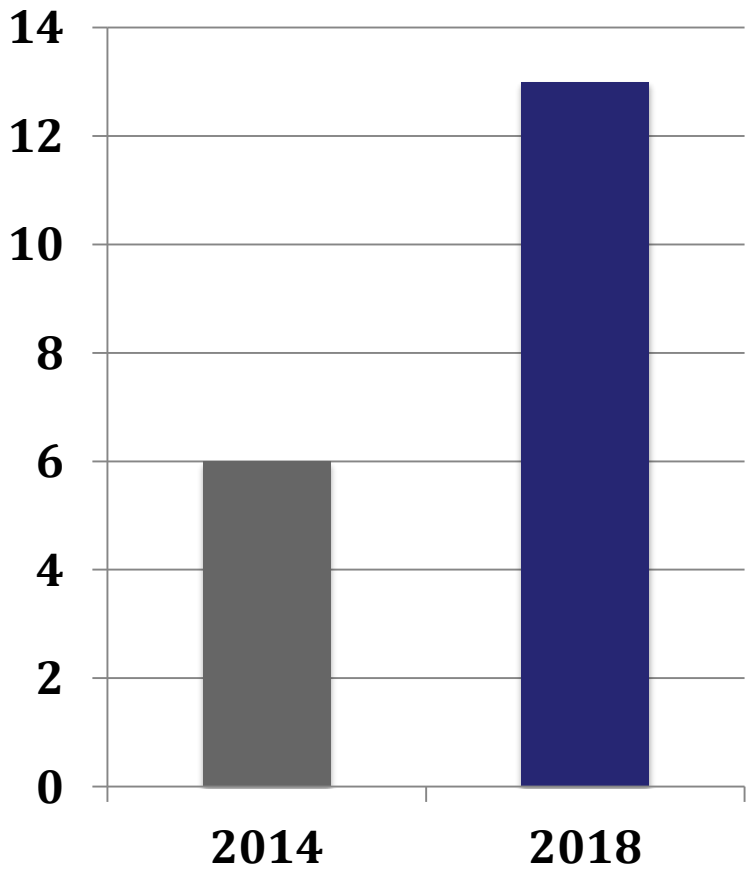
# In the « off balance » context the EPC is an Obligatory Passage Point for the main actors in the Energy Efficiency market



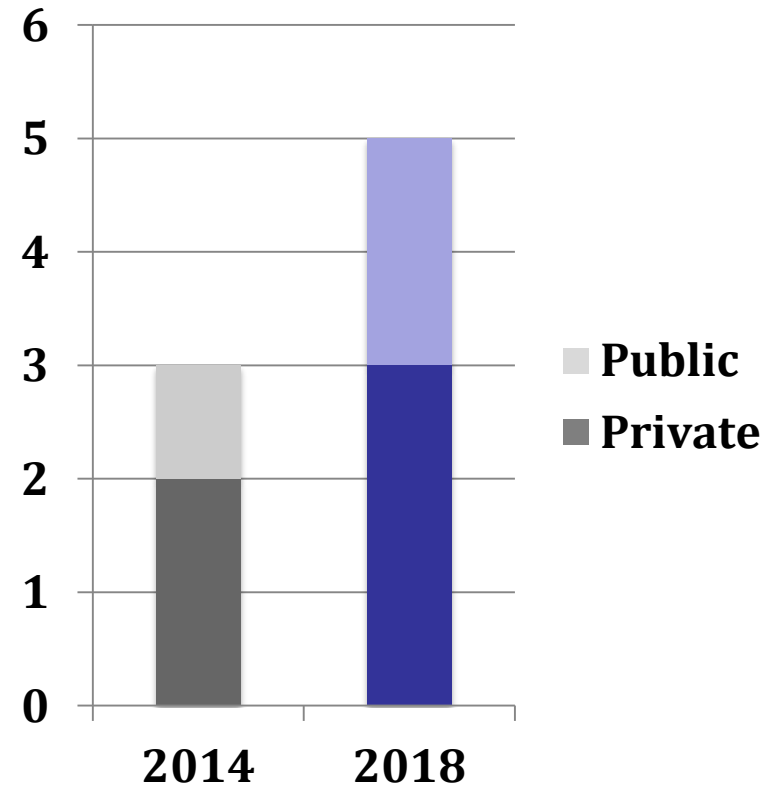


# Belgium: Number of ESCOs and Facilitators

### Number of ESCOs in Belgium

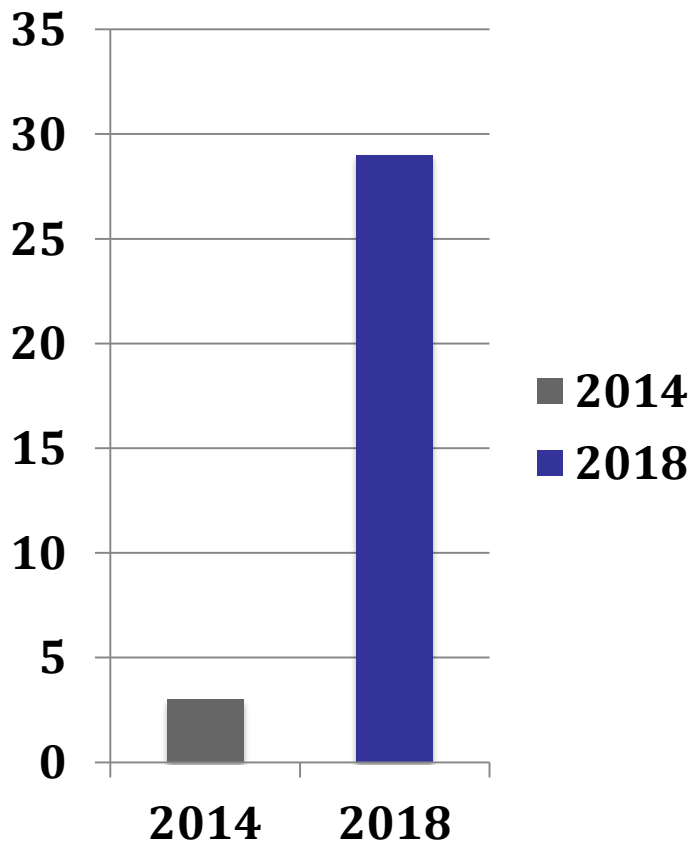


### Number of Facilitators in Belgium

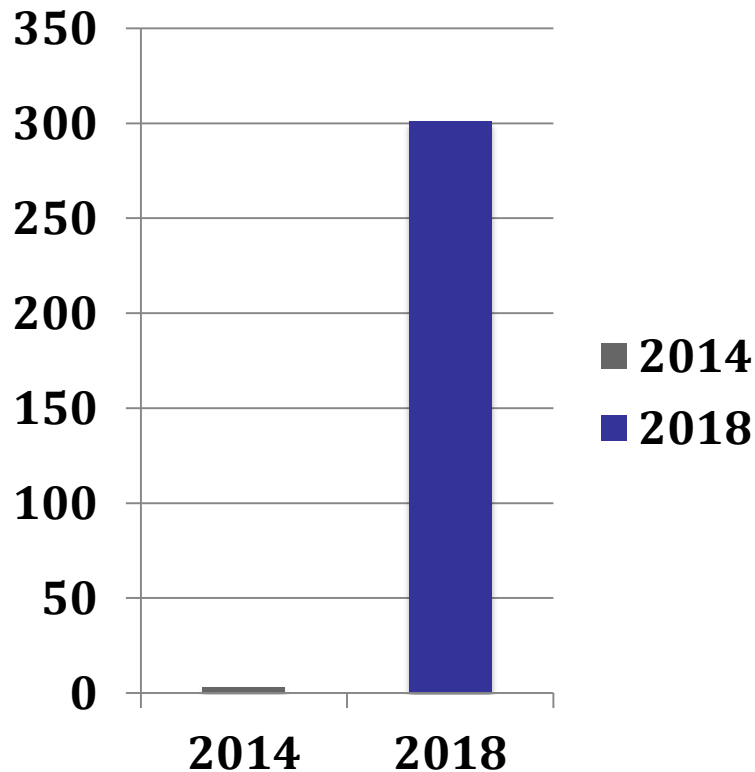


# Belgium: Number of EPCs and Buildings under EPC

### Number of EPC contracts



### Number or Buildings under EPC contract







# Belgium: Some examples of EPC projects

Customer	# buildings	Surface (m <sup>2</sup> )	Investment (€ per m <sup>2</sup> )	ESCO	Facilitator	Energy savings
Beersel Municipal Buildings (All) <i>of which Primary School Huizingen</i>	7	20.937 2.235	79,8 293	Vinci Facilities	Energinvest	25% 80%
Dilbeek Municipality buildings	12	41.403	43,6	EDF Luminus	Energinvest	20%
University of Antwerp		62.000	9,4	Honeywell	VEB	26%
SGS Polderdijk	1			Siemens		50%
OPZC Rekem	22	46.000	15,6	Cofely	VEB	30%
Van der Poorten	1	10.000	10	Factor4		18%
Federal Building Agency (Fedimmo)	13	75.530	20	SPIE/Siemens	Energinvest	31%
Province of Hainaut School	1	16.000	8	Veolia		41%
Renowatt Municipal Schools	48	190.738	128,9	1.EDF 2. Cofely	GRE Liège	30%
Renowatt Municipal Sports Facilities	13	30.907	165	Cofely	GRE Liège	36%
Renowatt Municipal Buildings	10	22.228	132,1	Cofely	GRE Liège	34%
Ottignies Municipal Buildings	4	12.000	0	Optiwatt		31%



## Belgium: EPC/ESCO market

- ESCO market driven through innovation by a few EPC facilitators (innovative approaches, evangelisation,...)
- Significant increase of (interest in) EPC projects, mainly driven by public regional One-stop-Shops in Flanders (Vlaams Energiebedrijf) and Wallonia (Renowatt).
- Little or no growth in Brussels, except on M&V via IPMVP.
- Strong financing support from Belfius Bank (€75M fund P4FEE (Belfius Energy Efficiency Package - BEEP) for private and public sector, ongoing ELENA application)



## Belgium – Flanders Region – Structured Public Actors

### Vlaams EnergieBedrijf – VEB (Flemish Energy Company)

- Services: Energy supply, Energy Efficiency, Energy Data and Energy Network
- Focus on regional administrations, public health care (hospitals, residential care,...), schools and municipalities
- One-stop-Shop for EE in public buildings
- Results:
  - A few EPC contracts implemented and significant more EPCs in the pipeline
  - Framework agreement PV, quick scans, energy audits,...
  - Framework agreement ESC PV City of Mechelen
  - Screening of 800 buildings for health care sector
  - Defined action plan for Energy Efficiency



## Belgium – Flanders Region – Structured public actors

### Vlaams Energiebedrijf – VEB (Flemish Energy Company)

- ELENA application ongoing.

#### Evolution

- From Project Facilitator to Market Facilitator
  - Foster EPC market, aggregation, sector coaching
  - Facilitate-the-Facilitator
  - Framework agreements (ESCO's, Facilitators, ...)
  - Terra Databank, Long Term support
- Further development of services
- Pilot Projects (CiRE- Circular Renovation, DGS-Sustainable Healthy Schools, PIO City Halle – Supported Sustainable Streetlighting)
- Strategic partnerships



## Belgium – Wallonia Region – Structured Public Actors

### Renowatt-GRE Liège ( Cluster of Redeployment, Liège province)

- Funding from EEEF (European EE Fund), also H2020
- Services: Energy Efficiency Facilitation
- Focus on municipalities, cities and hospitals
- One-stop-Shop for EE in public buildings, initially Province of Liège, today also Wallonia
- Results (2014-2018):
  - 5 EPC contracts implemented for 12 local authorities in the Liège region (€ 36,6M investment, 136 municipal buildings including administrative buildings, 1 sports hall, 1 hospital and 2 schools)



## Belgium – Wallonia Region – Structured Public Actors

### Evolution

- Received new ELENA funding (€ 3,5M) for facilitating €100 Mio investment
  - Technical assistance (free) to 262 municipalities
  - 500+ buildings

### Other Wallonia initiatives:

- EPC included in Long Term Renovation Strategy for buildings in Wallonia
- New initiative in Wallonia for large scale renovation in schools (FWB – Federation Wallonia-Brussels)



## Belgium – Provinces– Structured Public Actors

### EPC-Helpdesk Province of Flemish-Brabant

- Since 2009 provincial support for energy management of municipal real estate
- 2014: BEAST Project (Beyond Energy Action Strategies) IEEP
- Services:
  - Helpdesk for municipalities and community facilities on sustainable build and energy management
  - EPC coaching trajectory (information and education, EPC diagnosis and prefeasibility study, EPC facilitation kick-off)
- Results:
  - 2009-2011: 104 energy audits
  - 2011-2014 : Provincial Helpdesk Energy Care
  - 2014-2017: EPC coaching 16 municipalities, 7 EPC projects are being implemented, 83 buildings, €5.2M investment value



## Belgium – Provinces– Structured Public Actors

### ESCO Limburg 2020 (Province of Limburg) 2013-2017

- Players: Infrac (Public Energy Grid Operator) and Dubolimburg (Support centre Sustainable Building Province of Limburg)
- Funding (€0,8M) from IEE (Intelligent Energy Europe), also H2020
- Services (free): telemetry and monitoring, feasibility study, energy register for properties and EE project implementation (no real performance guarantee).
- Focus: municipalities
- Results:
  - 46 projects (swimming pools, sports centers, Administrative buildings, schools, community centers, musea,...)
  - € 20,6M investments





## Belgium – Associations

### Belesco

- Belgian ESCO Association , since 2010
- ESCOs, Facilitators, Banks, Engineering companies,...
- Activities: Training, Seminars and Workshops, Networking events,
- Publications:
  - 2014: Energy Performance Contracting Guide (easy-to-read)
  - 2018: Energy Retrofit of Buildings : 5 key recommendations to mobilise investments for policy makers
- Significant work ongoing on new Eurostat-rules
  - Excel-based Tool to validate Eurostat compliance of EPC contracts, development of model for “Partial” Off balance treatment of EPC assets, validation through national accounts institute (ICN/INR)
  - Basis for advising future government (parties) on private financing of climate change goals, in addition to existing 5 key recommendations



# Belgium – Belesco publications



## Energetische renovatie van de gebouwen

Vijf sleutelaanbevelingen om investeringen te mobiliseren



### BELESCO Position Paper

Via deze publicatie stelt BELESCO aanbevelingen voor die gebaseerd zijn op een coherente en ambitieuze aanpak, met als doel het operationele en financiële kader van de markt voor energiediensten te verbeteren.

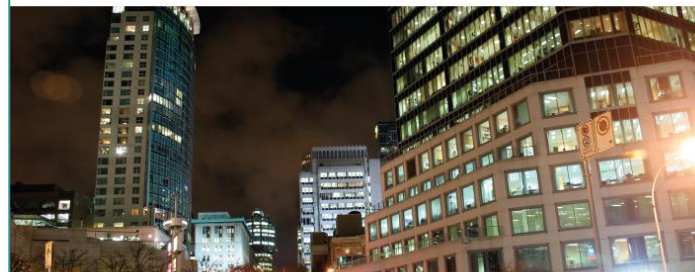
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## Contrats de Performance Energétique

Une introduction



### BELESCO Guide CPE

32 pages pour se familiariser avec les modèles de Contrat de Performance Energétique et démarrer votre propre projet d'économie d'énergie.

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Janvier 2014

Finally...





**THANK YOU FOR YOUR ATTENTION!**

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