



ECONOLER

Econoler's experience with Bulgarian Energy Efficiency and Renewable Energy Sources Fund (BEERESF)

**Marko Markov,
Prague
April 27 2017**



Financing mechanism

- ▽ Revolving mechanism for financing commercially viable EE and RES projects
- ▽ Established in 2005 pursuant to Energy Efficiency Act from 2004
- ▽ Initial capitalization – approx. BGN 22 million (\$15 m)
- ▽ Capitalization through donations from
 - International: World Bank (for GEF), Government of Austria, Eurobank EFG,
 - National donors: Bulgarian Government, “Lukoil” AD, Brunata, Enemona.
- ▽ Main Objective:
 - Development of the Bulgarian energy efficiency market.
- ▽ New function under the Energy from Renewable Sources Act from 2011
 - Funding RE projects for own final energy consumption (off-grid projects)



Organizational Structure

1. Donors' Assembly - includes all donors of the Fund. Selects Management Board members
2. Management Board - the primary governance body responsible for the overall strategic management of EERSF in compliance with its stated objectives and principles of operations
3. Fund Manager - "EEE Consortium" - responsible for the entire day-to-day operation of EERSF and for implementation of the project cycle. Its main objective is to operate the Fund as a profit-oriented business

EEE Consortium consists of:

- ▼ Econoler International – Canada
- ▼ Elana Holding – Bulgaria
- ▼ EnEffect Center for Energy Efficiency – Bulgaria



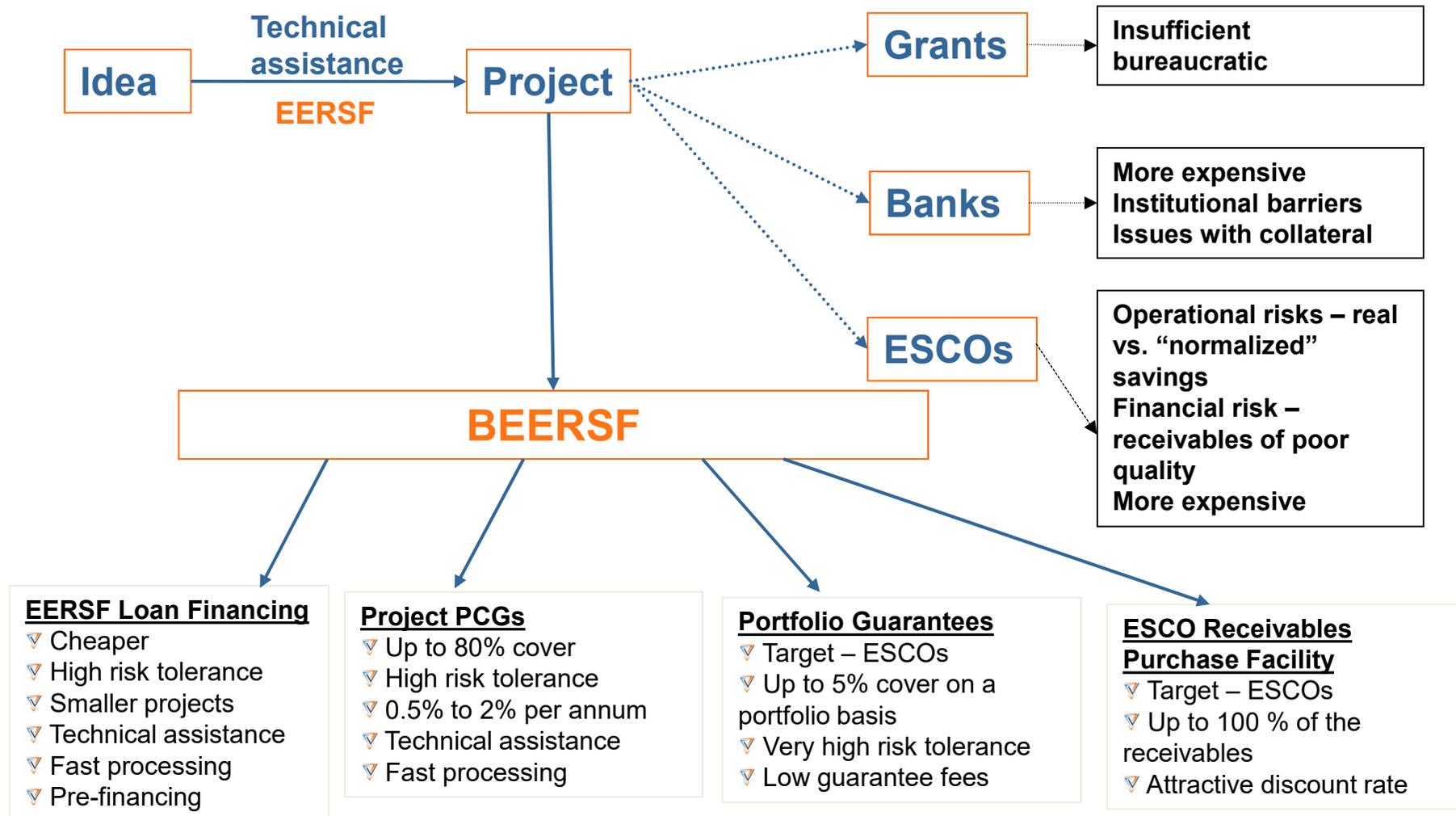
Principles

- ✔ Public-private partnership
- ✔ Independent management (Fund manager)
- ✔ Self-sustaining capacity
- ✔ Transparency
- ✔ Equal opportunities for all group of clients

Econoler (leading a consortium with EnEffect and Elana) acts as the independent Fund Manager



Financing mechanism





Credit Products:

I. Direct loans to final beneficiaries



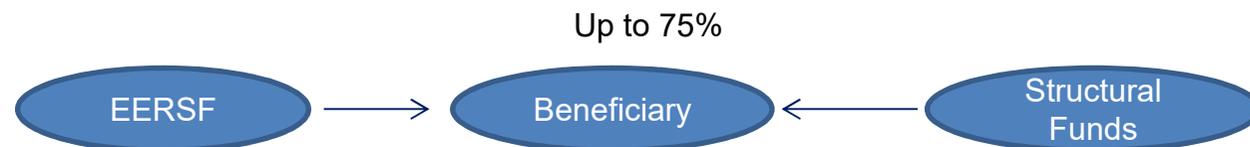
II. Credits for ESCO



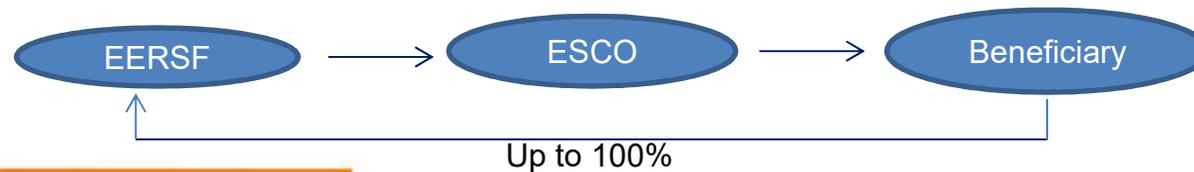
III. Cessions:



IV. Bridge Financing:



IV. ESCO Receivables Purchase Facility:





Energy Efficiency and Renewable Sources Fund

Portfolio as of 2016

<i>Loans</i>	<i>Number of projects</i>	<i>% projects</i>	<i>Value of projects (EUR million)</i>	<i>% value of projects</i>	<i>Size of financing (EUR million)</i>	<i>% size of financing</i>
Municipalities	99	53,5%	19,8	51,2%	13,2	49,2%
Corporate clients	67	36,2%	12,7	32,8%	9,4	34,7%
Others (hospitals, universities, etc.)	19	10,3%	6,2	16,0%	4,3	16,1%
Total:	185		38,7		26,9	

Guarantees	Number of projects	Value of projects (EUR million)	Size of financing (EUR million)
<u>Total Credit Guarantees</u>	33	12.4	2.26
Portfolio guarantees on ESCO projects	29	8.9	0.31
Partial credit guarantees (on credit contracts)	4	3.5	1.95



Default rate (as of 2016)

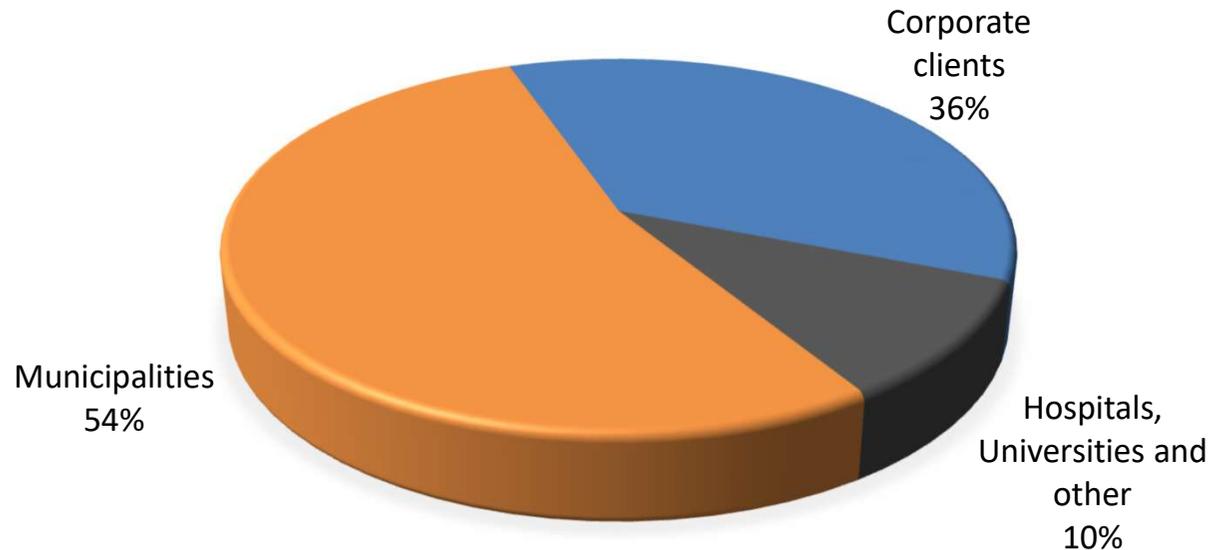
› Default Rate:

0,48% loans overdue more than 90 days

7,73% loans overdue up to 90 days



EERSF Type of clients distribution



- 1. Municipalities** - 54 % of total portfolio. Types of municipal projects - EE reconstruction of public buildings such as schools, kindergartens, administrative buildings. Reconstruction and improvement of street lighting.
- 2. Corporate clients** - 36% of the total portfolio. Types of projects - EE reconstruction of industrial premises; replacement of equipment with new, more energy-efficient.
- 3. Others - including universities, hospitals, residential buildings** - represent 11% of the total portfolio. Types of projects - EE reconstruction of educational, hospital and residential premises.



Success Factors

- ✔ Independent management (Fund manager)
- ✔ Pro-active marketing approach
- ✔ Availability of in-house blend of technical and financial expertise
- ✔ Flexibility to adapt to changing market conditions



ECONOLER

Marko Markov

EE/RE Finance Expert

mmarkov@econoler.com

www.econoler.com