



# Financing Energy Efficiency

## Current situation in Romania

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# Clean energy, with low NO<sub>x</sub> & GHG emissions

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**Romania contributes to mitigating  
climate change**

**National objectives 2020:**

- ▶ RES 24%
- ▶ Energy efficiency 19%
- ▶ Non-ETS RES-T 10%

**EU 2030 proposed objectives:**

- ▶ RES 27%
- ▶ Energy efficiency 30%
- ▶ GES 40% (ETS and non-ETS  
2% in Romania)

**There are required additional efforts  
to protect the environment**

Additional investments supported by  
a rigorous enforcement of the  
legislation.





# Regulatory & Institutional Framework

## *Energy efficiency – primary legislation in Romania*

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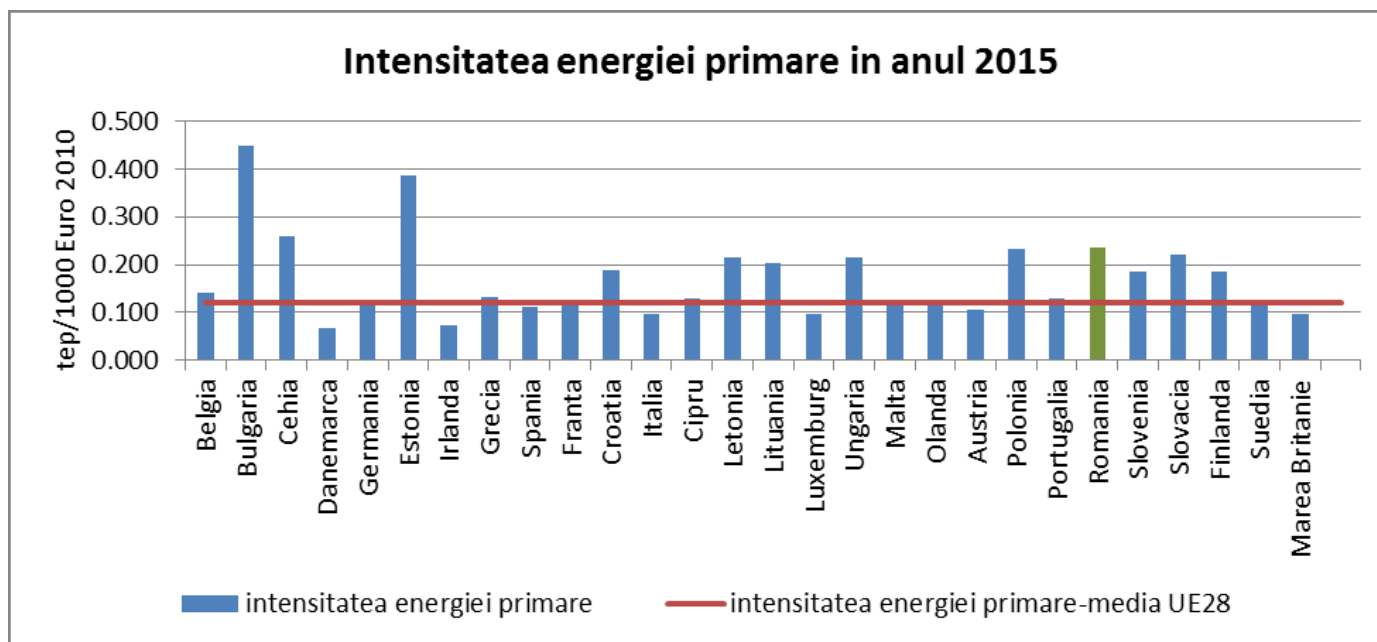
- **Transposition of EU Energy Efficiency Directive 27/2012 / EU - *Law nr. 121/2014 regarding energy efficiency***
- **Establishing the Department for Energy Efficiency**
- **National Action Plan for Energy Efficiency**

### Alternative policy measures from *Law nr. 121/2014* :

- **Energy audits and energy management systems**
  - **Metering and billing**
  - **Consumer information programs and training sessions**
  - **Qualification, accreditation and certification systems**
  - **Other horizontal measures to promote energy efficiency**
  - **Support the development of ESCO energy service companies**
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# Primary energy intensity



Source: PNAEE 4

Romania's primary energy intensity of 0.227 toe/1000 Euro was 1.89 times higher than the value of this indicator for the EU-28 average.

According to National Forecasting Commission, Romania will achieve its target of reducing primary energy consumption by 19% in 2020

**Romania needs to make further efforts to reducing the primary energy intensity.**



## Sectorial potential to increasing energy efficiency

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Sector	Share of sector consumption within the final energy consumption in 2015 [%]	Potential to reducing the final energy consumption [%]
Industry	31	13
Buildings	36	41,5 (up to 60% in public lighting)
Transport	22	31,5
Services	11	14



# Financing solutions (1)

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- ▶ **The Operational Programme for Large Infrastructure (POIM) 2014 -2020**
    - ▶ **Approx. 11,8 bn. Euro** from Cohesion Fund, European Fund for Regional Development and Co-financing
      - ▶ Promoting Clean Energy and Energy Efficiency to support a low carbon economy Allocated amount - 197.329.787 Euro
      - ▶ Increasing energy efficiency at the level of the centralized district heating system in the selected cities (SACET Bucharest and selected cities) Allocated amount - 249.478.723 Euro
  - ▶ **The Regional Operational Programme (ROP) 2014-2020**
    - ▶ **Approx. 8,25 bn. Euro** from European Fund for Regional Development and Co-financing state budget
      - ▶ Supporting the transition to a low-carbon economy
      - ▶ Energy efficiency in residential buildings - budget allocated 538.262.123 Euro
  - ▶ **Involvement of Energy Services Companies (ESCO) in the design, implementation and co-financing of projects**
    - ▶ contributions from ERDF and state budget (grant component) and financial contributions from ESCO (commercial component);
    - ▶ use of the guarantee type financial instrument to guarantee ESCO loans for co-financing projects.
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# Financing solutions (2)

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- ▶ **The Romanian Fund for Energy Efficiency – FREE**
    - ▶ Financial sources - Global Environment Fund, through BIRD
    - ▶ Financing contracts - 20,385 ml. USD
    - ▶ Energy efficiency projects in the industry sectors (contracted until 15.01.2014) - energy savings: 30,651 tep/year
  
  - ▶ **RO17 Program – Green innovation in industry** (program manager - Innovation Norway):  
allocated budget - 26.619.800 Euro
    - ▶ Objective: innovation, streamlining and greening of technological processes
    - ▶ Estimated results:
      - ▶ reducing energy consumption by 2784 MWh/year
      - ▶ reducing fuel consumption by 56,625 litres/year
      - ▶ reducing the environmental impact with 110,120 tCO<sub>2</sub>/year
  
  - ▶ **Energy Efficient Financing Facility (EEFF)**
    - ▶ EEFF is a line of credit based on grants from EC and EBRD funds, which is facilitated by six Romanian banks and is designed specifically for private business. These companies provide the following facilities:
      - ▶ Low interest 2.5 Million Euro loans from one of the participating banks
      - ▶ Free technical consultancy from a specialised firm
      - ▶ Grants for completing investments worth 15%
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## Financing solutions (3)

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- ▶ **“Central Heating 2006-2020 heat and comfort” Programme, ensures upgrade works continue on central heating systems**
  - ▶ In 2016, through the state budget approval process, 75 Million Lei were approved for the “Central Heating 2006-2020 heat and comfort” Programme, specifically for upgrades and refurbishment to the thermal heating system
- ▶ **The national programme for increasing the energy performance of residential buildings, financed through Emergency Government Ordinance no. 18/2009, as amended through Law no. 158/2011, as amended. Up to 31.12.2016 1,657 residential blocks have undergone energy efficiency works, through different climate zones, representing aprox. 62,559 flats**
- ▶ Other energy efficiency improvement projects are financed through the **National Plan for Investments**





# Obstacles in financing and actions for increasing energy efficiency

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## Obstacles in financing the projects

- ▶ Reduced capability of some beneficiaries to prepare and implement projects (delays in obtaining authorisations and permits from various state authorities, non-compliant technical solutions/proposals)
- ▶ Insufficient funding of projects
- ▶ Public procurement may delay projects due to procedural claims
- ▶ Delays in performance of the works, bankruptcies of beneficiaries
- ▶ Reduced capacity for co-financing in some cases

## Actions points

- ▶ Increase of energy efficiency in residential buildings, public buildings and public lighting systems
  - ▶ Upgrade to towns central heating systems
  - ▶ Development of smart systems for measuring energy through the systems
  - ▶ Continued support for high efficiency co-generation
  - ▶ Increase in energy efficiency in industry and transport sectors
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## Conclusions

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- ▶ Energy efficiency is one of Romania's energy policy priorities
- ▶ Energy efficiency as a measure of eliminating energy poverty
  - ▶ Defining the vulnerable consumer
  - ▶ ANRE regulations regarding vulnerable consumers
- ▶ EU funds remain an important source of financing energy efficiency projects
- ▶ There are required valid projects from the beneficiaries to allow the full use of available funding
- ▶ It is necessary to inform consumers about the benefits of energy efficiency measures as well as the funding opportunities for the implementation of the measures



***THANK YOU!***



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