



**Energy Efficiency**  
Financial Institutions Group

## Value In Benchmarking Energy Efficiency Investments

SEI Forum Webinar, 28<sup>th</sup> June 2017

# #EEFIG Goal: To Increase EU Energy Efficiency Investments



Energy Efficiency  
Financial Institutions Group

The Energy Efficiency Financial Institution Group (“EEFIG”) was established to determine how to overcome the well documented challenges to obtaining long-term financing for **energy efficiency**

EEFIG’s work has benefited from:

Active input of some 120 expert participants (8,000 hours)

40% of the EEFIG participants either work for, or represent the views of, financial institutions. Participation from financial institutions, policy makers, finance users (buildings, industry or SME) and energy efficiency experts.

## EEFIG’s Mandate

- 1 What are the most imminent challenges that must be overcome?
- 2 Who would be the right party to address them?
- 3 What should the European Commission/ EU do?

# The Key Challenges Remain, but Work is On-going...



Buildings and  
Corporate sectors  
are very different  
Yet...

EEFIG participants identified  
cross-cutting themes

which provide a framework to describe  
challenges facing energy efficiency investing  
in both EU Buildings and Industry

## Imminent Challenges

- 1 Driving Demand
- 2 Managing Uncertainty
- 3 Distribution and Aggregation
- 4 Blending Grants and Loans
- 5 Accounting Treatment
- 6 Horizon Period / Optimal Scope
- 7 Financial Regulatory Issues

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP)



The De-risking Energy Efficiency Platform (DEEP) was launched by EEFIG on 30th November 2016 in close coordination with the Commission's launch of the Clean Energy for All Europeans package...



...it will have over 10,000 records in a few months and is largest pan-EU evidence base.

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP)

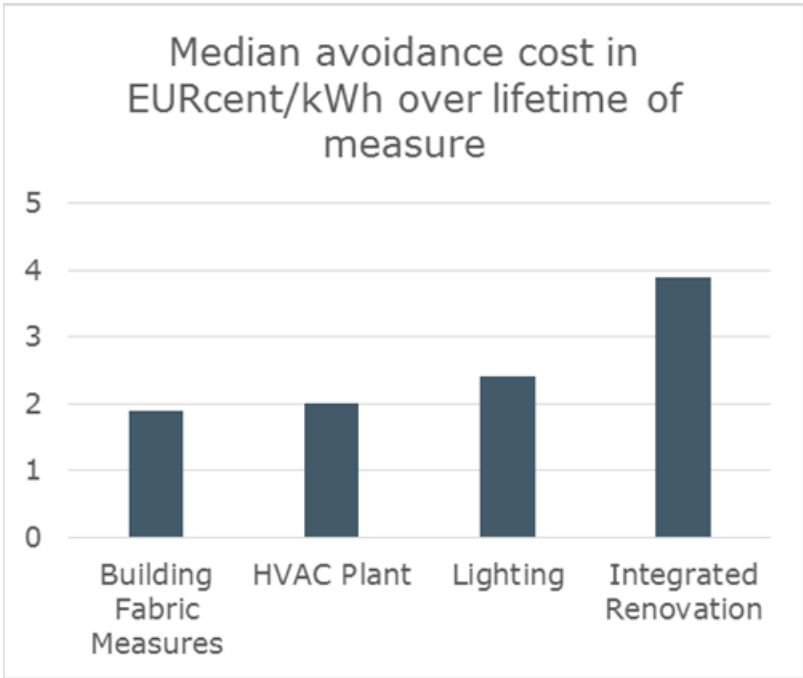
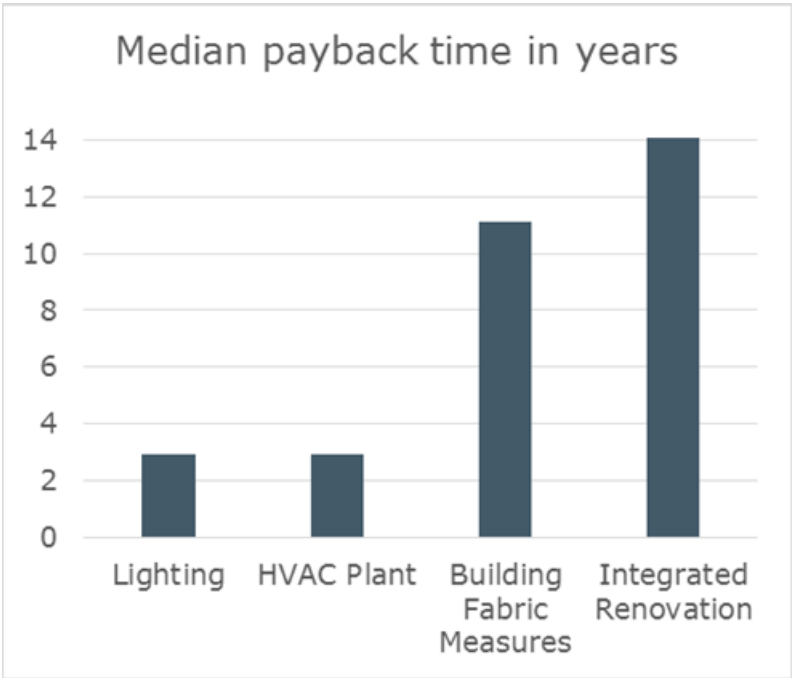
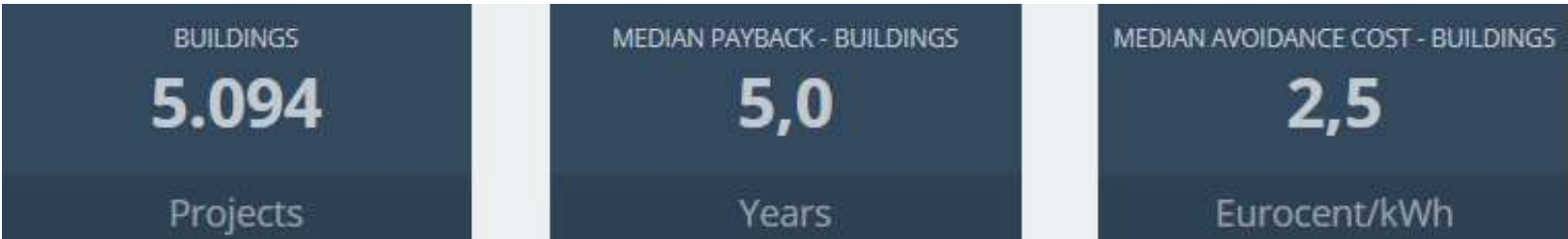


At launch the database includes 7,800+ energy efficiency projects in buildings and industry from 25 data providers:



Another 4-5x providers are already loading-up new data...

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP) EMERGING RESULTS - BUILDINGS

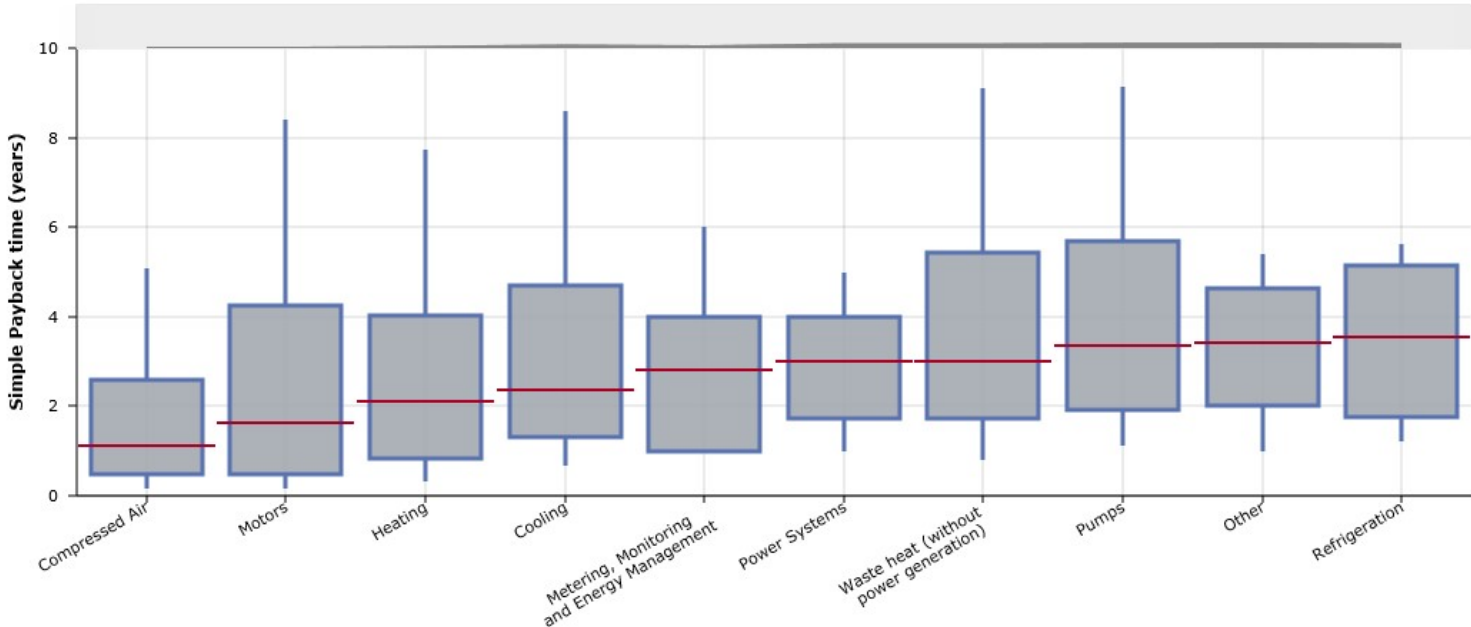


In buildings, single measures (e.g. Lighting or HVAC) payback in a median of 3 years, whereas projects with deeper or integrated renovations (incl. building fabric measures) typically require over 11 years to be paid back. Deeper renovations are attractive from a socio-economic point of view, but require access to long-term financing.

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP) EMERGING RESULTS - INDUSTRY



Distribution of payback time on 10%, 25%, 75% and 90% percentiles - Measure types



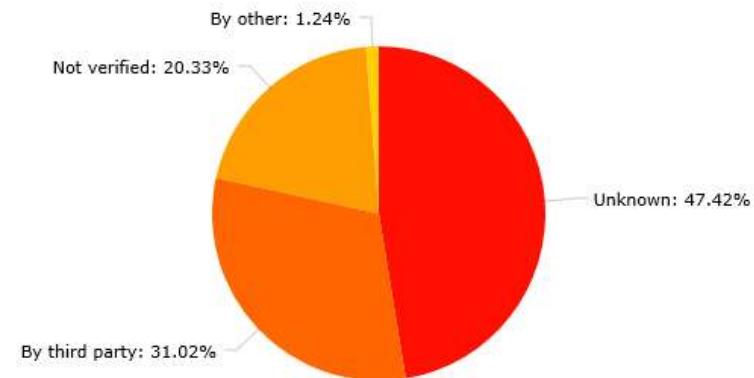
The median payback from over 2,700 DEEP contributed projects from Industry is 2 years  
Many energy efficiency opportunities in industry have payback times below 3 years

## THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP) EMERGING RESULTS – VERIFICATION



- For buildings projects, savings have been verified by third parties for 31% of the projects and 20% have not been verified. The verification status is not known for almost half of the building projects.
- For industry projects, less than 1% of the projects have an independent ex-post verification of the energy savings.
- EE projects continue to lack sufficient monitoring of ex-ante and ex-post data, leading to higher risk perception.

Verification status - buildings



● Unknown 2,414 ● By third party 1,579 ● Not verified 1,035 ● By other 63

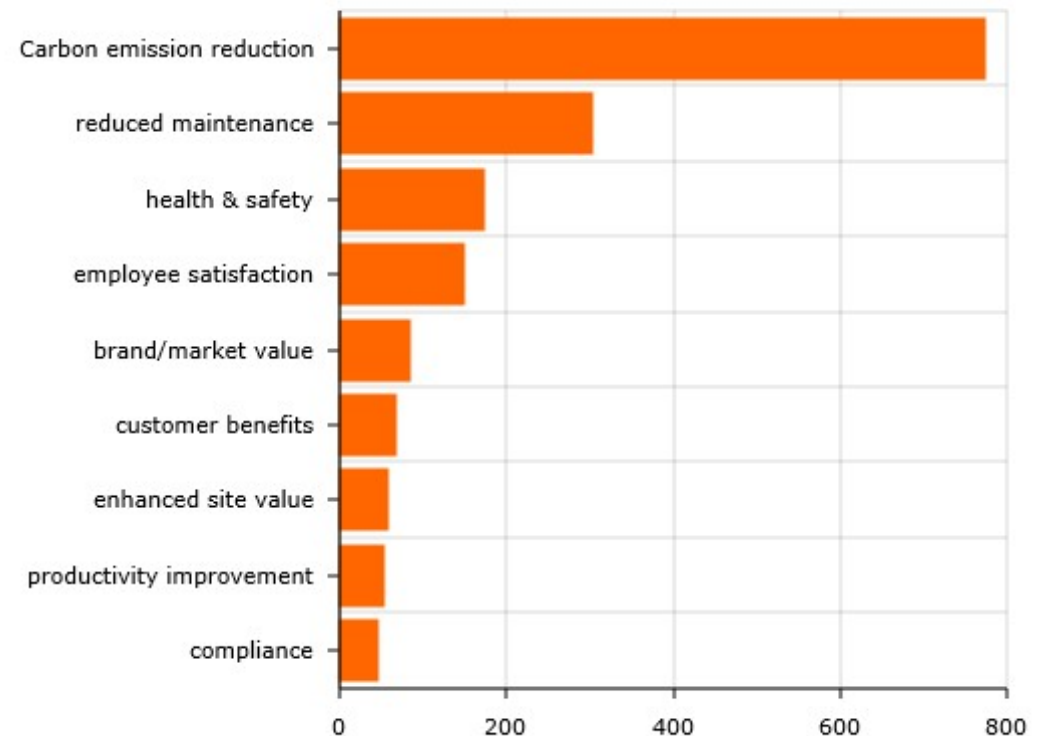


## THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP) EMERGING RESULTS — NON ENERGY BENEFITS



- Non-energy or multiple benefits from energy efficiency projects (such as carbon emission reductions, reduced maintenance costs, health & safety and employee satisfaction) are important investment drivers.
- At present just 12% of Buildings and 5% of Industrial projects (775 total) from over 7,800 in DEEP contain information about the non-energy or multiple benefits delivered through energy efficiency investments.
- Multiple benefits continue to be less visible and hard to track consistently. This suggests that real project returns are, in fact, much higher than reported in DEEP.

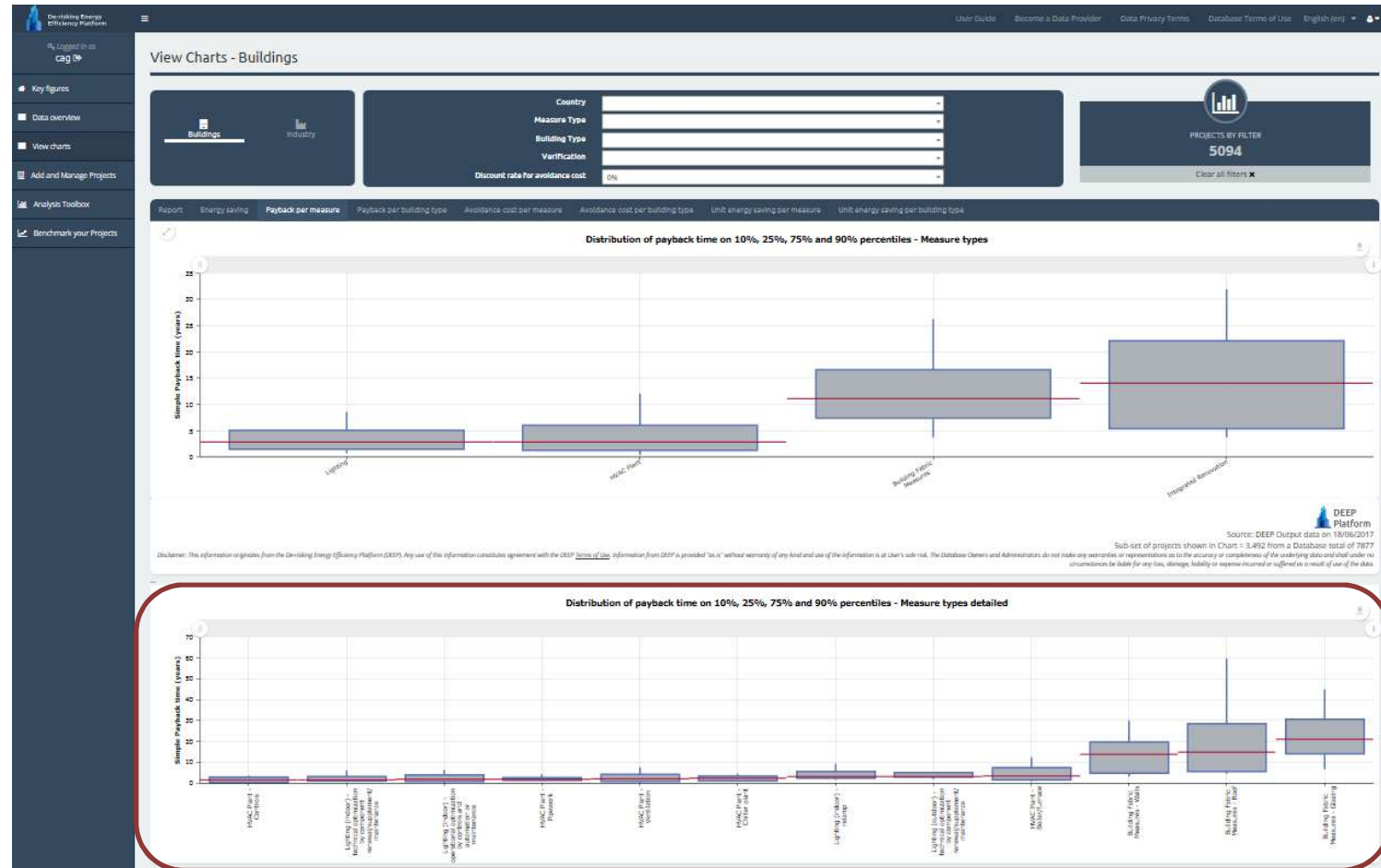
**Additional benefits triggered by the project**



# DEEP has New Functionality for Buildings



Chart showing buildings measures with greater granularity is now on-line



# DEEP has Launched in German



# Please Use or Contribute to DEEP?



## Become a user

- Enhance your understanding of and access to energy efficiency finance related business
- Streamline underwriting procedures through the development and use of a common language for energy efficiency underwriting
- Decrease due diligence and transaction costs
- Better risks assessment through high quality and credible data framework



## Become a data provider

- Contribute to creating of European evidence base which is key to “get the EE policy and market story right”
- Acknowledgement and visibility as data contributor
- Benchmarking your project performance versus others
- Connect your data investors
- Influence the industry best practice

Please visit [www.eefig.org](http://www.eefig.org)  
Engage and join the conversation!

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### Latest EEFIG Report & supporting materials

Energy Efficiency – the first fuel for the EU Economy

How to drive new finance for energy efficiency investments

**FINAL REPORT**  
covering Buildings, Industry and SMEs  
February 2015

How to Increase the Flow of Energy Efficiency Investments in EU Energy Efficiency

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Supply Drivers for Energy Efficiency Investments in Buildings

Standardisation + Regulatory Stability = Top Drivers of the Supply of Energy Efficiency Investments

Strong Drivers of Energy Efficiency Investment Supply:

Residential Buildings	Commercial & Public Buildings	Commercial Buildings
<ul style="list-style-type: none"> <li>Reduced transaction costs</li> <li>On-bill repayment mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Measurement Reporting &amp; verification (MRV) combined with quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>Increased investor confidence</li> <li>Changes in risk perception</li> </ul>

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### Engage with the “Energy Efficiency De-risking Project”

Become a user and/or become a data provider and engage in an expert dialogue which contributes to enhancement of the fundamentals of energy efficiency investments in the buildings and corporate sectors



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### Use the “EEFIG National” Tool & Database

It relies on used a standardized method and process to engage with key expert stakeholders in Spain, France, Germany, Poland and Bulgaria over 12 months. Each country’s results can be found with a series of summaries as well as an interactive review of the EU data

