## INFINITE SOLUTIONS PROJECT

experiences & lessons learnt

Peter Schilken, Project Manager, Energy Cities 19 January 2017, Brussels









### **INFINITE SOLUTIONS**

**INFINITE Solutions project -** INnovative FINancing for Local SusTainable Energy Solutions

**IEE 2013 Call Priority:** Replication of successful innovative financing schemes

**Coordinator:** Energy Cities

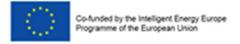
**Partners**: 12 cities, regions and energy agencies from 9 countries (PT, FR, BE, NL, DK, HR, IT, LV, DE)

**Duration**: March 2014 – February 2017



#### More info on the project:

www.energy-cities.eu/infinitesolutions







# **Developed financing tools**

### 1. Internal Contracting Scheme

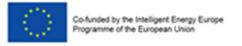
**Target sector: public sector** (public buildings, equipment and facilities)

## 2. Low interest loans (Soft Loans Scheme)

**Target sector**: residential sector (private residential buildings, social housing)

## 3. Third party investment scheme

**Target sector**: residential sector (private residential buildings, social housing)

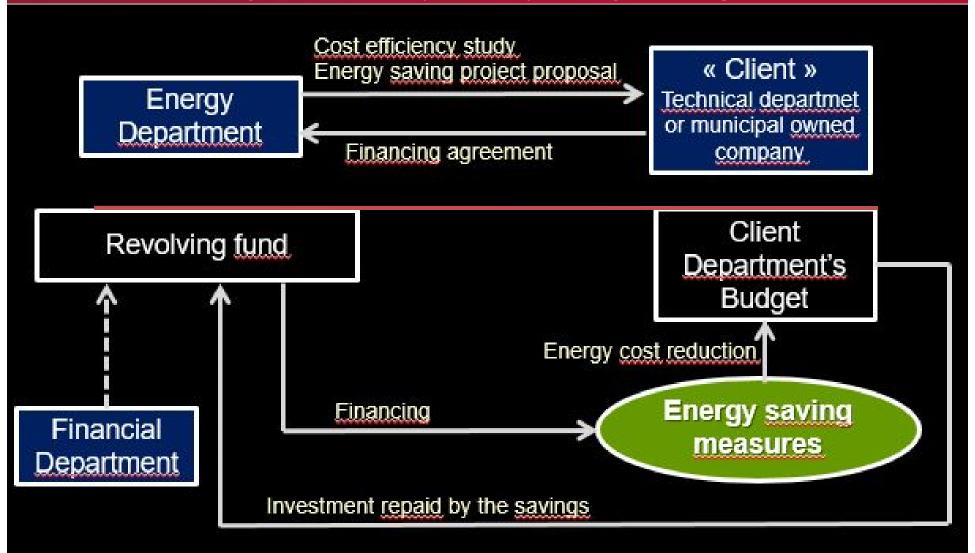






# **Internal Contracting Scheme**

Financing scheme already tested by the city of Stuttgart (DE)







## **Low-interest loans**

Revolving fund and soft loans financing scheme already tested by the city of Delft (NL)

#### 3 Alternative business models developed:

YOU DO NOT HAVE MONEY  Option 1  (implemented by Frederikshavn, Bordeaux Metropole, Parma)	YOU HAVE MONEY	
	Option 2 (implemented by Brussels Capital Region)	Option 3 (implemented by Riga, Delft)
Partner banks provide soft loans	Partner banks provide soft loans, but the Region subsidises the interest rates, pays for the banks' operational costs and a guarantee fund	Local authorities set up a revolving fund which disburses soft loans and pay a fund manager







# Third party Investment scheme

Scheme implemented by the city of Stuttgart (DE)

'Carefree energy renovation package' for home owners.

The package includes:

- planning,
- building and construction,
- operation and maintenance,
- financing, guarantee
- risk assumption.

No need to secure upfront financing.

Financing by a municipal ESCO

Home owners pay a monthly service fee through energy supply contracting.







# Project results/outcomes

- A Comparative Analysis edited
- 2 Guidebooks in preparation
- Internal Contracting scheme:
  - All partners have implemented first measures
  - Fund size between 1% and 30% of the energy costs
  - First replications by French universities started
  - Associated partners (early replicators) bring additional stimulation

- Soft Loans scheme
  - « Revolving fund » mostly managed by the banks







## Conclusions

3 schemes successfully transposed and adapted, despite challenges:

- Two quite different schemes (Internal Contracting and Soft loans)
- Adaptation to local context time consuming,

#### Internal contracting scheme

- minimum size of 5% of the local authorities' energy costs for the revolving fund is recommended (yet hard to reach)
- Small local authorities require different approach
- Finding external co-funding of the initial revolving fund (for its persistence)

#### Soft loans scheme

- Early involvement of local banks recommended





# Training on Infinite solutions' financing tools

#### When?

Thursday 23 Feb. 2017

8:30 to 17:30

#### Where?

Representation of the State of Baden-Württemberg to the European Union, Brussels

#### Why?

- Learn about internal contracting, soft loan schemes and energy contracting support service
- Network with cities and regions that have tested the schemes



infinite solutions

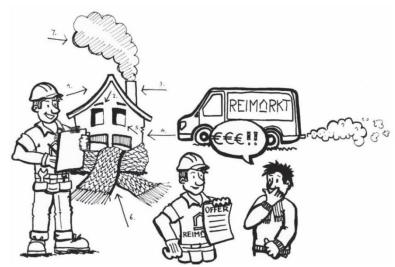
#### How?

- Interactive presentation of the schemes at a glance
- 3 training units per scheme including presentations, partner work and role play
- Round table discussions moderated by Infinite partner cities





# www.energy-cities.eu/infinitesolutions







How can municipalities and regions support the energy renovation of private residential buildings through low interest loans and other incentives? How to set up and implement Internal Contracting for the energy renovation of public buildings?

Two guidebooks available on 23 February 2017 at www.energy-cities.eu/infinitesolutions



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