



Energy Efficiency and Renewable Sources Fund

# **ENERGY EFFICIENCY AND RENEWABLE SOURCES FUND**

***FINANCIAL AND TECHNICAL PARTNER  
FOR ENERGY EFFICIENCY IMPROVEMENT PROJECTS***

**JUNE 2018**





## ENERGY EFFICIENCY AND RENEWABLE SOURCES FUND

- Established pursuant to Energy Efficiency Act from 2004 (even before Bulgaria joined the EU) for **financing EEM, implemented by municipalities, corporate clients and individuals for enhancing energy efficiency and energy production from renewable sources**
- Initial capitalization of circa \$15m with donations from the World Bank (Global Environment Facility), Government of Austria, Bulgarian Government and private donators: Eurobank EFG, Lukoil Bulgaria AD, Brunata Bulgaria, Enemona AD, EVN Bulgaria, Ena Optima, Minev and Partners, Bulgarian-American Credit Bank AD, Association for Sustainable Development
- The main role of the fund was to stimulate and support the market for energy efficiency through appropriate financing mechanisms
- The structure was set up as Public Private Partnership which let to the successful and efficient management of public resource



## WHAT IS ENERGY EFFICIENCY?

- Thermal insulation and sanitation of buildings
- Reconstruction of systems for heating, ventilation, air conditioning, lighting, hot water
- Modernization of street lighting systems
- Investments to increase energy efficiency in industrial processes
- Small systems for combined heat and power (CHP)
- Implementation of renewable sources

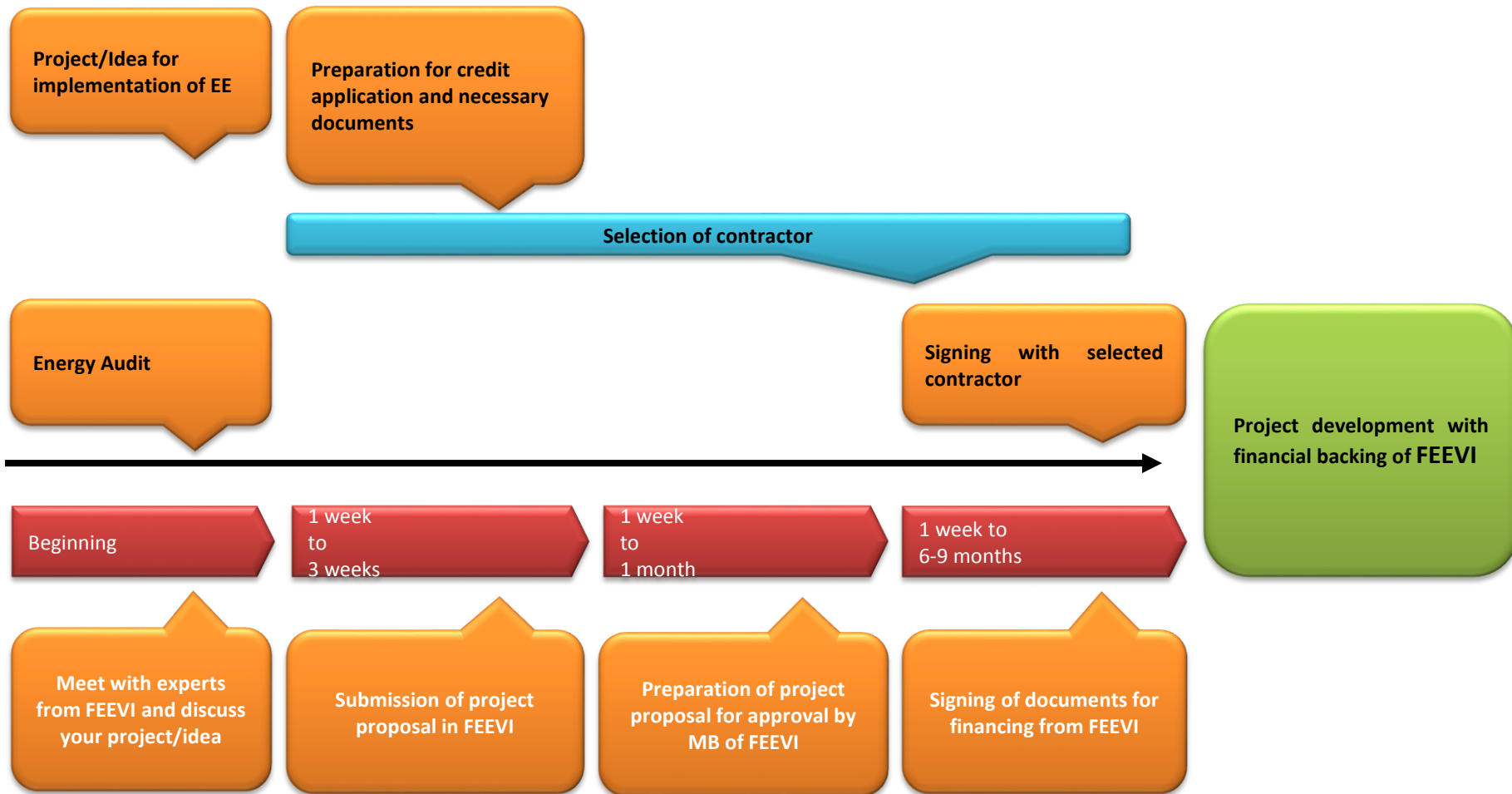
### *Implementation of energy efficiency measures on projects for renovation of:*

- |                    |                      |
|--------------------|----------------------|
| ✓ Public buildings | ✓ Office Buildings   |
| ✓ Hospitals        | ✓ Workshops          |
| ✓ Universities     | ✓ Warehouses         |
| ✓ Schools          | ✓ Hotels             |
| ✓ Kindergartens    | ✓ Industrial systems |
| ✓ Street lighting  | ✓ Others             |





## Project application process





## FINANCIAL PRODUCTS

- Direct loans to final beneficiaries



- Loans for ESCO companies



- Purchase of receivables



- Bridge / co-financing (up to 100%)





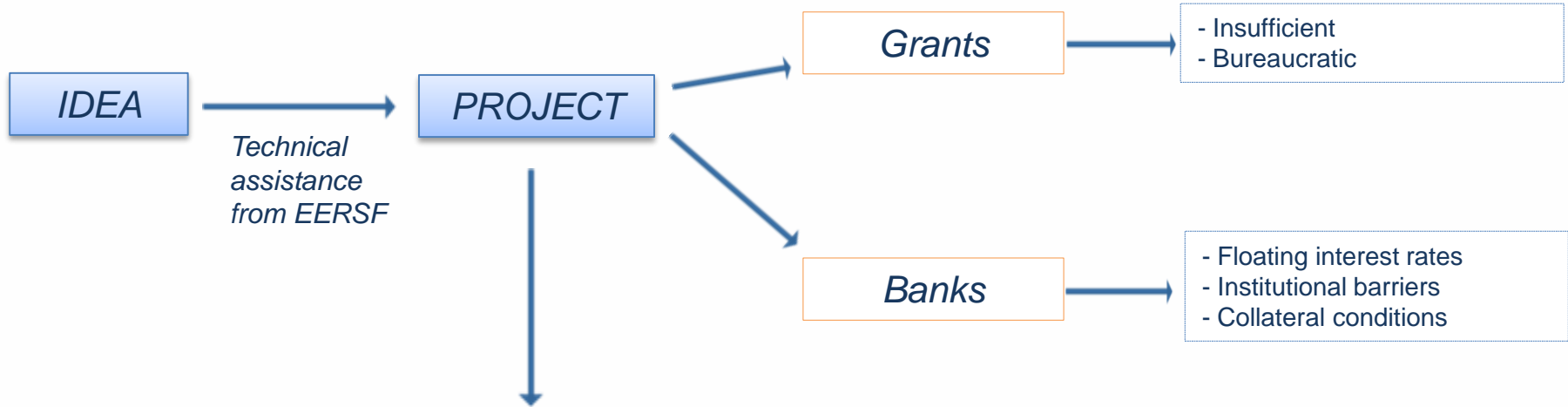
## ESSENTIAL REQUIREMENTS FOR EE PROJECTS

- The project must implement standard technology known to the market
- At least 50% of the economic benefits of the project must be of proven energy savings



*50% of economic benefits*

- Investment volume: from BGN 30 000 up to BGN 3 000 000
- Loan term: up to 7 years
- Minimal financial participation of the client: 10%
- Fixed rate of interest for throughout the whole duration of the loan starting from 4% or 3.5% for projects above 1 mil. levs and financing from FEEVI above 800 thousand levs
- For guarantees FEEVI covers up to 80% of the loan and there is yearly fee of 0.8%



**ENERGY EFFICIENCY AND RENEWABLE SOURCES FUND**  
*direct loans*  
*financing ESCO projects*  
*co-financing banks / grants*

- FINANCING**
- Fixed interest rates
  - No fees and commissions
  - Co-financing with operational programs

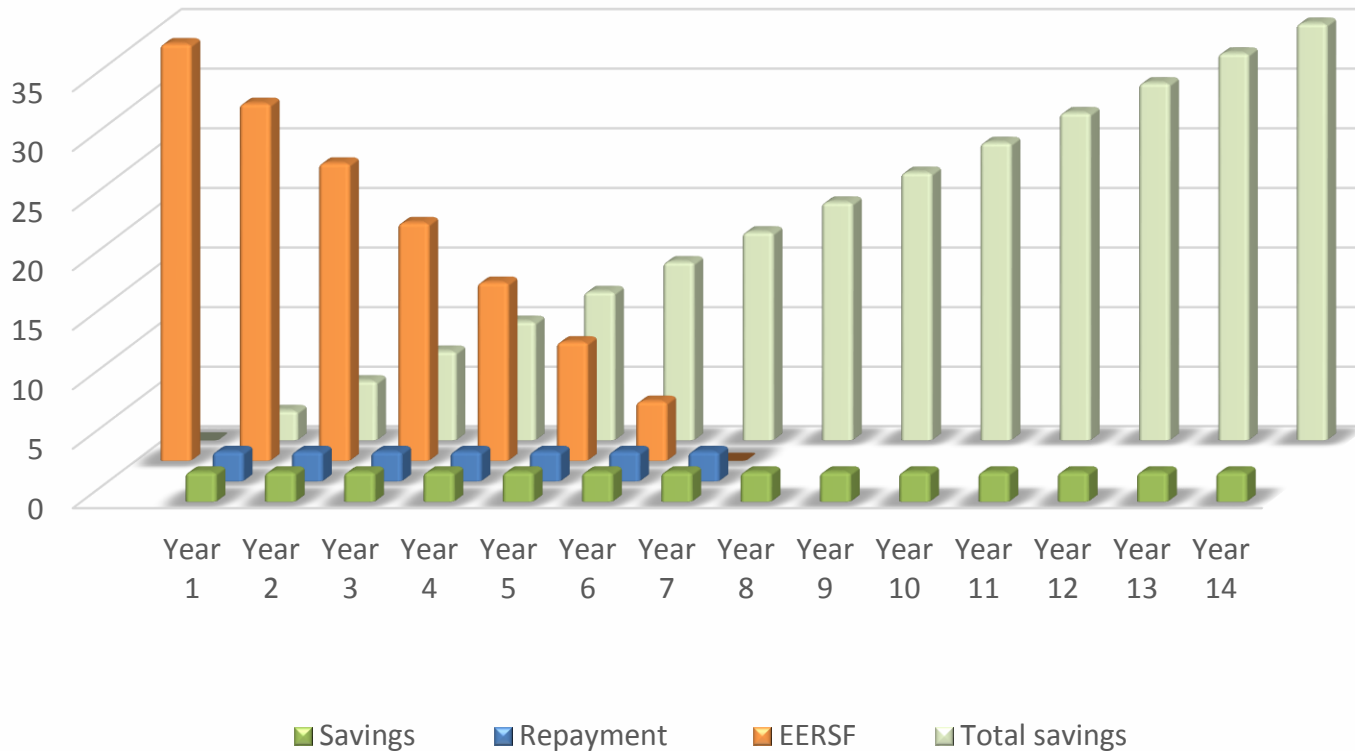
- TECHNICAL EXPERTISE**
- Technical experts
  - Annual technical report after project implementation
  - Assistance with energy report

- PROCEDURE**
- Fast processing of the application
  - Recovery of the deposit on a non-approved project - the client has no costs
  - No PPA procedure



**YOU CHOOSE HOW TO SPEND YOUR MONEY!**

*The cheapest energy is the energy saved*



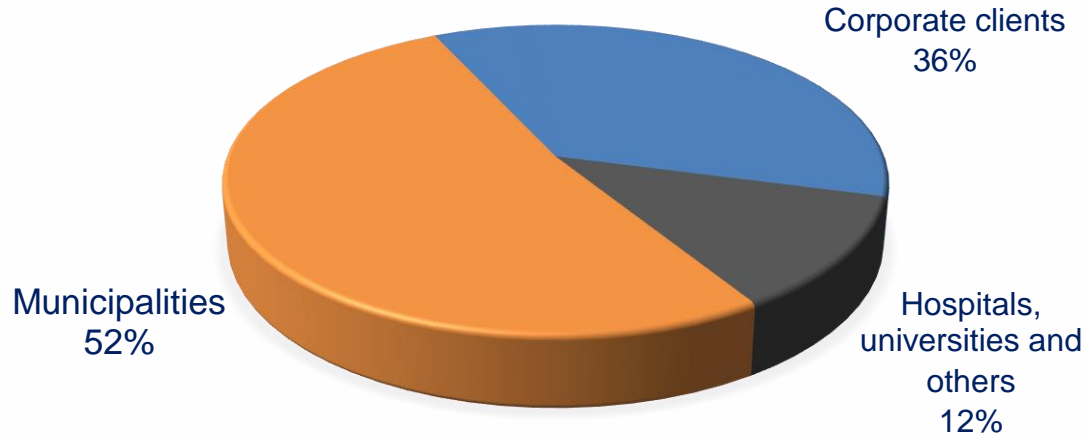
✓ **Implementing energy efficiency is an investment**

- ✓ After the project implementation – the loan is paid by the energy efficient savings
- ✓ After the loan repayment – the savings are direct income for the beneficiary
- ✓ When the energy price is increased – the income for beneficiary will increase





## TYPES OF CLIENTS AS OF MARCH, 2018



- **Municipalities** – 52% of total portfolio. Types of projects - EE reconstruction of public buildings such as schools, kindergartens, administrative buildings; reconstruction and improvement of street lighting.
- **Corporate clients** – 36% of total portfolio. Types of projects – EE reconstruction of industrial premises; replacement of equipment with new, more energy-efficient.
- **Others**, including universities, hospitals, residential buildings – 12% of the total portfolio. Types of projects – EE reconstruction of educational, hospital and residential premises.



Energy Efficiency and Renewable Sources Fund

## Realized ESCO project (EPC) Sports Hall “Festivalna”, Sofia



### Energy savings measures:

1. Thermal insulation of exterior walls
2. Replacement of windows
3. Thermal insulation of roof
4. Thermal insulation of floor
5. Introduction of automatic governance of heating supply
6. Modernization of heating, ventilation and air conditioning installation

Payback period: 10,5 years

Project amount: BGN 1 994 915,34

Loan amount: BGN 1 650 000



### Projects results – estimated savings:

- Energy from TPP - 1 985 961 kWh/y
- Electrical energy - 284 728 kWh/y
- Greenhouse gas emission - 685 CO2 t eq/y





Energy Efficiency and Renewable Sources Fund

## Realized project Hospital

### “Diagnostic-consultative center 12 – Sofia” EOOD



#### Energy savings measures:

1. Thermal insulation of exterior walls
2. Replacement of windows
3. Thermal insulation of roof
4. Thermal insulation of floor
5. Energy saving illumination
6. Replacement of heating installation

Payback period: 12,8 years

Project amount: BGN 668 395,22

Loan amount: BGN 628 786,60

#### Projects results – estimated savings:

- Energy from TPP - 451 059 kWh/y
- Electrical energy - 50 174 kWh/y
- Greenhouse gas emission - 175 CO2 t eq/y







Energy Efficiency and Renewable Sources Fund

## Realized project Street lighting Municipality of Samokov



### Energy savings measures:

Replacement of street lighting

Payback period: 5 years

Project amount: BGN 1 955 984,40

Loan amount: BGN 1 760 385,96

### Projects results – estimated savings :

- Electrical energy - 1 634 176 kWh/y
- Greenhouse gas emission - 1 338,39 t CO<sub>2</sub> eq/y





**THANK YOU  
FOR YOUR ATTENTION!**

**Contacts:**

4 "Kuzman Shapkarev" Str.,  
Sofia 1000, Bulgaria  
tel.: +359 2 81 000 80  
e-mail: [info@bgeef.com](mailto:info@bgeef.com)  
Web: [www.bgeef.com](http://www.bgeef.com)