



**Energy Efficiency**  
Financial Institutions Group

EEFIG De-risking energy efficiency project  
15 June 2017  
Ivo Georgiev, COWI, [ivgg@cowi.com](mailto:ivgg@cowi.com)

# THE EEFIG DE-RISKING ENERGY EFFICIENCY PROJECT

- The EEFIG ([www.eefig.eu](http://www.eefig.eu)) was established by DG Energy and UNEP FI, in 2013 as a working forum for public and private financial institutions, industry representatives and sector experts with a common interest in overcoming the challenges of obtaining long-term financing for energy efficiency.
- The EEFIG 2015 report "Energy Efficiency – the first fuel for the EU Economy; How to drive new finance for energy efficiency investments" highlighted among others the following problems:
  - Lack of evidence on the performance of energy efficiency investments makes the benefits and the financial risk harder to assess.
  - Lack of commonly agreed procedures and standards for energy efficiency investment underwriting increase transaction costs.
- In continuation of the EEFIG 2015 findings, the EEFIG de-risking project is during 2016-17 addressing the fundamentals of energy efficiency investments in the buildings and corporate sectors through:
  - Creation of an open source database for energy efficiency investments performance monitoring and benchmarking (De-risking Energy Efficiency Platform or 'DEEP')
  - Development of the EEFIG Underwriting Toolkit (Value and risk appraisal framework for energy efficiency finance and investments)
- The goal of these initiatives is to increase energy efficiency financing at competitive terms through improving risk assessment and reducing transaction costs.

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP)

DEEP was launched on 30 November 2016 in close coordination with the Commissions launch of the "*Clean Energy for All Europeans*" package.

It is open source database for energy efficiency investments performance monitoring and benchmarking.

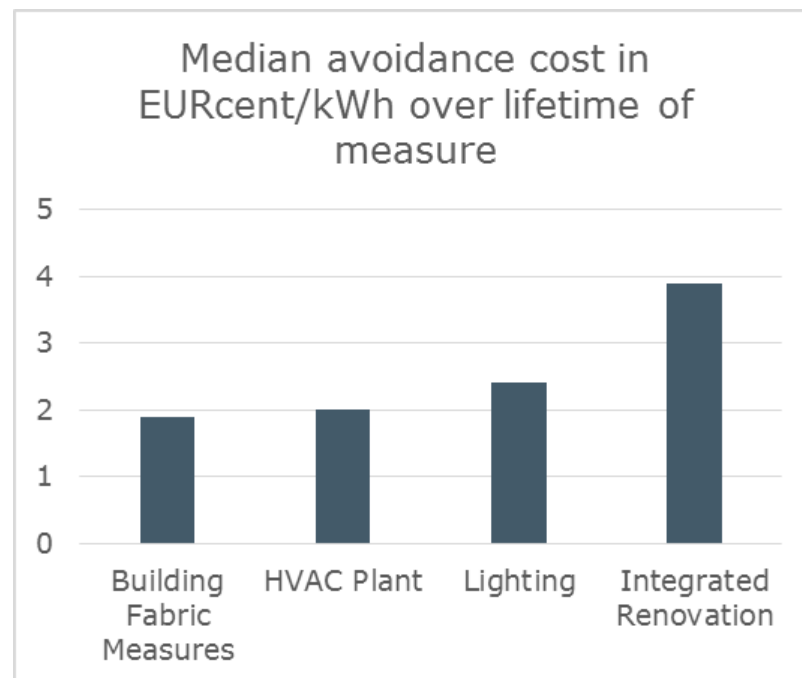
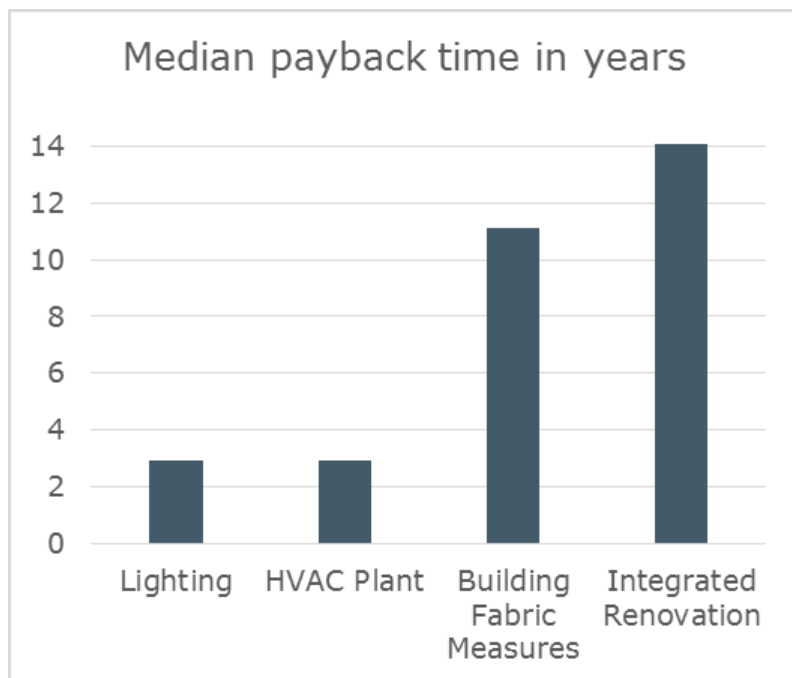
The main objective of the DEEP is to improve the understanding of the real risks and benefits of energy efficiency investments based on market evidence and track record.

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

Since launch on 30 November, 2,000 users from 70+ countries have viewed 10,000+ DEEP pages.



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



Single measures (e.g. Lighting or HVAC) payback in a median of 3 years, whereas projects with deeper renovations typically require over 11 years to be paid back.

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



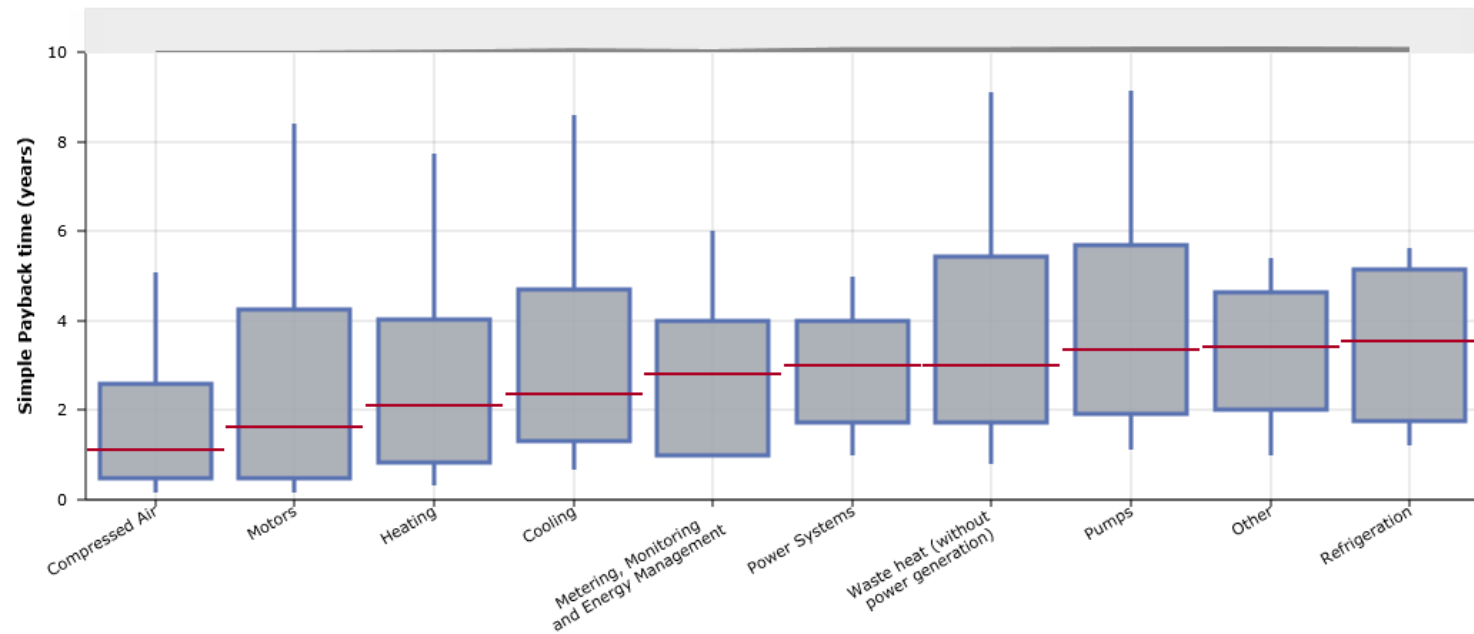
**DEEP**  
DE-RISKING ENERGY  
EFFICIENCY PLATFORM



Energy Efficiency  
Financial Institutions Group



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



The median payback from contributed energy efficiency projects in industry is 2 years.

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP)

## WHY SHOULD YOU USE IT?



- DEEP provides anonymized historical data structured along major project characteristics (geography, energy efficiency measures, verification status, industry / type of building, multiple benefits, etc.).
- DEEP platform provides insight on financial performance indicators such as payback time (allows assessment of minimum loan tenure needed) and discounted avoidance cost (allows assessment of financial viability at different interest rates and energy prices).
- These clearly document the existence of many investment opportunities within energy efficiency in both buildings and industry.
- Financial institution may upload their own individual projects or portfolios as private projects and benchmark them against user-selected sub-sets of the projects in DEEP.
- Want to test it? Access DEEP through: [deep.eefig.eu](https://deep.eefig.eu)



Become a user

- ✓ Enhance your understanding of and access to energy efficiency finance related business opportunities
- ✓ 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

# THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP) FOCUS DURING 2017



Focus on supplementary data collection during 2017:

- Better geographic spread of buildings energy efficiency projects (more projects outside Germany, Poland, France, UK and Belgium)
- Better geographic spread of industrial energy efficiency projects (more projects outside Germany, USA and UK)
- More projects with data on verification status
- More projects with information on multiple benefits (such as carbon emission reductions, reduced maintenance costs, health & safety and employee satisfaction)

Please help us achieving this by becoming a data provider!

You may contact:

Carsten Glenting ([cag@cowi.com](mailto:cag@cowi.com)) or  
Timothée Noël ([Timothee.Noel@ec.europa.eu](mailto:Timothee.Noel@ec.europa.eu))



## 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 to investors
- ✓ Influence the industry best practice

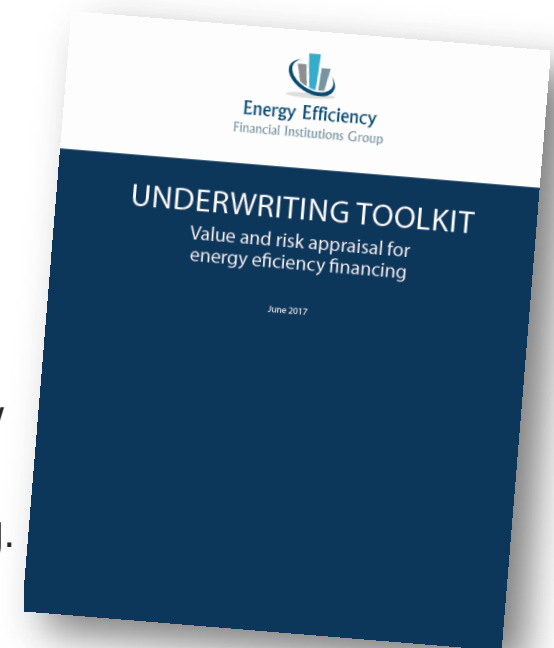
# THE EEFIG UNDERWRITING TOOLKIT

## WHAT IS IT?

On 22 June 2017 during the EU Sustainable Energy Week ([www.eusew.eu](http://www.eusew.eu)), EEFIG will launch a value and risk appraisal framework for energy efficiency finance and investments.

The purpose is:

- to help originators, analysts and risk departments within financial institutions better understand the nature of energy efficiency investments and therefore better evaluate both their value and the risks.
- to provide a standardised framework for evaluating energy efficiency investments and analysing the risks that will allow training and capacity building around standardised processes and understanding.
- to help developers and owners seeking to attract external capital to energy efficiency projects to develop projects in a way that better addresses the needs of financial institutions.
- to foster a common language between project developers, project owners (hosts) and financial institutions.





# THE EEFIG UNDERWRITING TOOLKIT

## WHY SHOULD YOU USE IT?

Because it embraces essential information about energy efficiency and EE financing that you were not able to find in one place:

- A comprehensive source of information about types of EE projects, financing structures, parties involved, contractual arrangements.
- An EE project cycle that allows for de-risking by adequate results evaluation and monitoring.
- Information necessary to fully understand benefits coming from EE investments as well as risks – with full range of mitigating measures.
- Information that allows technical and banking experts analyse EE projects on the common ground e.g. technical experts to understand what data needs to be provided to adequately value risks.
- Glossary of definitions provided in simplify language to make it understandable for all.
- Substantial source of information about other documents, initiatives and methodologies to complement data already provided by the Guide.

Want to know more? Follow [www.eefig.eu](http://www.eefig.eu)