



# Financing Energy Efficiency

Sustainable Energy Investment Forums (SEIF) National Roundtable Malta

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# What are the Sustainable Energy Investment Forums (SEIF)?

- Series of events across the EU organised by the European Commission (EASME) as part of the “Smart Finance for Smart Buildings” initiative
- Funded by the Horizon 2020 programme of the European Union and builds on the works of the European Energy Efficiency Financial Institutions Group (EEFIG)
- More than 30 events in up to 15 Member States in 2016-2019
- Open access to in-depth information on specific topics through a series of interactive webinars, featuring top experts in the field of sustainable energy finance

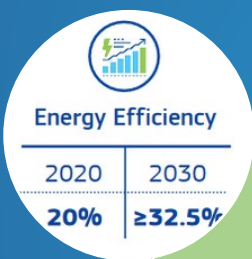
## Objectives

- ✓ Work with national stakeholders in order to boost large-scale investment and financing for sustainable energy
- ✓ Enhance the capacity of and co-operation between public and private stakeholders to develop large-scale investment programmes and financing schemes
- ✓ Showcase best practices in developing investment projects and programmes in sustainable energy

# Why organising such events?

## Need for private financing:

Current levels of investment in sustainable energy are not enough to meet the EU's climate and energy goals for 2030. The use of private finance will be increasingly required to deliver the required investments in energy efficiency and small-scale renewables, in particular in buildings and businesses.



One of the objectives of the Energy Union Framework Strategy



Stressed out in the Paris Agreement

## Importance of Energy Efficiency:



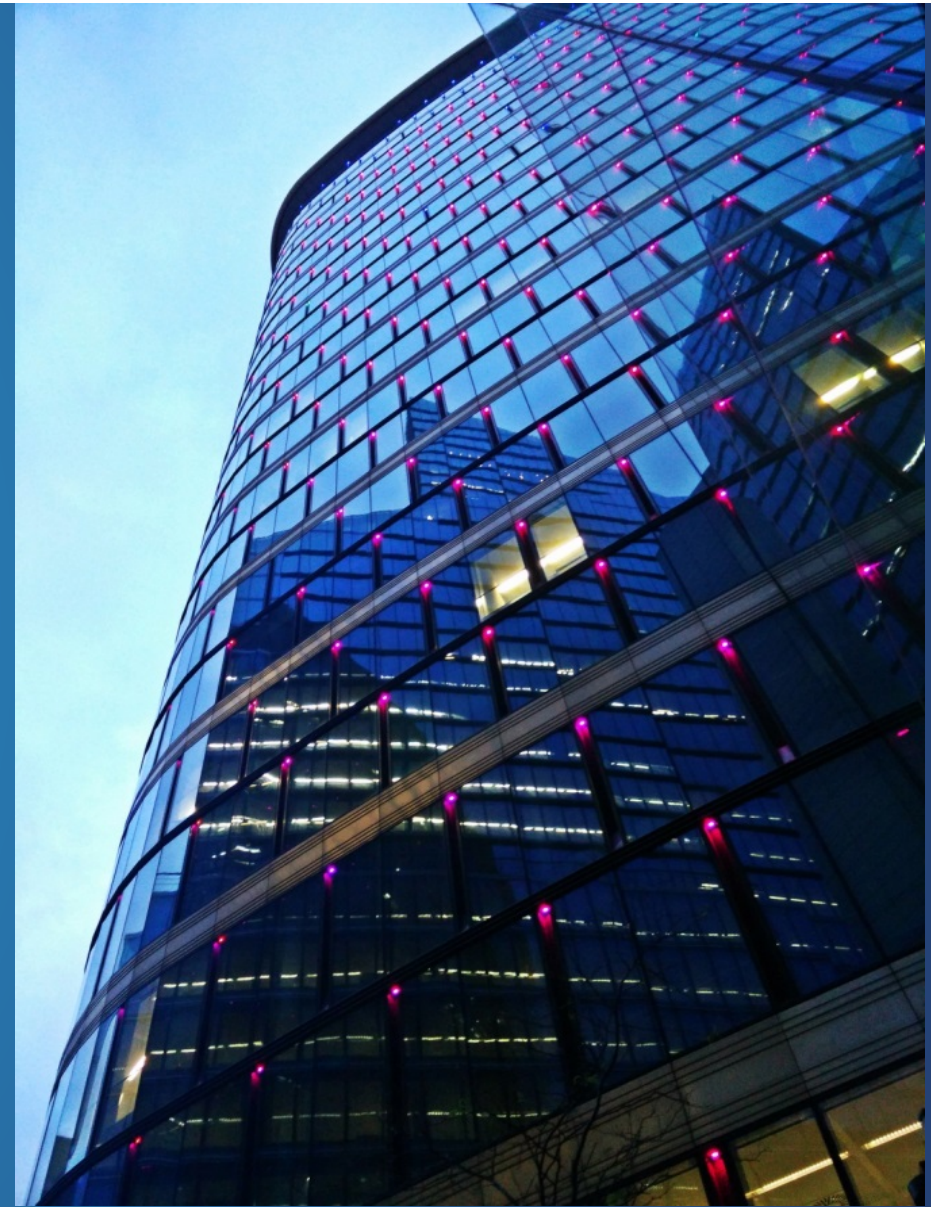
Investment in EE are one of the most cost-effective ways to support the transition to low-carbon economy



Significant benefits for European citizens and companies: sustainable growth, more jobs, security of supply, lower energy bills, environment and health

# EASME

- Stands for Executive Agency for Small and Medium-sized Enterprises (EASME)
- Is part of the European Commission
- Manages EU programmes in the fields of SME support & **innovation, environment, climate action, energy** and maritime affairs.
- Has an Energy Unit with ~40 Project Advisors based in Brussels (Place Rogier)



# Legal and policy framework

## "Smart Finance for Smart Buildings"

7 projects

### More effective use of public funds

- Deploying Financial Instruments and flexible energy efficiency and renewable financing models
- Building on EFSI blending with ESIF funds



38 projects

### Assistance and aggregation

- Supporting the project pipeline at EU and local level
- Project Development Assistance facilities
- "One-stop-shops"



13 projects

### De-risking

- Understanding the risks and benefits for financiers and investors
- The De-risking Energy Efficiency Platform
- EEFIG Underwriting toolkit



# Horizon 2020 support to citizen-centred energy transition

EE-09 Innovative financing for energy efficiency investments

EE-10 Mainstreaming energy efficiency finance

EE-2 Integrated home renovation services

EE-11 Aggregation - Project Development Assistance

B4E-11-**2020** Financing for energy efficiency investments - Smart Finance for Smart Buildings

Apply by:  
3 September 2019

# EE-2 Integrated home renovation services

- Support to create, expand or replicate “one-stop-shops” - single entry point to cover the whole “customer journey”
- Target: private residential sector
- Finance is not (the only) key by itself, but integration of services is – including construction sector
- Consumer decisions are articulated around comfort, health, property value
- Grants of ~ €0.5m - €1.5m, 100% funding rate, budget for 2019: € 7.5 m

Apply by: 3 September 2019



# EE-11 Project development assistance

- Technical assistance to sustainable energy investment since 2010 (Intelligent Energy Europe)
- Grants of ~ €0.5m - €1.5m, 100% funding rate, budget for 2019: € 6 m
- Requirement for leverage of >1:15, average investment mobilised: € 15-30m
- Launch of specific **project pipelines** with a show-case dimension e.g. ambitious energy savings, innovative financial engineering, highly replicable solutions
- **Build** technical, economic and legal **expertise**
- Beneficiaries: public and private project promoters e.g. public authorities, ESCOs
- Sectors: buildings, industry, services, urban transport, infrastructure such as street lighting, district heating/cooling and water/wastewater services

Apply by: 3 September 2019



# Prize-SC3-2019 RESponsible Island

- Building on the Political Declaration on Clean Energy on EU Islands and the Smart Islands Initiative
- Prize for geographic energy island: highlight the potential of RES for decentralized energy grids and sustainable local renewable energy production for use in electricity, heating, cooling and transport
- Target: islands located within the territory of an EU country including overseas countries and territories or countries associated to H2020
- The three winners receive a prize of €500,000, €250,000 and €100,000, respectively

Apply by: 26 September 2019



# EU funding for sustainable energy investment after 2020



Increased mainstreaming across EU budget (25%)

- Cohesion Funds
- Invest EU
- **Horizon Europe**
  - €15 bn to Climate, Energy, Mobility
- **LIFE**
  - € 1 bn to Clean Energy Transition
- Connecting Europe Facility
- Innovation Fund

# SEIF Public Conference

- Shared best practices from Malta and Italy as well as other countries on how to finance energy efficiency investments
- Covered experience gained with the use of private funds and innovative financing instruments, notably in the building and industry sectors
- Focused on practical insights into developing and structuring investment programmes



*Westin Dragonara Resort, St Julians, Malta (22<sup>nd</sup> November 2018)*

# Welcome Speech



*Ian Borg, Minister of Transport,  
Infrastructure and Capital Projects, Malta*

*In Malta, average building **energy consumption** is half of the EU average. **Heating levels** are typically low and air conditioning is only used for a few months. The main energy load is **electrical plug load**.*

*Needed improvements go beyond just renewables and low energy lighting. Designs need to build in **high performance materials** and make use of **natural light**. The **lifetime cost** of operating buildings should be considered.*

*A **new authority for construction and buildings** is being created within the Ministry. It will monitor and regulate construction, and will look at performance of buildings through their lifetime, including fire safety and lifelong living adaptations.*

# Plenary Session: European and national policy context – Luciano Mule' Stagno (Institute for Sustainable Energy)

European policy in support of energy efficiency investments

- **Paolo Tosoratti, Directorate-General for Energy, European Commission**

Mobilising the financial sector on energy efficiency

- **Martin Schönberg, United Nations Environment Finance Initiative**

Support available from the European Investment Bank

- **Christoph Lassenberger, Fund and Structuring for Italy, Malta, Western Balkans, European Investment Bank**

State of play of energy efficiency financing in Malta

- **Daniela Grech, Planning & Priorities Coordination Division, Ministry of European Affairs, Malta**

# Session 1.A: Making energy efficiency attractive for the financial sector – Oronzo Daloiso (EASME, EC)

Participants	Report by Moderators
<p><b>Introduction to the Maltese context</b> – Jonathan Scerri, Ministry of Transport</p> <p><b>The Energy Efficiency Financial Institutions Group (EEFIG) Underwriting Toolkit and De-Risking Energy Efficiency Platform (DEEP)</b> – Mark Scicluna Bartoli, Bank of Valletta</p> <p><b>Overview of renovation financing in Italy</b> – Angelo Peppetti, Italian Banking Association (ABI)</p>	<ul style="list-style-type: none"><li>➤ Energy Efficiency has so far not been a priority for banks because savings don't always pay back the loans, but the potential is there</li><li>➤ Blending of different funds can be complex and State Aid implications are not always readily understood and can be a barrier</li><li>➤ Financial incentives to create demand could be linked with those for renewable energy generation</li><li>➤ Awareness raising and capacity building in the financial sector has an important role to play</li></ul>

# Session 1.B: Renovation of public buildings – Andy Deacon (Climate Alliance)

Participants	Report by Moderators
<p><b>Renovation of public buildings through energy performance contracting in Italy</b> – Dario Di Santo, FIRE</p> <p><b>Finance for energy efficiency measures in Maltese public buildings</b> – Diane Cassar, Malta Intelligent Energy Management Agency (MIEMA)</p> <p><b>How to develop a market for ESCOs in Malta</b> – Norman Zammit, President of the Chamber of Engineers</p>	<ul style="list-style-type: none"><li>➤ Important distinction to draw between public buildings and public authority buildings in terms of ownership and occupation</li><li>➤ Need to build knowledge and capacity among building owners, occupiers and managers in order to drive demand for energy efficiency improvements</li><li>➤ While overall renovation has a high profile, all public funds should include energy renovation as a key area to be addressed</li><li>➤ Lack of standardized procedures, this is a key barrier to action for Malta</li><li>➤ Renewable energy generation can be integrated into energy renovation projects on public buildings in order to improve the business case for action</li><li>➤ Building performance benchmarking has an important role to play, and could be a first step towards target setting for renovation performance improvements</li></ul>

# Session 2.A: Home renovation – Roberta Vella (Ministry of Transport, Infrastructure and Capital Projects, Malta)

Participants	Report by Moderators
<p><b>Overview of the energy performance of the housing stock in Malta</b> - Vincent Buhagiar</p> <p><b>A bank experience on home renovation loans</b> - Edward Grech, Bank of Valletta</p> <p><b>One-stop-shop for home renovation: barriers and opportunities</b> - Marco Devetta, Sogesca</p>	<ul style="list-style-type: none"><li>➤ There is potential to improve energy consumption in social housing by educating tenants in alternative methods to achieve thermal comfort. A multitude of measures can be integrated (such as double glazing, roof insulation and ventilation to keep humidity levels in check).</li><li>➤ In Malta, the EPC rating is not given any weight in the price of property. Banks cannot distinguish between one measure and the next in terms of energy saving in renovations. Thus if there was technical input, banks would be more willing to provide higher loans with respect to energy efficiency measures</li><li>➤ The ESCO concept is interesting and a useful example from Italy (PadovaFIT) was shared.</li></ul>



# Session 2.B: Energy Efficiency in Industry and SMEs - Charles Buttigieg (Malta Water and Energy Agency)

Participants	Report by Moderators
<b>Financing energy efficiency opportunities in industry and SMEs</b> - Rene Saliba, Malta Development Bank	➤ While energy may not be the topmost issue for industry and SMEs, support schemes exist and there are further opportunities for energy efficiency improvements in the sector in Malta
<b>How to encourage the uptake of energy audits recommendations from SMEs</b> - Karl Herrera, Malta Enterprise	➤ The timing of introduction of schemes is important as businesses may have a limited time to decide to take forward energy improvements
<b>How to support investment in energy efficiency in the business sector</b> - Geoffrey Saliba, Malta Business Bureau	➤ Schemes to build knowledge and awareness are also important, these can be linked to energy management systems. ➤ SMEs should also get support for the development of energy improvement applications/schemes.

# Conclusions of the day



- **Paolo Tosoratti, Directorate-General for Energy, European Commission:**

*Climate and energy is bringing a paradigm shift in the way we work and the way that we think about buildings. This is the case at many levels and work is needed at all levels and to **continue to exchange experiences and views**. There is a need to continue **awareness raising** with all stakeholders. Conditions to leverage investments will then follow. We have to **think differently and promote different values**. Thermal comfort from a well-insulated apartment is one positive value to promote.*



- **Jonathan Scerri, Ministry of Transport, Infrastructure and Capital Projects, Malta**

*There are a number of things that could be done to raise energy efficiency importance. These include greater **awareness raising**, making better **use of demonstration buildings** that are available and making **lifetime and lifecycle costs** more apparent. People often speak about cost, but there are some unquantifiable **benefits** that result from energy efficiency. We do know how to make our buildings more energy efficient, but we need to **raise interest** among the public to reach our targets. The technology is there, the funding seems available, but the Ministry want to close the circle by **increasing demand**.*

# Why another event?

- After a public conference, SEIF follows up with a smaller national roundtable with selected participants and a higher focus on those topics which were prioritised in the outcomes of the public conference.
- The idea behind a national roundtable is to go a bit deeper in the topics, have more time for discussions and come up with recommendations.
- The second national roundtable will further narrow down action points and targeted stakeholders.

# What comes next?



- The Chair of each topic group will report on key issues arising from the discussion and to provide the 5 (or more) recommendations from the group, which can be addressed to public or private stakeholders

# Thank you for your attention!

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