

# ELENA

## Facilitating Investment in Energy Efficiency

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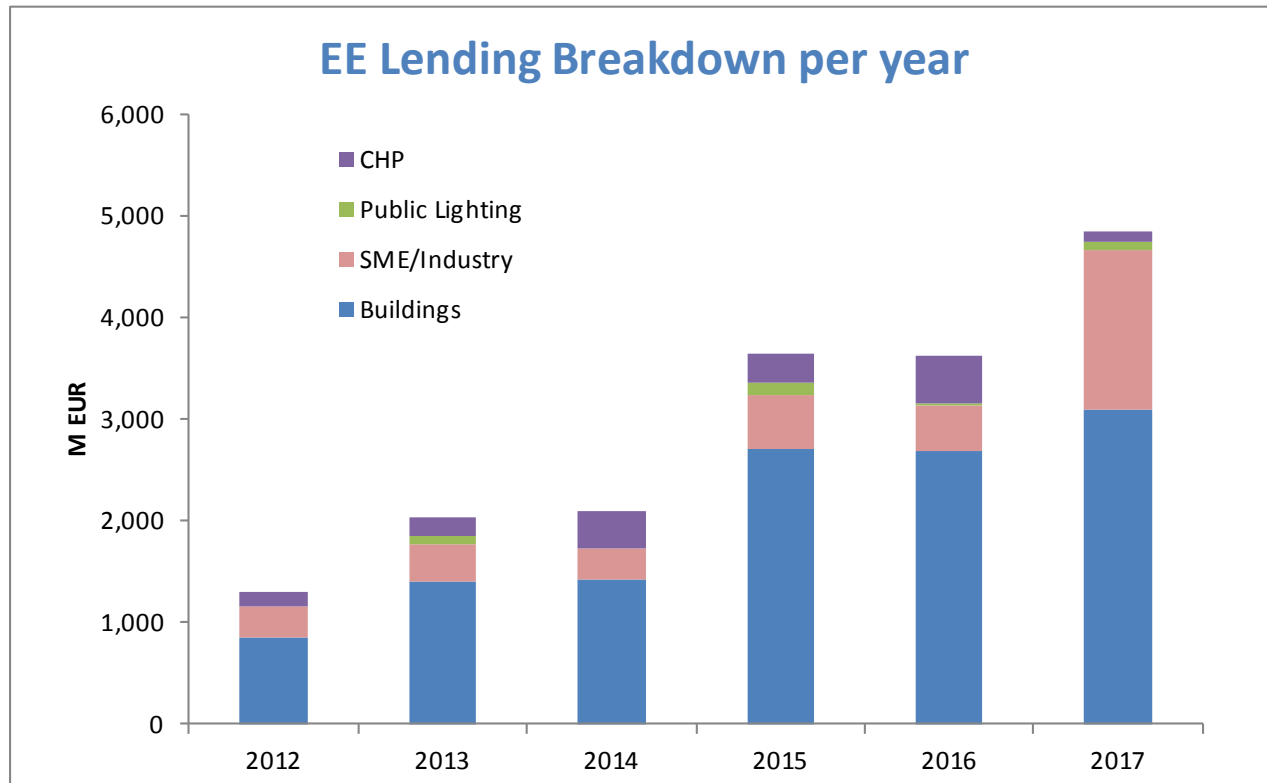
SEI Roundtable, 11 June, Sofia, Bulgaria

# Outline

- ▶ EIB's work on Energy Efficiency
- ▶ What is ELENA and Who can benefit from it?
- ▶ Challenges for Bulgaria
- ▶ Case studies



# EIB Energy Efficiency lending 2012-2017



- ▶ EUR 4.8bn to EE in 2017 (65% buildings, 30% industry)
- ▶ Buildings is the largest EE sub-sector, in line with EU priorities

# How EIB can assist: Lending, Blending, Advising

## Loans/Funds

- Investment Loans (direct)
- Intermediated Loans – project **aggregation** via **intermediary banks**
- Investment Funds
- European Fund for Strategic Investment (EFSI)
- Dedicated schemes:
  - **Private Finance for Energy Efficiency (PF4EE)**
  - **Smart Finance for Smart Buildings (SFSB)**
- Blending with ESIF

## Technical Assistance / Advisory Services

- ✓ **ELENA (European Local Energy Assistance)**
- ✓ **JASPERS (Joint Assistance to Support Projects in European Regions)**
- ✓ **FIA (Financial Instruments Advisory)**
- ✓ **EIAH (European Investment Advisory Hub)**

# What is ELENA?

- ▶ Established in **2009** as European Local ENergy Assistance (celebrating its 10<sup>th</sup> anniversary)
- ▶ Based on an **agreement** between the European Investment Bank (EIB) and the European Commission
  - ▶ **managed by the EIB**
  - ▶ financed by the Horizon 2020 Framework Programme for Research & Innovation
- ▶ Grant for **preparation** (not implementation) of investment programmes
- ▶ More than **EUR 160m** awarded to projects supporting approx. EUR 6 bn of investment



Picture: Aarhus tram project

# General rules

- ▶ Minimum investment of **EUR 30m**
- ▶ Grant covers up to **90% of costs** related to project development support
- ▶ Budget allocation: first come, first served principle; in range of EUR 30m – 50m per year
- ▶ Required **level of maturity**: preparatory studies carried out and main decisions taken before ELENA support request (ELENA proposal should demonstrate high probability that project will be implemented)
- ▶ Obligation of investment implementation - **leverage factor** required:
  - ▶ **20** for *sustainable energy projects*
  - ▶ **10** for *residential buildings* and urban transport
- ▶ In case the leverage not achieved: grant may be clawed back
- ▶ Final beneficiary (applicant) doesn't have to be the one who is implementing the investment
- ▶ **3-year implementation period** for EE projects, 4-year for urban transport

# Who can benefit?

## Public sector

- Local, regional or national authorities
- Other public bodies (e.g. energy agencies)
- Groupings of such authorities or bodies

## Private sector

- Private entities planning to develop and support eligible investments: e.g. associations, mixed public/private, banks etc.

ELENA TA should not have purpose or effect of producing a profit

# Eligible investment programmes

## Sustainable Energy

- EE building renovation (public & private)
- Renewables in buildings:
  - Solar PV
  - Solar Water Heating
  - Biomass boilers
- Street lighting
- Smart grids

## Residential buildings

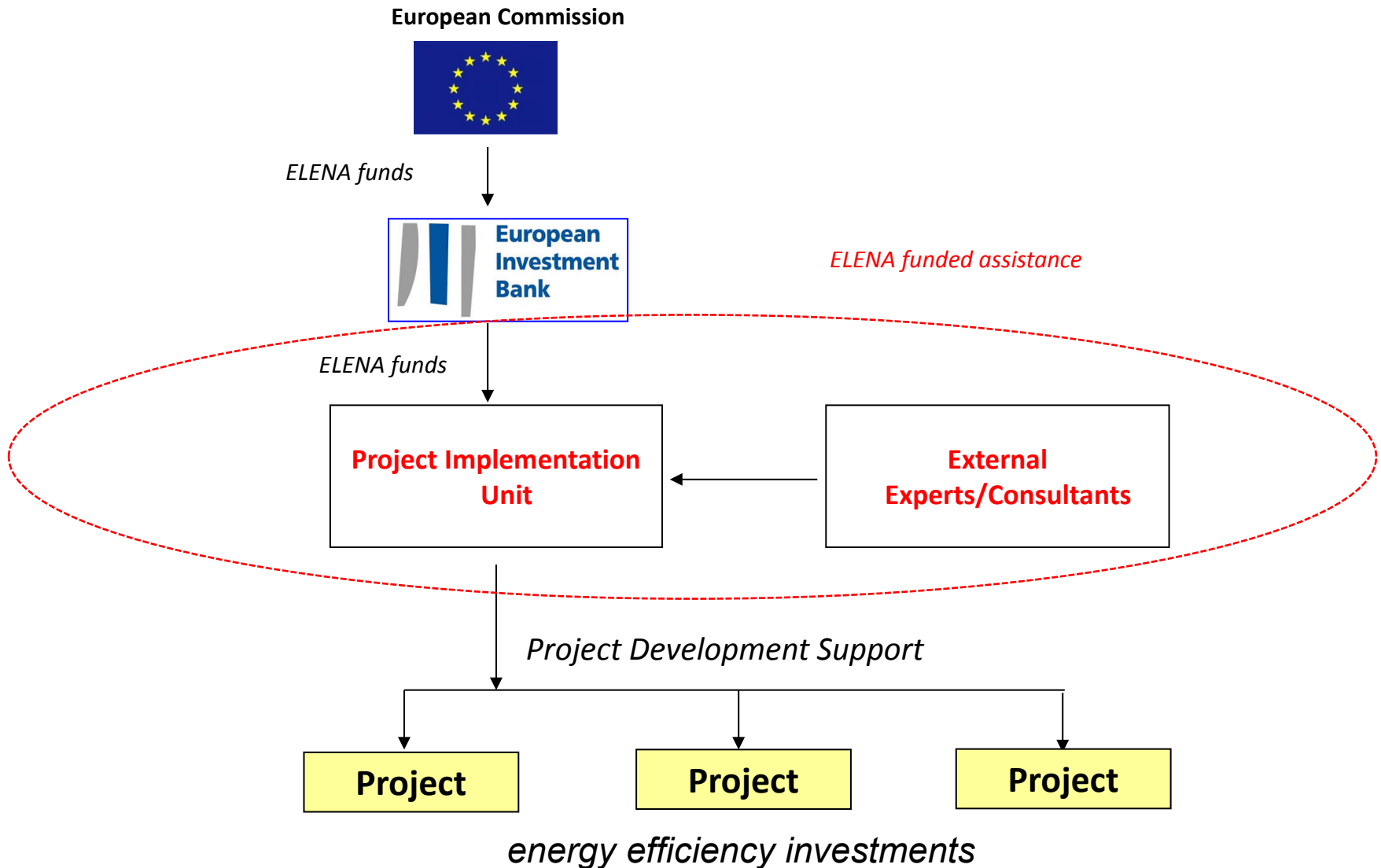
- EE refurbishment
- Integrated Renewables:
  - Solar PV
  - Solar Water Heating
  - Biomass boilers

Investment programmes implemented by the final beneficiary or a third party

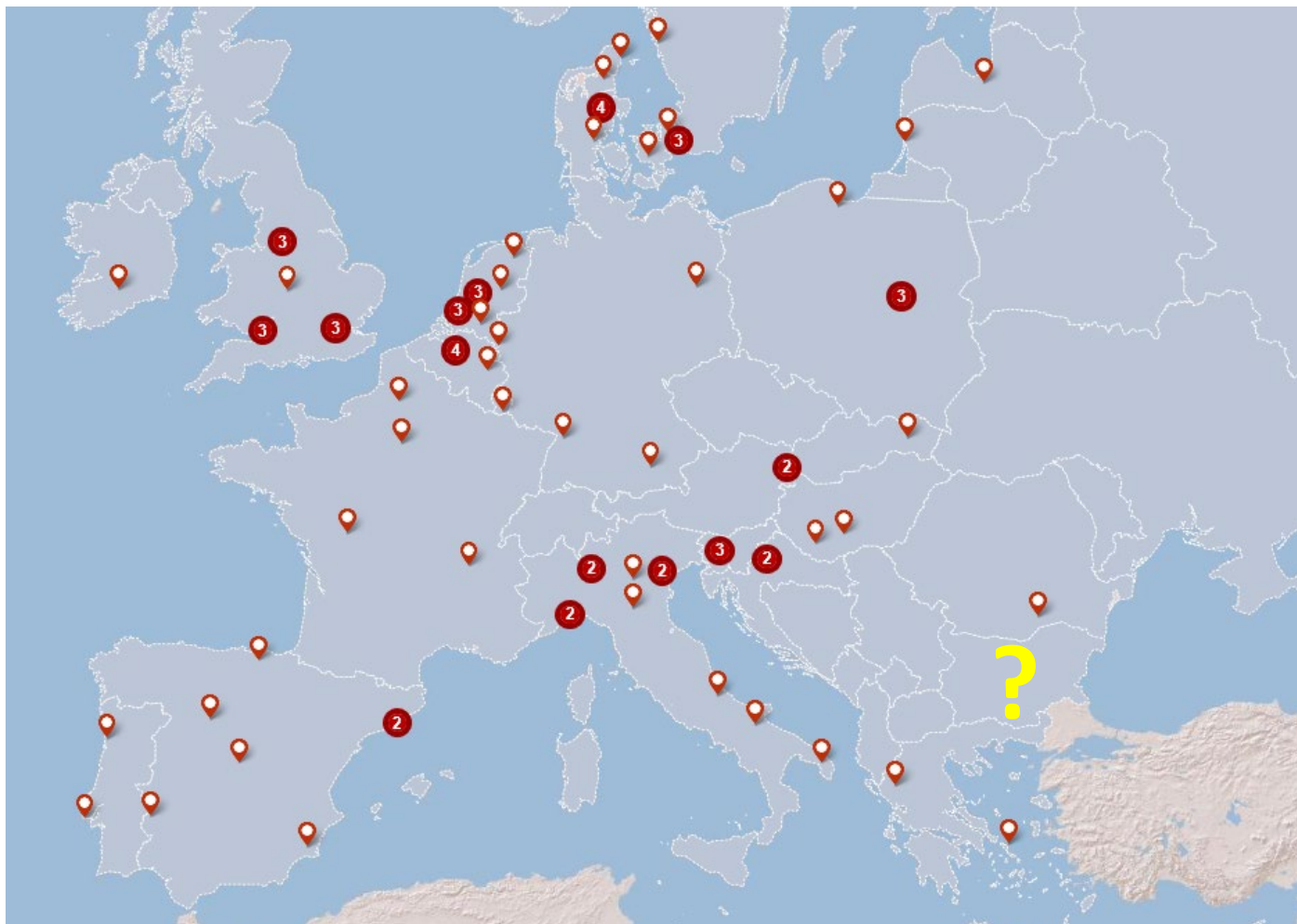
ELENA



# ELENA Project Implementation Structure

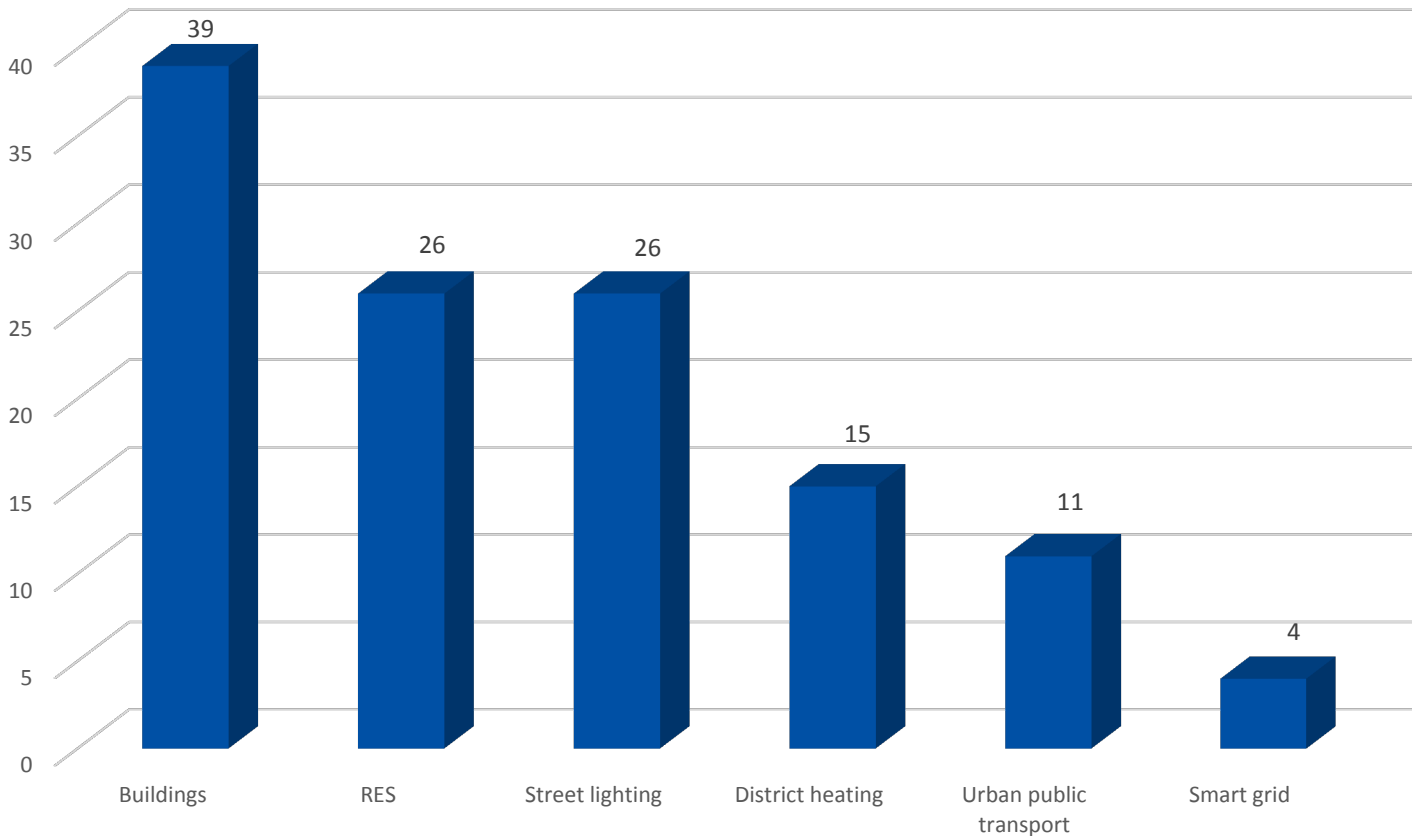


# ELENA projects map



<https://www.eib.org/en/products/advising/elena/map.htm>

# Distribution of projects by sector



Reference: 53 on-going projects, projects can cover several sectors

# Challenges for Bulgaria

- ▶ **Size and scale** – need to identify large investments (EUR 30m)
  - Pool of several communities (*ex: Apulia region, Italy*)
- ▶ **Ownership** (for residential) – mostly home-owners, who need to be persuaded individually
  - Importance of having financial incentives
  - Target publicly-owned projects first (schools, hospitals)
- ▶ **Thermal comfort** – higher energy efficiency will allow people to have warmer homes, not use less energy
  - Some ‘consumed’ benefit is inevitable, but to mitigate it:
    - Information campaigns, awareness

# Case study: Picardie Pass Renovation (France)

- ▶ **Beneficiary:** Regional Public Service Company for Energy Efficiency in Picardie
- ▶ **Objective:** EE renovations of private houses (residential)  
(as of January 2018: 442 ongoing building sites (representing 1 616 homeowners))
- ▶ **Location:** Picardy Region, France
- ▶ **Investment programme:** c.38.1 MEUR
- ▶ **ELENA grant budget:** 1.8 MEUR

## ELENA support requested:

- ✓ Development of a public service company for EE implementing an investment program with private home owners
- ✓ External assistance to support each homeowner during implementation phase
- ✓ Cooperation with partners to promote the service, identify potential homeowners and prepare contracts



# Case study: NEWLIGHT Street lighting (Croatia)

- ▶ **Beneficiary:** North-West Croatia Regional Energy Agency (REGEA)
- ▶ **Objective:** Public street lighting, EPC
- ▶ **Location:** 57 local authorities in county Zagreb and Krapina-Zagorje
- ▶ **Investment programme:** c. 14.4 MEUR
- ▶ **ELENA grant budget:** 0.6 MEUR

## ELENA support requested:

- ✓ Detailed analysis covering 70 thousand luminaries (new GIS database)
- ✓ 57 local Action Plans
- ✓ Detailed market analysis
- ✓ Public tenders for contracts including EPC, standard, D&B, leasing



Thank you for your attention!

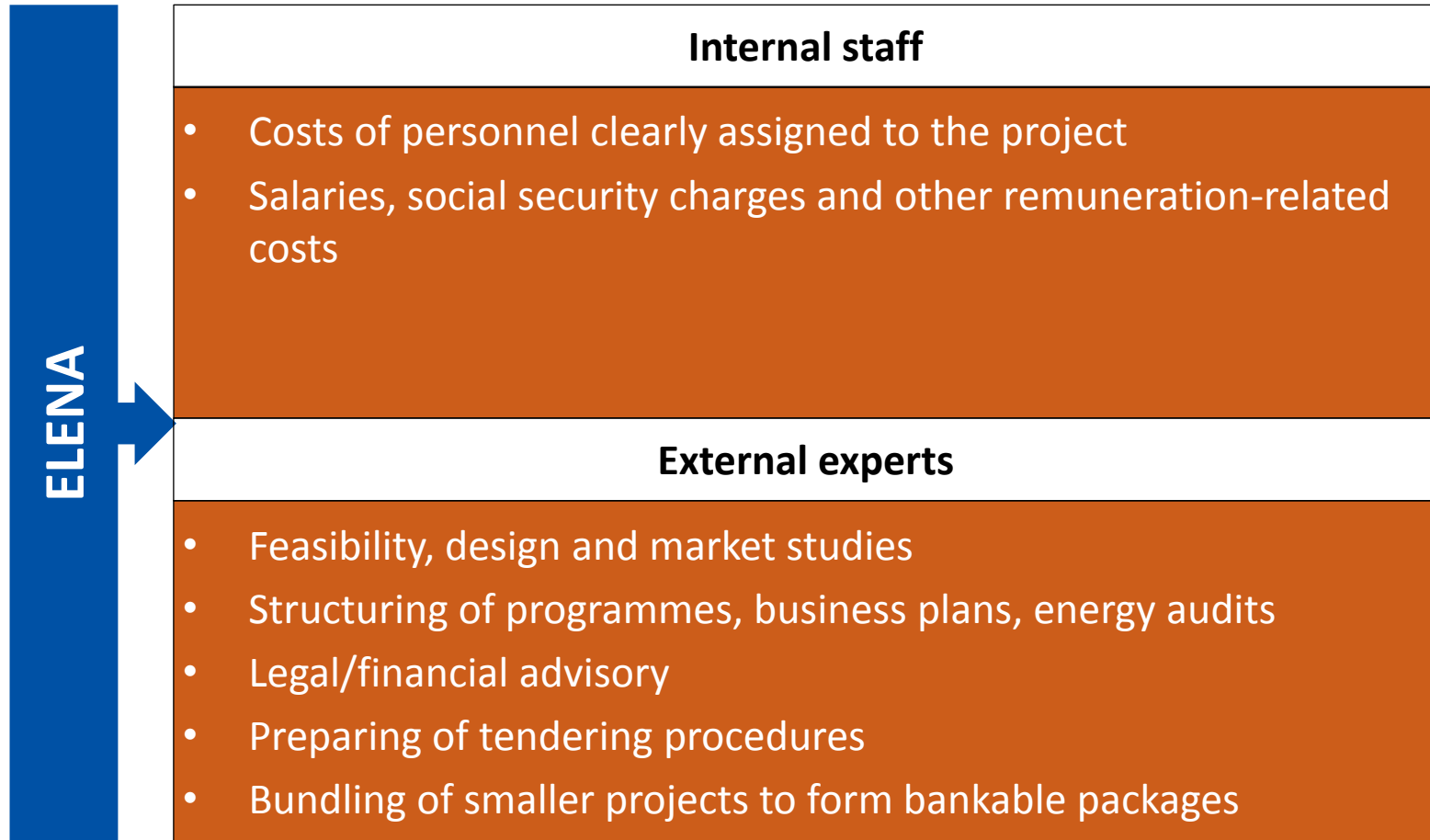
Further information:

[www.eib.org/elena](http://www.eib.org/elena)

Any questions ?



# Eligible costs





# Application process

