



Standard protocols for a new approach to energy efficiency financing

Antonio Ciccarelli

CEO at SEA Servizi Energia Ambiente S.r.l.



Servizi Energia Ambiente S.R.L.

**Financing energy renovation of buildings in Italy, Croatia and Slovenia
Sustainable Energy Investment (SEI) Forums**

Milan, 16 November 2017



Summary

- The Italian ESCo market
- Bridging the gap between project developers and investors: the H2020 SEAF Project
- The Investor Confidence Project (ICP): standardized protocols for energy efficiency



About us

SEA Servizi Energia Ambiente S.r.l.



First Italian Project Developer accredited by the Investor Confidence Project Europe



Vice President since 2015

UNI CEI 11352:2014 - ESCO



SERVIZIO CERTIFICATO



CERTIQUALITY IS MEMBER OF CISQ FEDERATION

Main activities

EPC

Engineering

Energy Audit

Italian TEE

Research projects

G.R.E.T.A. Project

Furfural from biomass

Plastic sector

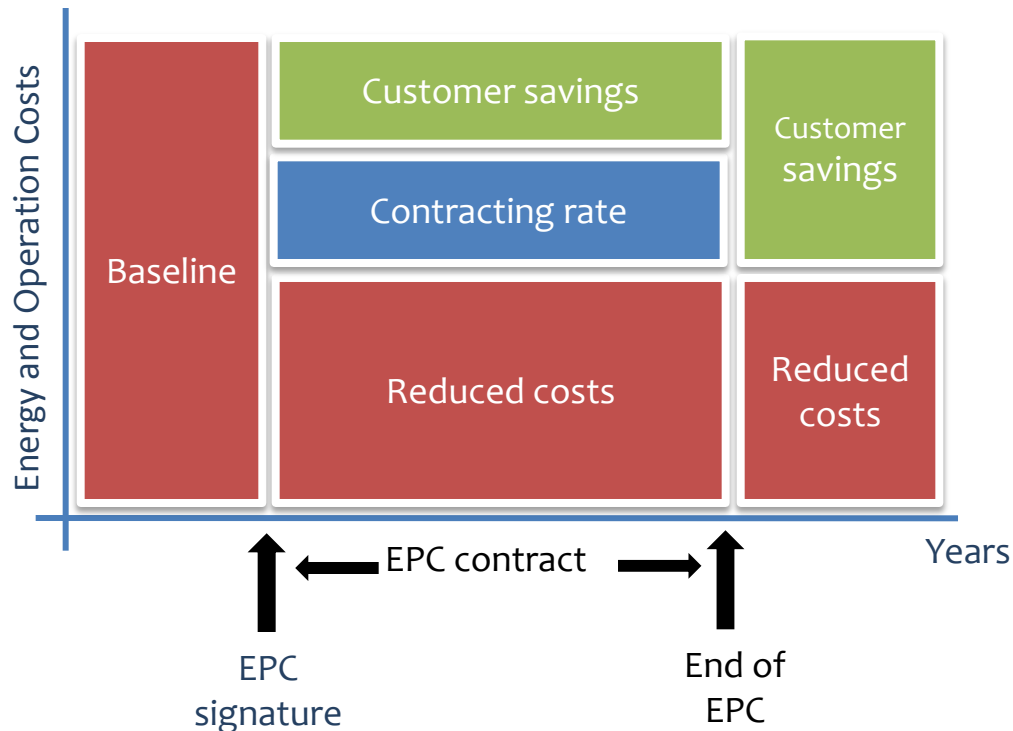
Oil & Gas Sector

ESCo founded in 2005 and certified according to the **Italian Standard UNI CEI 11352**



The Italian ESCo Market

ESCo approach and EPC

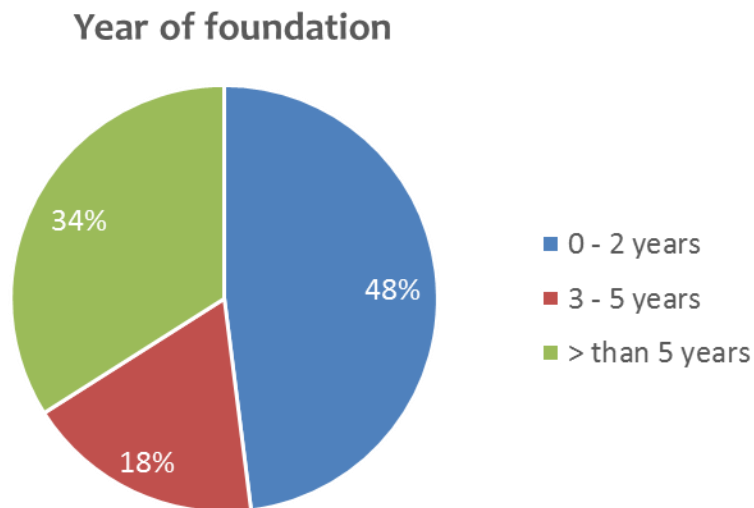


Customer benefits

- Sources out the energy efficiency service (outside core business)
- Guarantees of results
- No direct investments
- No direct labor
- Savings start from 1st year of EPC
- Specialized service
- At the end of the EPC all the refurbished/replaced equipment stay in his property

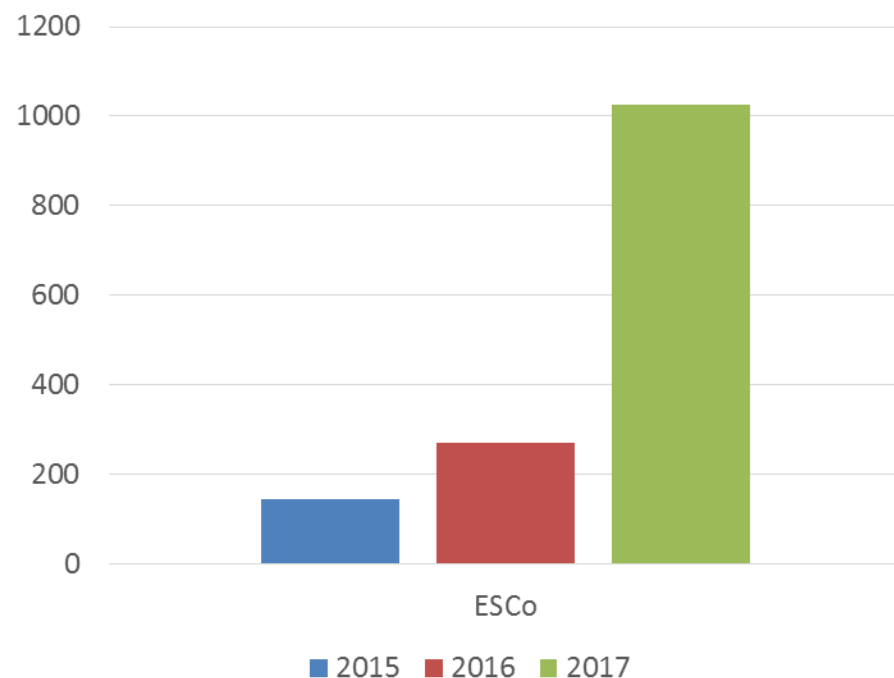
The Italian ESCo market

A rapid growth in the past 2 years



Source: Indagine Accredia - Isnova 2016

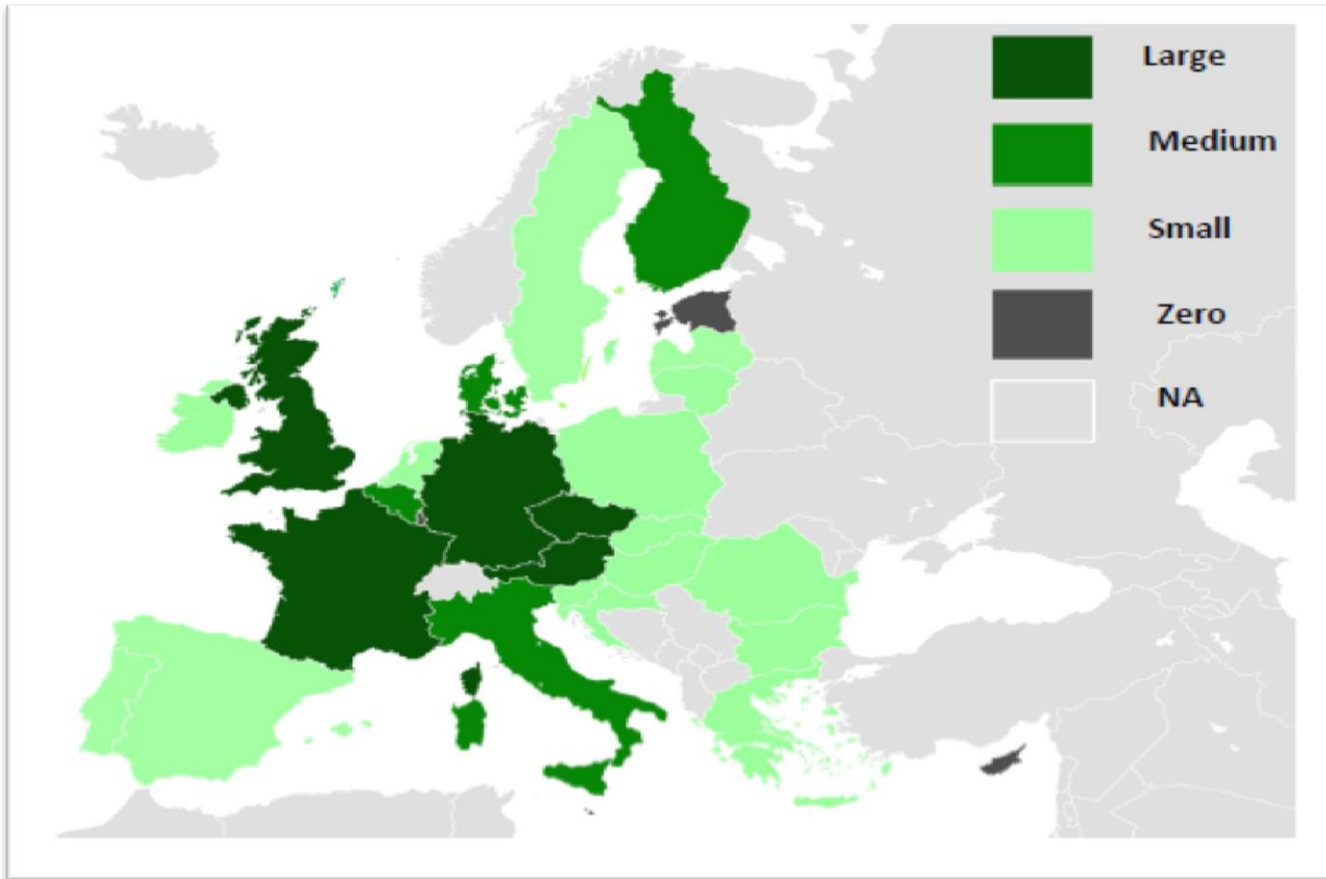
ESCo certified according to UNI CEI 11352



Source: Indagine Accredia - Isnova 2016; Energy Efficiency Report 2017 by Energy&Strategy Group, Poloitecnico di Milano



Italy vs EU



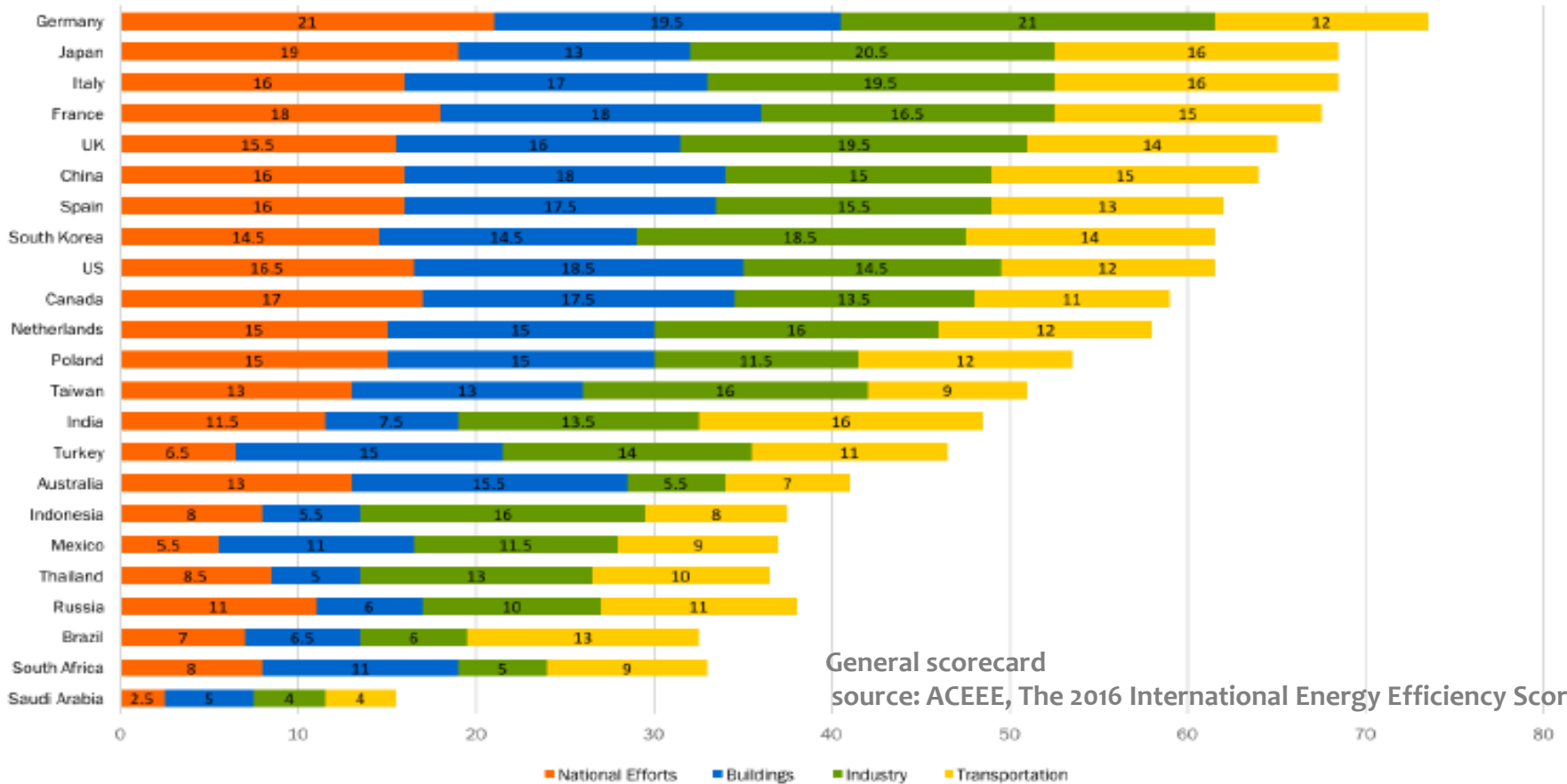
European ESCo market size in EU

Source: JRC, 9th International Conference Improving Energy Efficiency in Commercial Buildings and Smart Communities Report, 2016



Policy vs results in energy efficiency sector

2016 INTERNATIONAL ENERGY EFFICIENCY SCORECARD © ACEEE



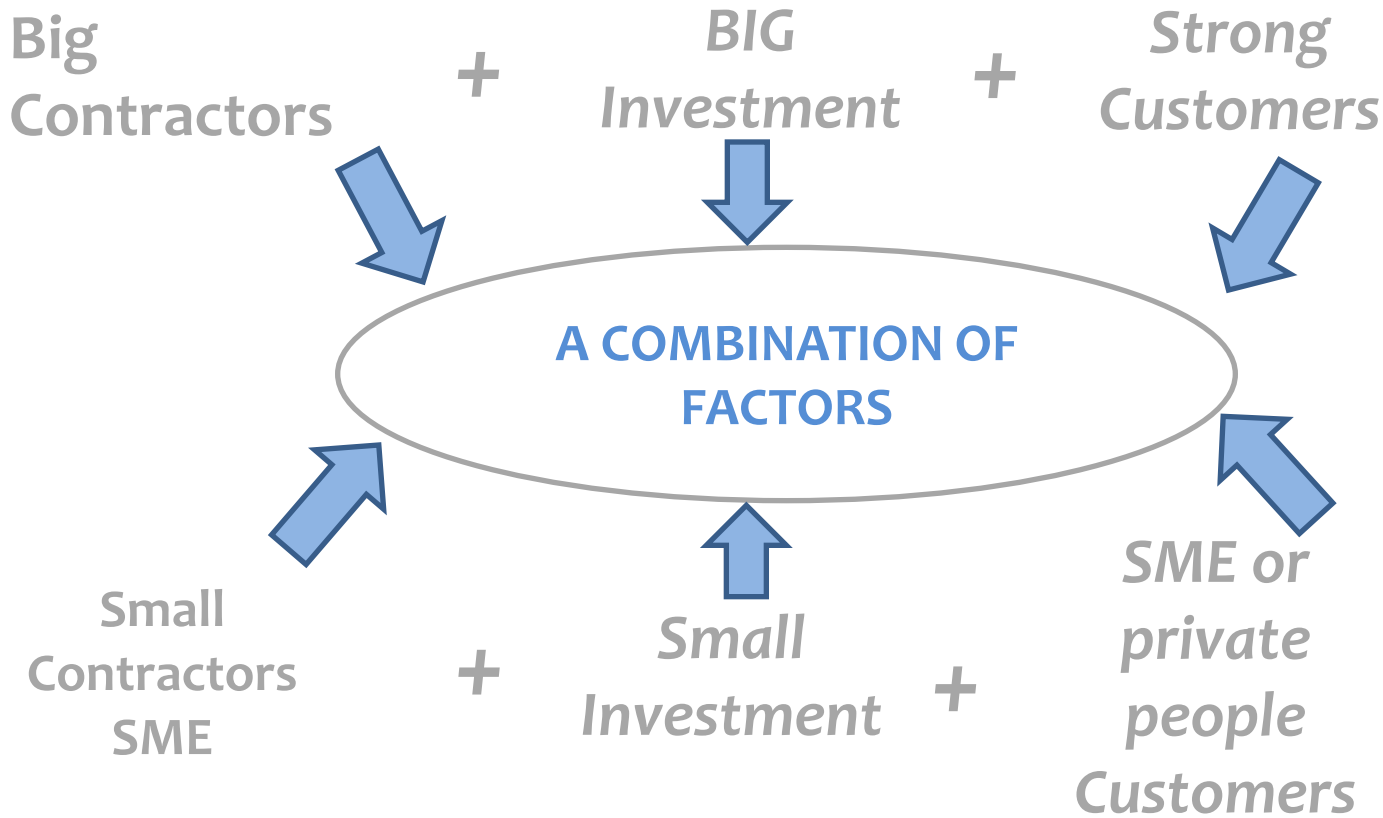
General scorecard
source: ACEEE, The 2016 International Energy Efficiency Scorecard



Bridging the gap between project developers and investors: the H2020 SEAF Project



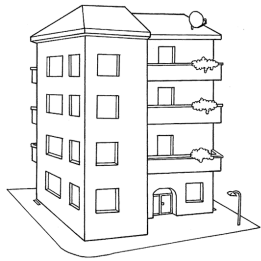
MACRO ISSUES



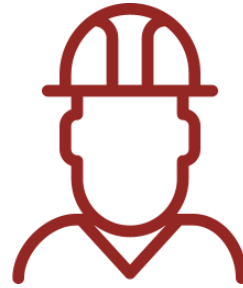
Finance



LANGUAGE ISSUES



Customers



Contractors



Finance
+
Insurance

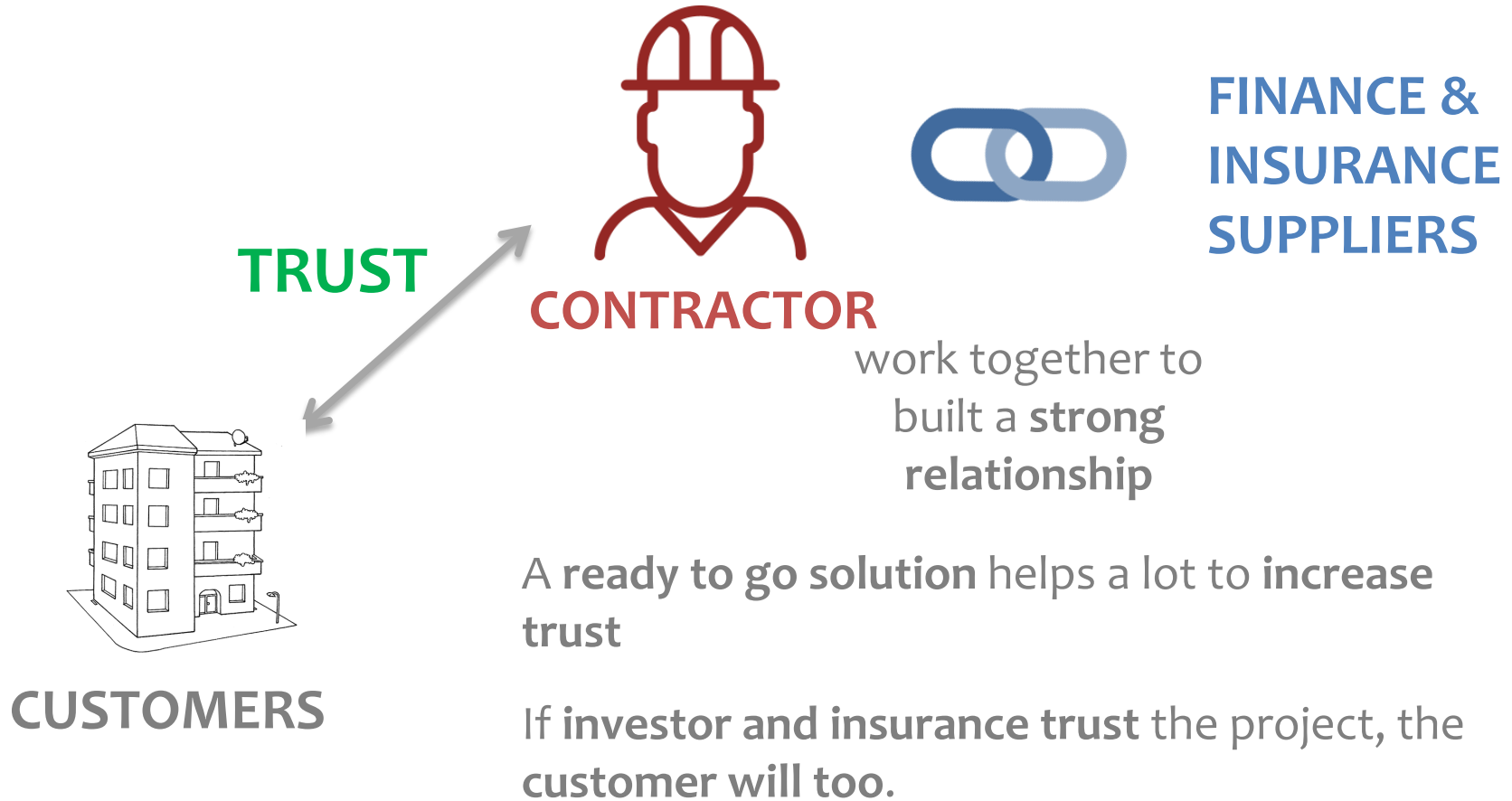
- Fear of changes
- Avoid technicalities
- Complex contracts keep away from main focus



- Necessary to speak about finance issues
- Complex due diligences
- Complex contract



TRUST IS THE MOST IMPORTANT THING

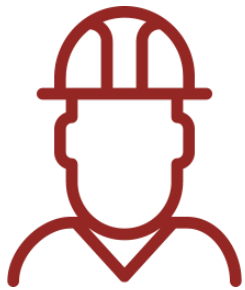




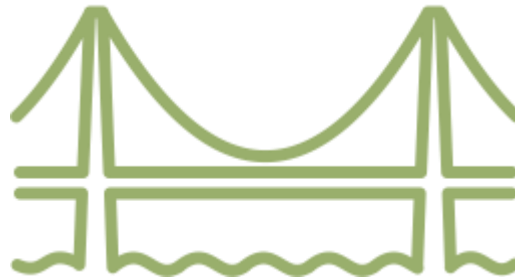
BRIDGING THE GAP



EPC BIG Investment



Contractors
ESCos



EPC Small Investment



Finance



HOW CAN eQUAD RAISE TRUST



ICP Protocol
Project Diligence
Performance insurance
Continuous contact with
investors

Contractors
ESCos

Finance



The Investor Confidence Project Europe: standardized protocols for energy efficiency





Why do we need standardization?





What is generating risk?

- Poor or non-existent baseline data
- Variety of project types and outcomes
- Unexpected changes to demand
- Variable level of expertise
- Project host engagement





Building owners and investor demand transparent, consistent and trustworthy projects



The IREE™ Certification



IREE is the quality mark for a
BUILDING RETROFIT PROJECT

European Commission in the
“Winter Package” cites the ICP
Europe as “**best practice**” to
maximize investor interest in
buildings requiring energy efficiency
upgrades.

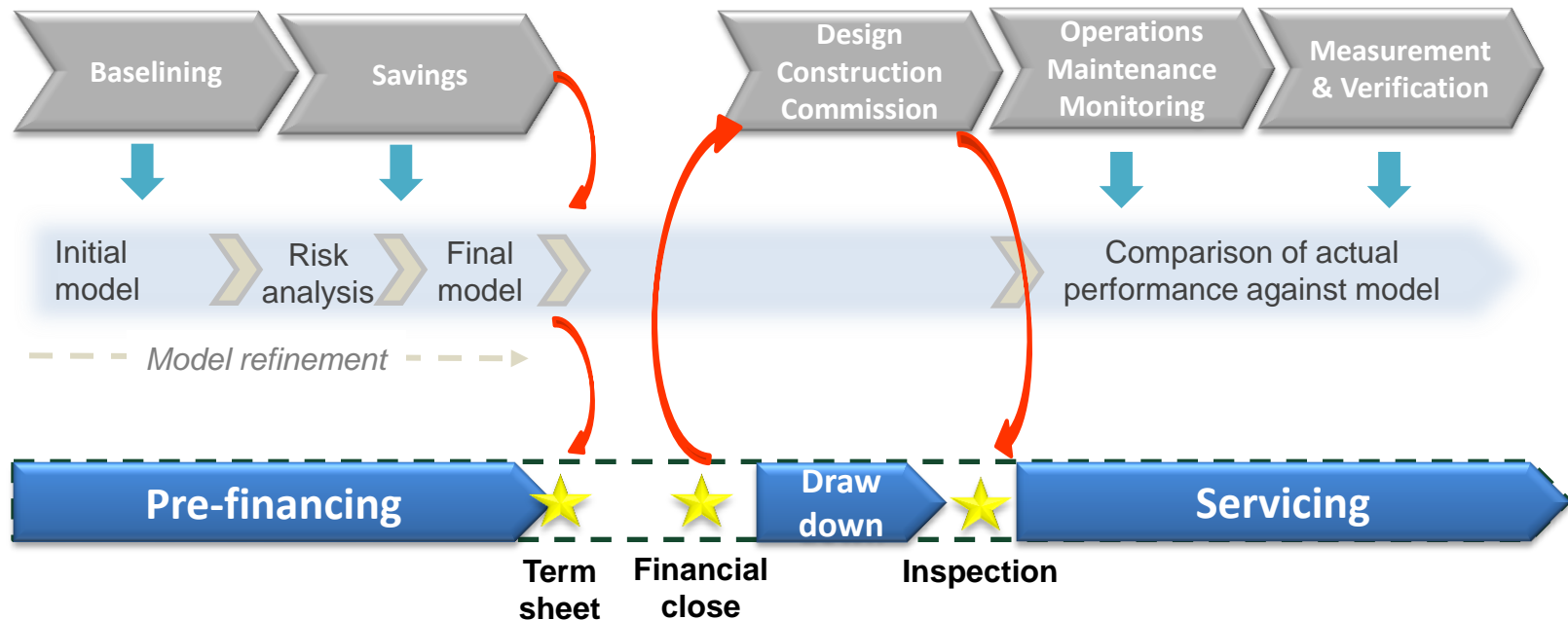


The IREE™ Certification

An international framework for reducing owner and investor risk, lowering due diligence costs, increasing certainty of savings achievement and enabling aggregation.



Based on existing technical standards and investment milestones





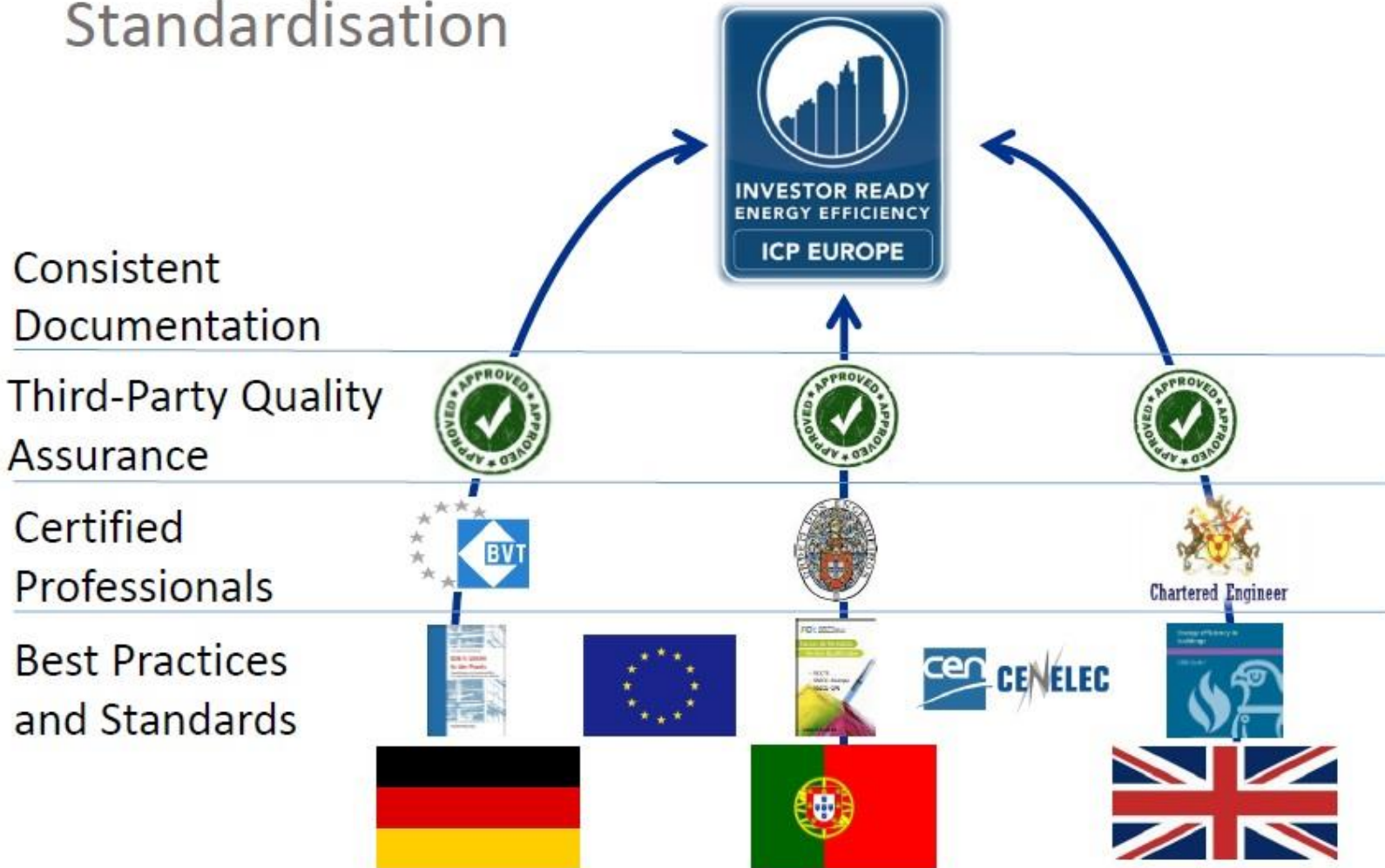
The ICP protocols

Protocols are available in
31 countries





Standardisation





The ICP Investor Network

ADAXIA CAPITAL PARTNERS

bettervest nachhaltig · effizient · rentabel

Munich RE

GREENWORK LENDING

JOULE ASSETS

LANCE SUMA CAPITAL private equity

RENEW FINANCIAL

Triodos Bank

BLUEPATH Save Energy. Save Money. Simply.

ReNewAll

ENERGY EFFICIENCY AND RENEWABLE SOURCES FUND

Royal Bank of Scotland

Munich RE

Spark Fund

GODARITY

Menhaden

INGENIOUS INFRASTRUCTURE

CEF The CARBON & ENERGY FUND

METRUS ENERGY

CLEANFUND Commercial PACE Capital

pib INSURANCE BROKERS

AMBER GREEN Sustainable Capital

eeef EUROPEAN ENERGY EFFICIENCY FUND

noësis

PETROS PACE Finance

SUSI PARTNERS SUSTAINABLE INVESTMENTS

CutPower® Europe's greatest energy

HUB International Insurance Services

ICP Investor Network represents over €4 billion in energy efficiency project capital. They are looking for quality projects built to IREE standards and some provide incentives for IREE projects.





Benefits of IREE™ Certification

- Owners approve more projects as **confident in outcomes**
- Developers get recognition for **best practice approach and proven performance**
- **Reduced due diligence costs** and risks for investors and increased dealflow
- Market can scale through **aggregation**



IREE™ Certification in Europe – case study

Consortium of 3 NHS Trusts, Liverpool



The Investor Confidence Project's Investor Ready Energy Efficiency™ certification has been awarded to a project consisting of a consortium of three NHS Trusts in Liverpool; Aintree University Hospital NHS Foundation Trust, Liverpool Women's NHS Foundation Trust, and The Walton Centre NHS Foundation Trust.

This is a £13m project to improve the energy and carbon performance of the three hospitals, through the installation of a number of energy efficiency and low carbon measures. These include new gas-fired CHP energy centres, and a range of energy efficiency measures such as new variable speed drives for motors, plant optimisation, and an extensive lighting retrofit programme.

The Project Developer is the NHS initiative, the Carbon and Energy Fund, who facilitate and manage the project. Carbon and Energy Fund (CEF) is an investor and project developer of energy infrastructure upgrades on behalf of the NHS and the wider public sector. The project investor is Macquarie Bank, and an Energy Performance Contract has been awarded to Engie (formerly known as Cofely), a leading contractor, specialising in decentralised energy.



Project	NHS Trusts - Liverpool, England
Project Developer	Carbon and Energy Fund
Quality Assurance Provider	Verco
Investment	£ 13,000,000
Contract duration	15 years
Predicted annual savings	£ 1,850,000
Average annual energy savings	50%
Average annual carbon savings	33%

Contacts



Servizi Energia Ambiente S.R.L.

Antonio Cicarelli

antonio.cicarelli@sea.aq.it

SEA Servizi Energia Ambiente S.r.l.

Tel +39 0862 635316

www.sea.aq.it

Quitterie de Rivoyre

quitterie.derivoyre@eepformance.org

The Investor Confidence Project

+44 77 8022 1491

europe.eepformance.org

