



European  
Commission



# European policy in support of energy efficiency investments

*Claudia Canevari, DG ENERGY*

Financing energy efficiency in Bulgaria and other countries from Central and South-Eastern Europe  
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Energy Efficiency is the most cost-effective way of achieving Energy Union objectives...



**Security of supply**



**Global leadership in renewables**



**Decarbonization (Paris Agreement)**



**SUSTAINABLE  
GROWTH**

**Promoting growth, jobs and investments**

## POLICY CONCLUSIONS FOR 2030

*Building renovation has to do more*

- Review of EPBD
- Review of Art. 7 EED

*Financing has a more important role to play*

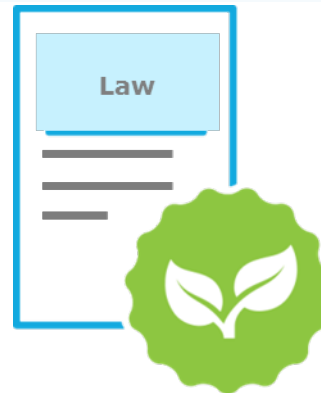
- Smart Finance for Smart Buildings

*Digital/ICT has a big potential to contribute*

- Development of a 'Smartness indicator for buildings'
- Review of Art. 9-11 EED

## WHAT PIECES OF LEGISLATION?

- ❖ **Amending Directive 2012/27/EU on Energy Efficiency**  
provisional agreement on 19 June 2018
- ❖ **Amending Directive 2010/31/EU on Energy Performance of Buildings**  
Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018
- ❖ **Ecodesign Working Plan 2016-2019**



# Provisional agreement reached on energy efficiency

## MAIN ACHIEVEMENTS

- ✓ A **new energy efficiency target** for the EU for 2030 of **32.5%**, with an upwards revision clause by 2023
- ✓ **Extended annual energy saving obligation beyond 2020**
- ✓ **Real energy savings in the next period 2021-2030 and beyond**, coming from new energy efficiency renovations or other measures undertaken in the next decade
- ✓ Strengthened rules on **individual metering and billing of thermal energy** (better information for consumers)
- ✓ Transparent, publicly available national **rules on the allocation of the cost of heating, cooling and hot water consumption** in multi-apartment and multi-purpose buildings
- ✓ Tackles existing market, behavioural and regulatory barriers in order to increase security of supply, competitiveness of EU industries, reduce energy bills of consumers and health costs for society, thereby also **addressing energy poverty** and **exploiting the positive impacts on economic growth and employment**

### Next steps

- Formal approval by the European Parliament and the Council
- Publication in the Official Journal of the Union
- Entry into force 20 days after publication

*Member States will then have 18 months to transpose the new elements of the Directive into national law*

# Main outcomes of the revised EPBD

## A STRENGTHENED DIRECTIVE

- ✓ Stronger **long term renovation strategies** for Member States, aiming at decarbonisation by 2050 and with a solid financial component
- ✓ Targeted support to **e-mobility** infrastructure deployment
- ✓ Higher thresholds for **inspections** of heating and air conditioning systems and reinforced provisions on **building automation**
- ✓ A **Smart Readiness Indicator** for buildings
- ✓ Strengthened **data requirements**
- ✓ Enhanced **transparency** of national building energy performance calculation methodologies

**Supportive** of building renovation, by linking policy and financing to results.

**Smart**, by ensuring the use of ICT and modern technologies,

## THE "SMART FINANCE FOR SMART BUILDINGS" INITIATIVE

### MAJOR GOALS

#### More effective use of public funds

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



#### Assistance and aggregation

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



#### De-risking

- Understanding the risks and benefits for financiers and investors
- The De-risking Energy Efficiency Platform
- Commonly accepted underwriting framework



# Pillar I: More effective use of public funds deploying financial instruments

- *Making more use of financial instruments, to achieve high leverage ratios.*
- *Flexible financing platforms at national level, mixing different strands of public financing (i.e. **ESIF**, **EFSI**).*
- *On-line **EU mapping tool** to understand how public funds can be used to support energy efficiency in Europe.*
- *An initiative to make **the use of Energy Performance Contracting** more accessible to the public sector (updated Eurostat guidance on the accounting treatment of Energy Performance Contracts in 2017; new practitioners guide published on 8 May 2018).*
- ***Sustainable Energy Investment Forums**  
Riga, Prague, Copenhagen, Madrid, Dublin, Milan, Warsaw, Paris, Bucharest, Athens, Sofia*





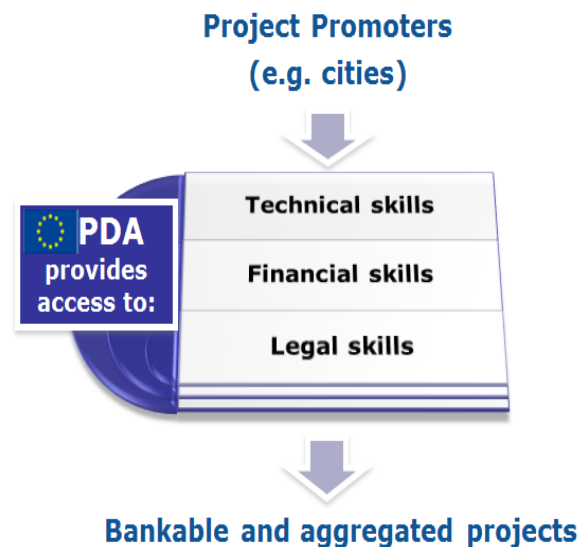
## Pillar II: Providing aggregation and assistance for project development

*Reinforce Project Development Assistance (PDA) facilities at the EU level to help project promoters bring their ideas to maturity.*

- **ELENA**, via EIB (PDA facility funded through the European Commission's Horizon 2020 programme)
- **PDA calls** launched by EASME for smaller projects

*Development of **dedicated local or regional one-stop-shops** for project developers.*

### ➤ EU Project Development Assistance (PDA)



# Pillar III: De-risking energy efficiency investments

*Change the risks perception related to energy efficiency investments - in collaboration with the **Energy Efficiency Financial Institutions Group (EEFIG)**:*

- **The De-risking Energy Efficiency Platform (DEEP)**, an open source database containing real performance data of energy efficiency projects (over 10.000 energy efficiency projects already).
- **An Underwriting toolkit on the value and risk appraisal of energy efficiency investments** (released on 22 June 2017).



## Policy context: wider efforts to scale up sustainable finance

*Nearly three-quarters of the EU's 2030 clean energy investment gap (around €130 billion per year) is needed for energy efficiency in buildings.*

*Recommendations of the High Level Expert Group on Sustainable Finance to the Commission, on energy efficiency :*

- *To examine further how energy efficiency investments improve underlying asset value.*
- *To consider the wider impact of energy savings for financial risk management*

In March 2018 the Commission adopted an Action Plan for Financing Sustainable Growth.

Further steps:

- In May 2018: Proposal for a regulation with principles and scope for an EU taxonomy (classification of sustainable activities)
- Q3 2019: Expected adoption of the regulation; Platform on sustainable finance to be operational

 EU HIGH-LEVEL EXPERT GROUP ON  
SUSTAINABLE FINANCE

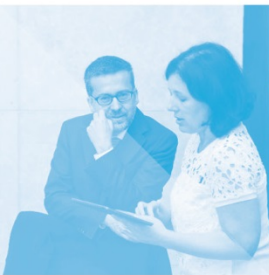


Final Report 2018  
by the High-Level Expert Group on Sustainable Finance  
Secretariat provided by the European Commission



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# Thank you!

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