

Energy Efficiency Standards for sustainable financing

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**Financing Energy Renovation of Buildings
in Italy, Croatia and Slovenia**
Rome May 24 2018

The dimensions of energy efficiency improvement in buildings

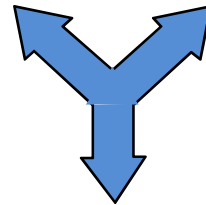
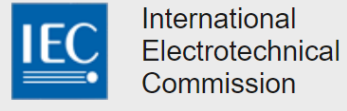
- Energy efficiency **standards**
- **Financeability** of energy efficiency improvement actions
- **Alignment and integration** of Energy Efficiency Process and financial processes
- Take Aways



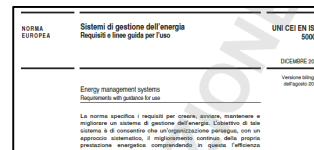
The standardization framework for Energy



Efficiency

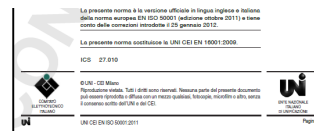


Standardization in Eu



1 European standard replaces 34 national standards

Gives market access to 600 mio consumers



200.000
Experts

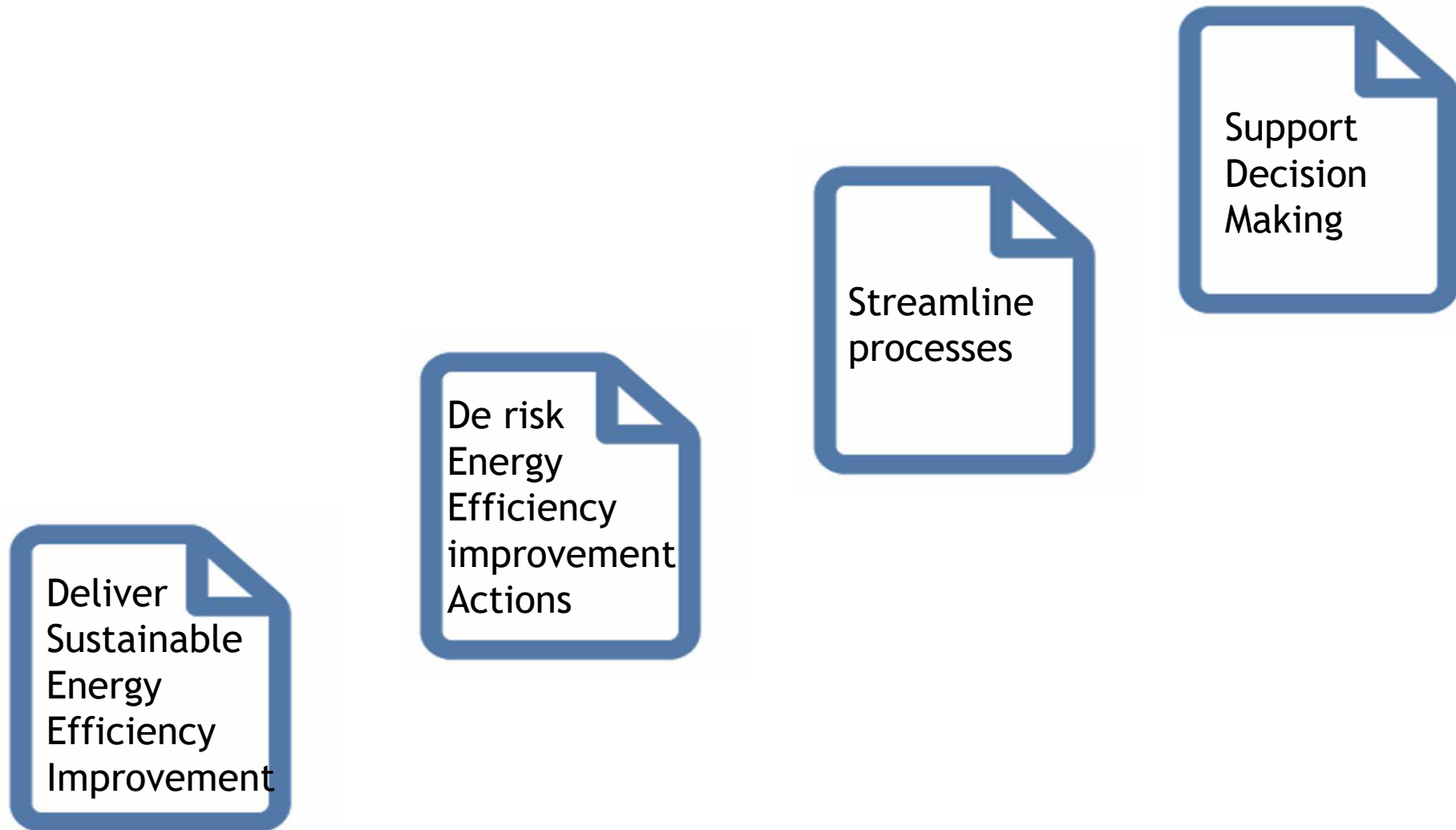


486
Technical Committees



1.809
Working Groups

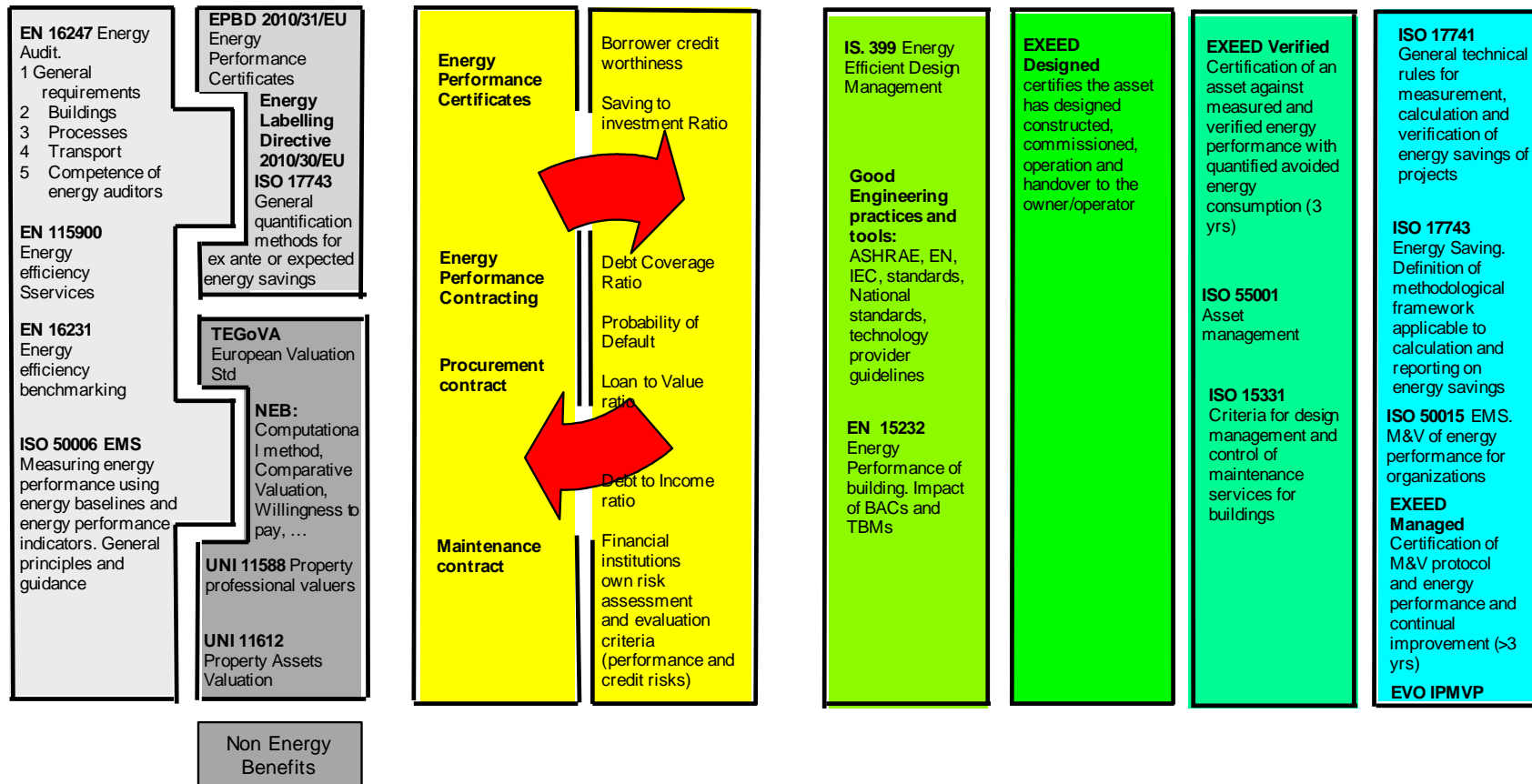
Energy efficiency & management standards



The tools to effective decision making on sustainable energy efficiency projects

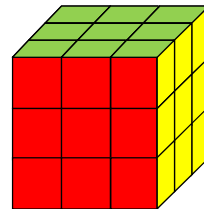
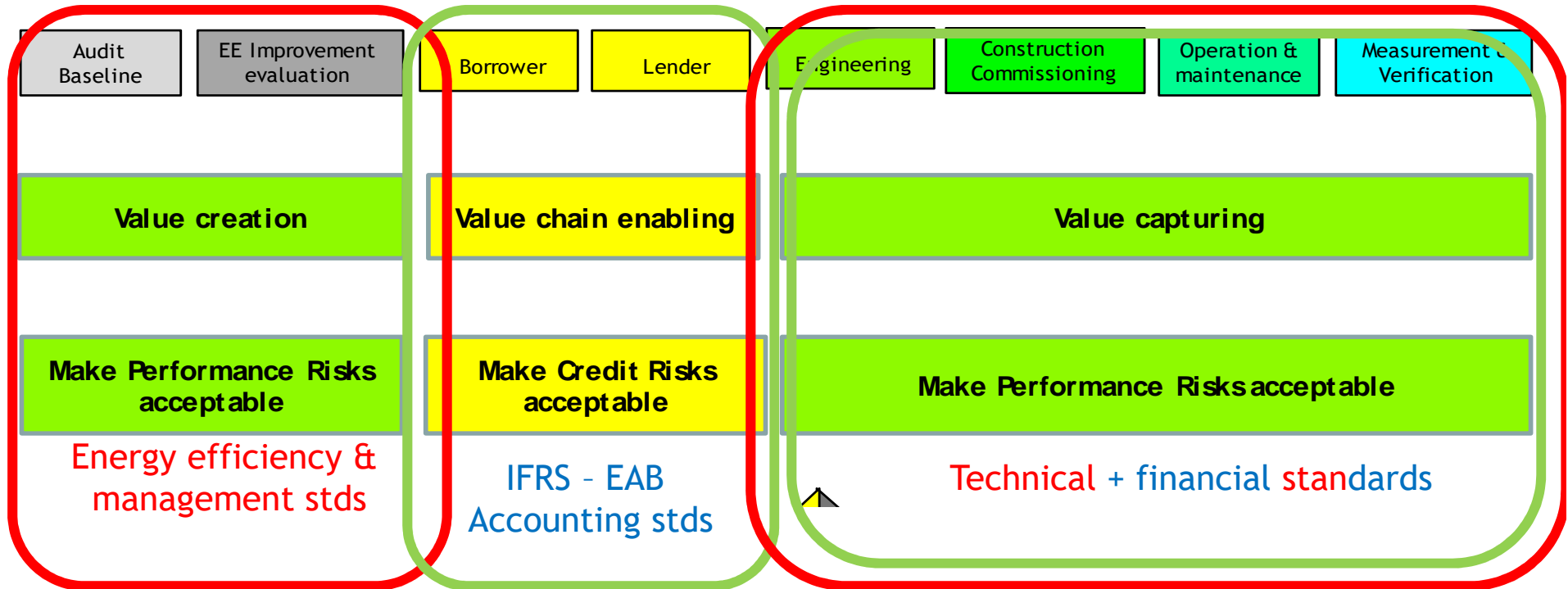


Value creation Value chain enabling Value capturing



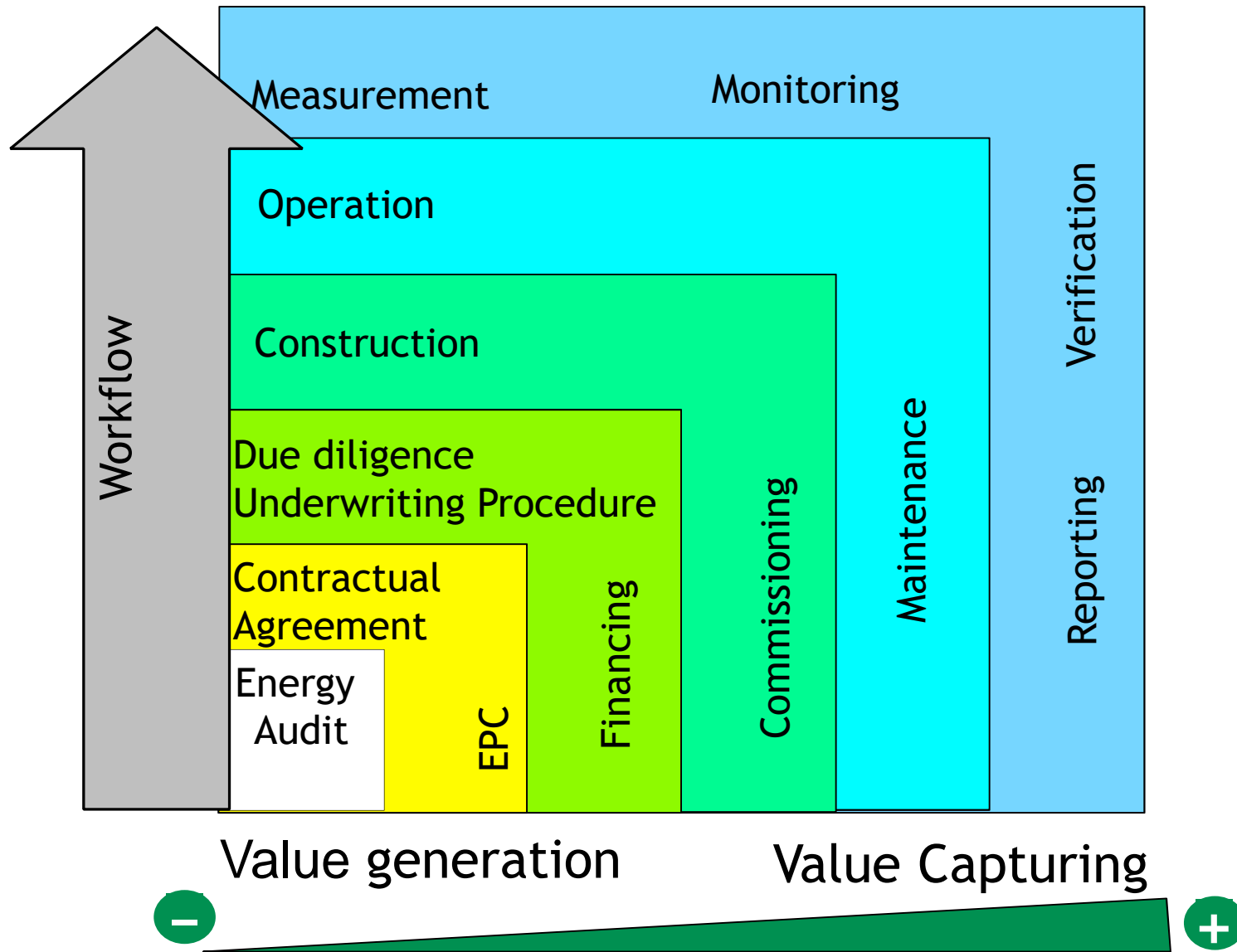
- UNI CEI 11339 Energy Management Expert
- EN 15900 Energy Efficiency Services. Definition and requirements
- UNI CEI 11352 Energy Service Company. Minimum requirements

De-Risking framework using standardized and integrated processes

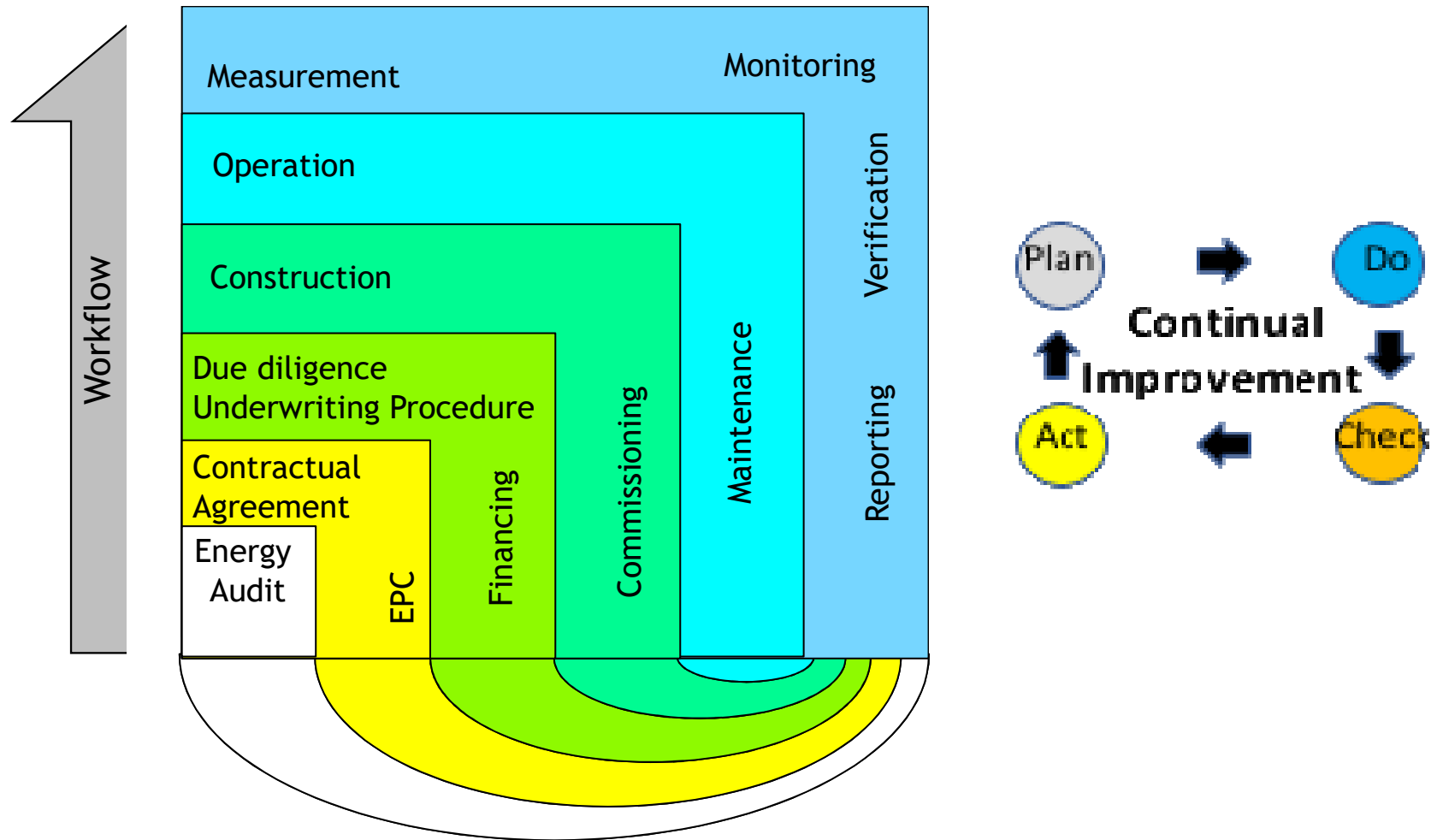


Remove uncertainty to support decision making

Integrated framework for sustainable EE Projects

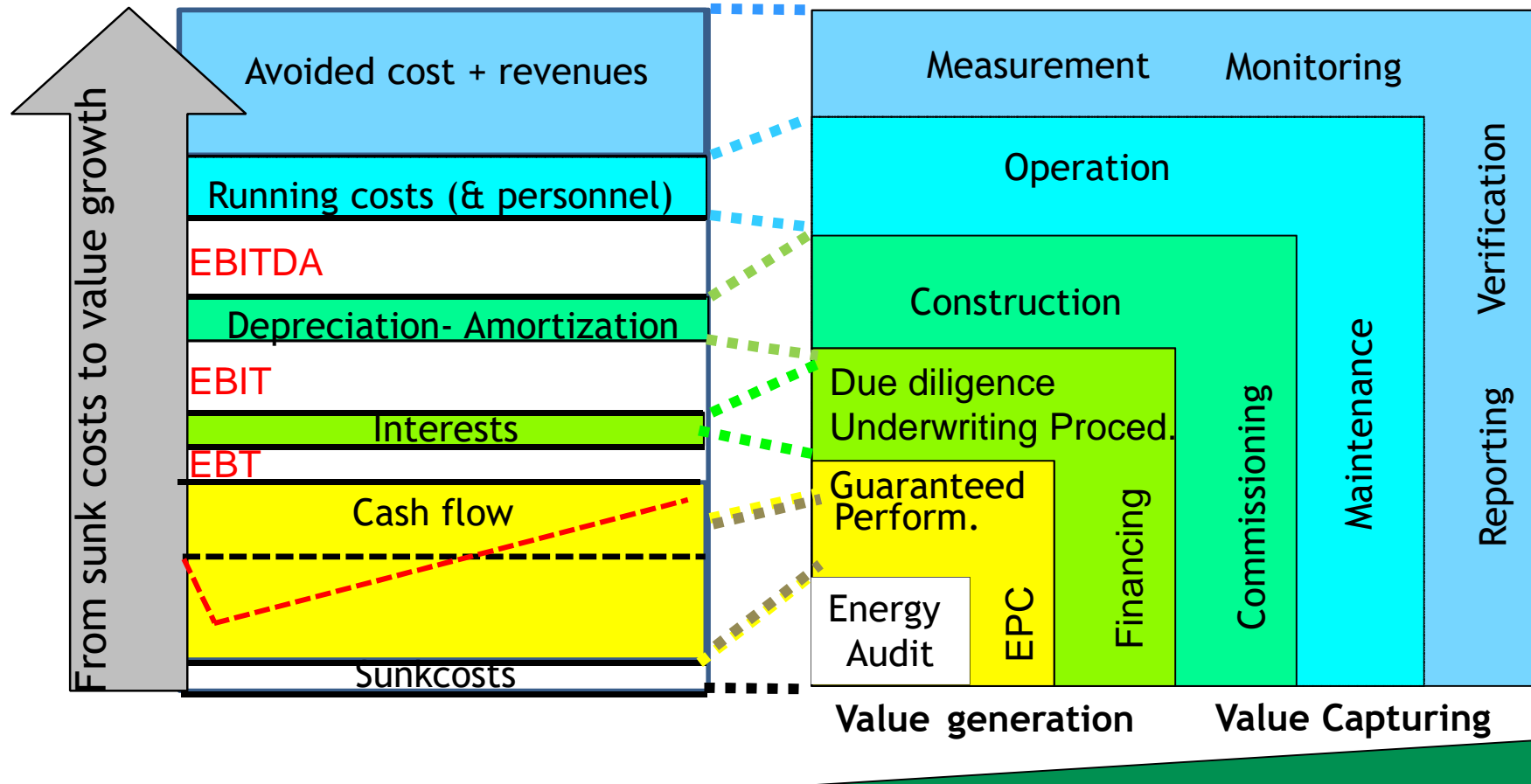


Continuous improvement of sustainable EE improvement actions

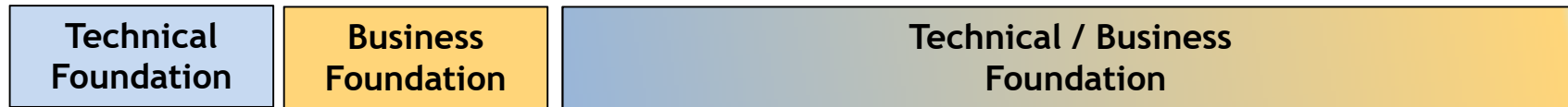


From EE projects to sustainable financing

Simple Transparent Standardized



The value chain is multiplicative: is as good as the weakest component

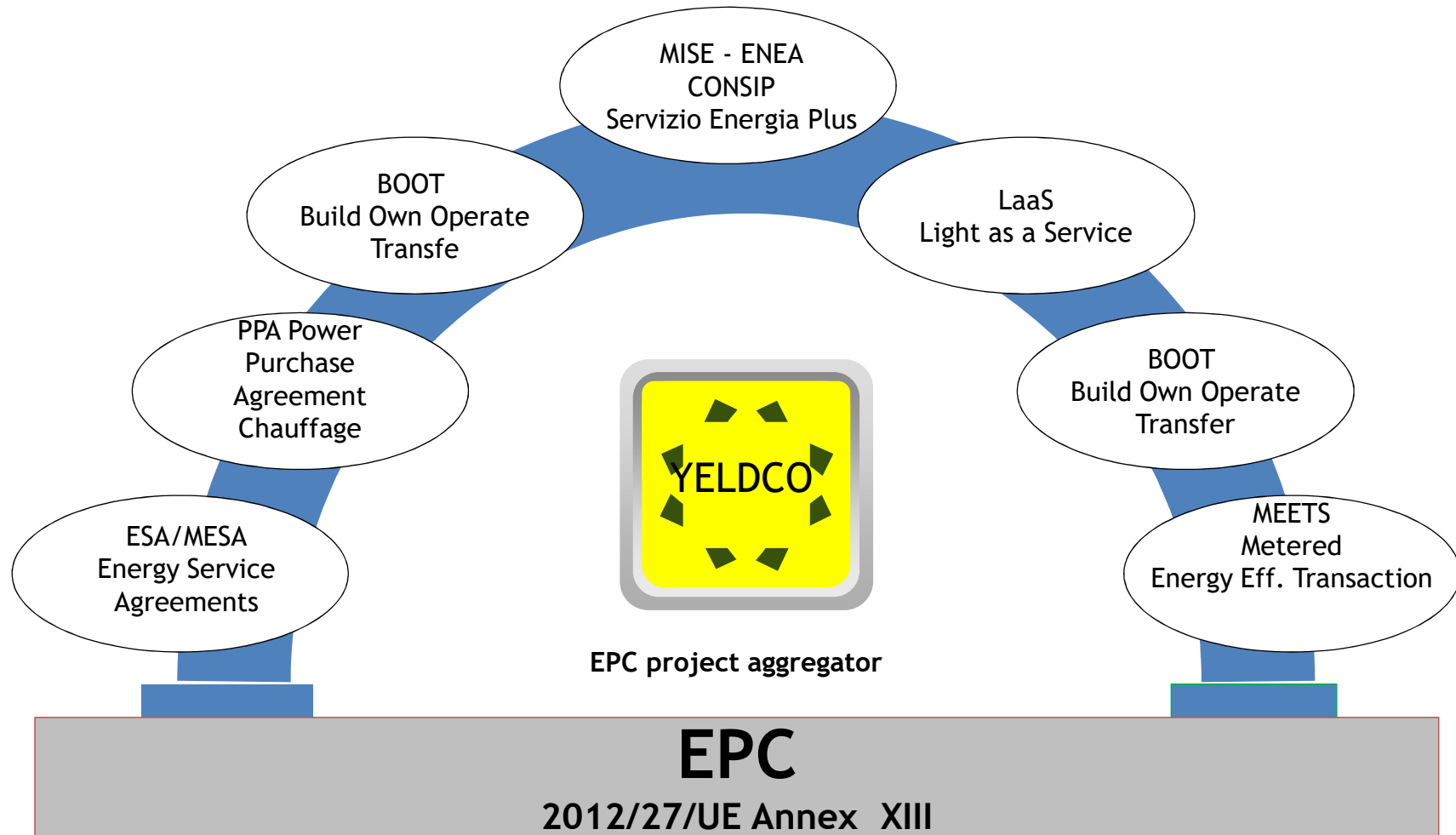


- | | | | | |
|---|---|---|---|--|
| <ul style="list-style-type: none"> • Baseline Measurement • Modelling • Energy efficiency improvement estimation • M&V plan • Risk analysis • EPC | <ul style="list-style-type: none"> • Due diligence • Underwriting Procedures • Business risks • Credit worthiness | <ul style="list-style-type: none"> • Design for energy efficiency • Project management • Commissioning | <ul style="list-style-type: none"> • Operate for energy efficiency • Maintain for energy efficiency | <ul style="list-style-type: none"> • Measurement • Monitoring • Reporting |
|---|---|---|---|--|

$$(R_{\text{Audit}} \times R_{\text{Financing}} \times R_{\text{Construction}} \times R_{\text{O\&M}} \times R_{\text{M\&V}}) \times \text{Value Creation} = \text{Value Captured}$$

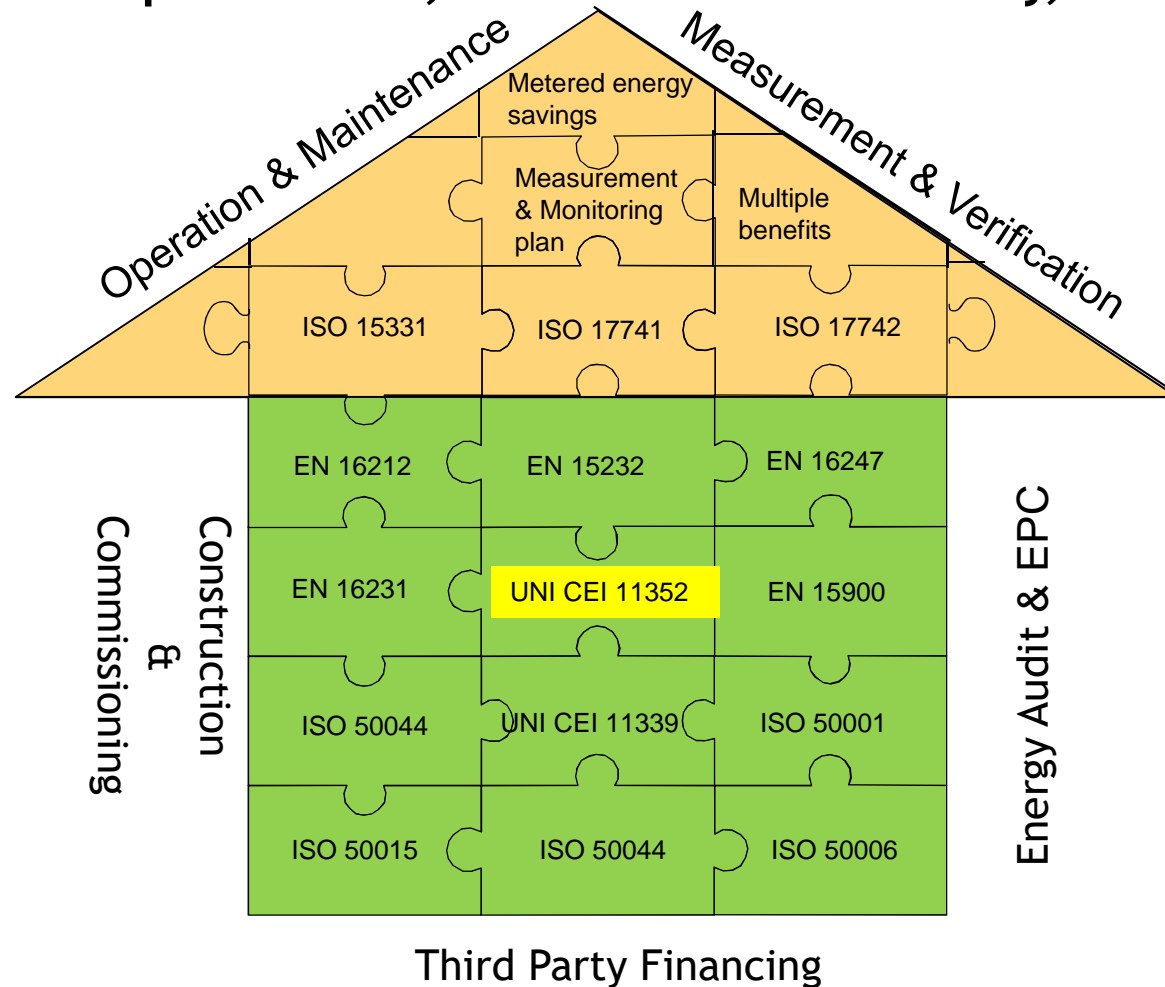
R= risk %

Energy Service Business Models



Alignment, Engagement, Commitment

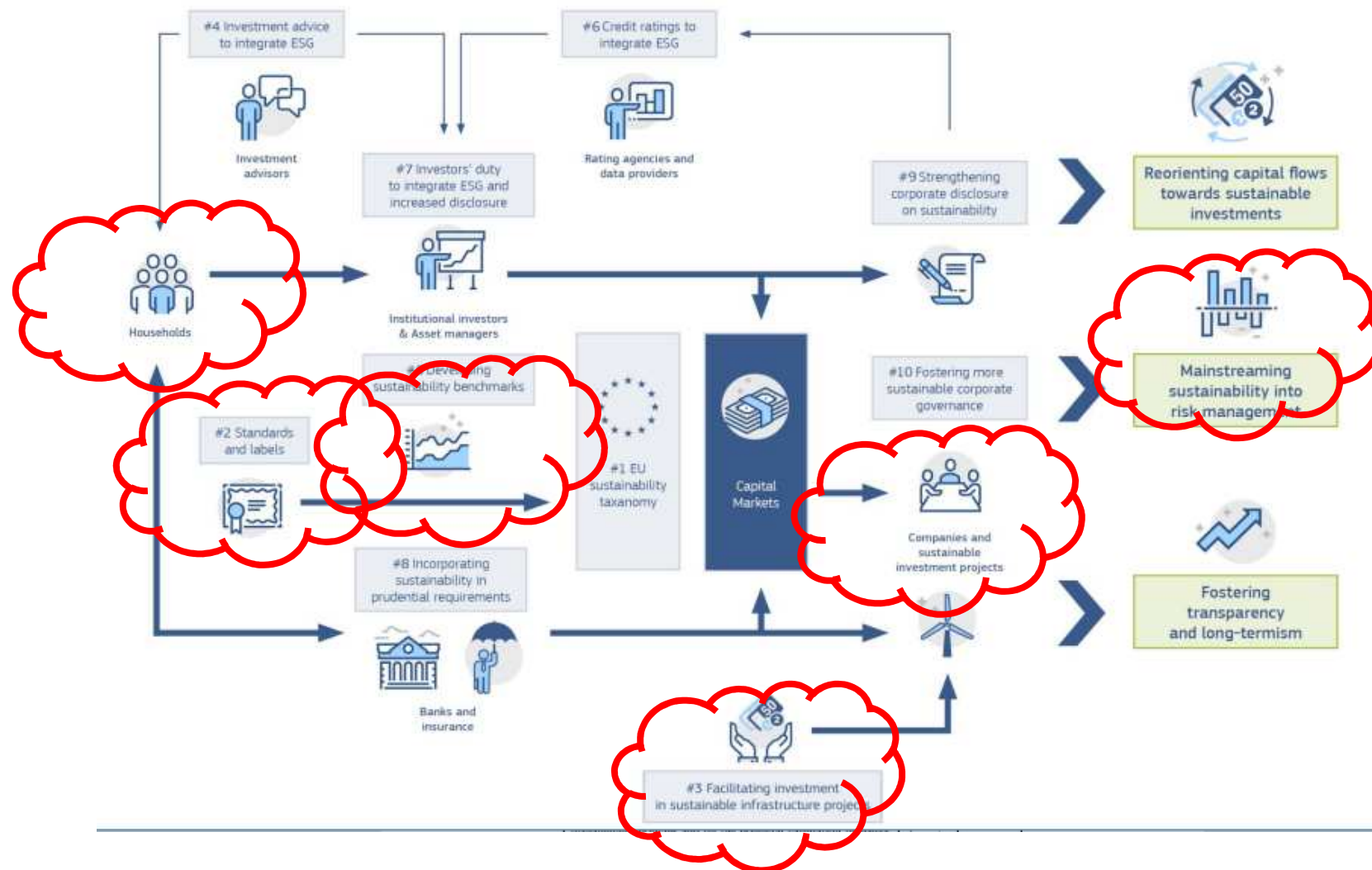
Align policies, Energy service models, de risking tools, accounting procedures, to unlock financeability,



Streamlined process for energy efficiency project and underwriting procedures

EC Financing Sustainable Growth - Actions

Annex IV - Visualisation of the actions



EBA Consults on its guidelines interpreting STS criteria for risk assessment ⁽¹⁾



- April 28, 2018 European Banking Authority opens the consultation process on STS criteria
- STS criteria: **Simple, Transparent, Standardized**
- The Guidelines will be applied on a cross-sectoral basis throughout the Union with the aim of facilitating the adoption of the STS criteria, which is one of prerequisites for the application of a more risk-sensitive regulatory treatment under the new EU securitisation framework.

(1) www.eba.europa.eu/regulation-and-policy/securitisation-and-covered-bonds/guidelines-on-the-sts-criteria-for-abcp-and-non-abcp-securitisation

The need to foster effective integration of technical and financial processes (1)



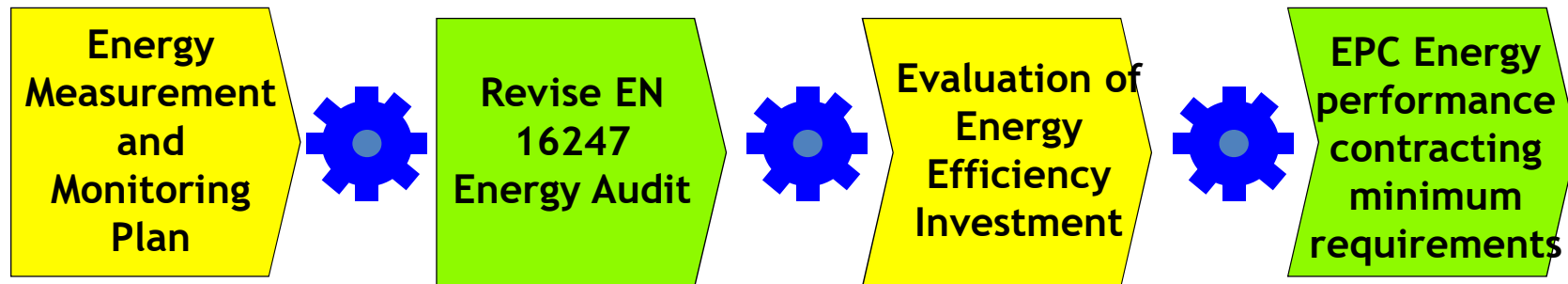
«The specification, monitoring and reporting of the Partner's maintenance obligations is typically in addition to (but can be combined with) the specification, monitoring and reporting of the performance of the EPC assets in delivering the energy consumption and/or cost savings required under the EPC.

Eurostat's view is that:

- *omissis*,

An EPC that **does not** meet either of these conditions **does influence** the statistical treatment and is automatically **ON BALANCE SHEET** for government.»

Planned standardization activities



Emerging needs

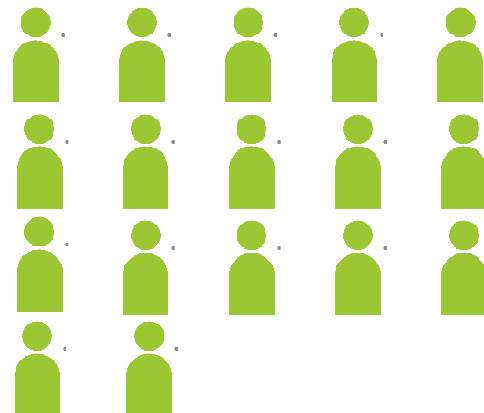
- Integration of energy efficiency solutions with clean energy sources
- Energy Efficiency processes digitalization
- Green finance
- Energy Storage
- Energy management through ESCO programs (capacity building)

1 million €

120-160 MWh/a

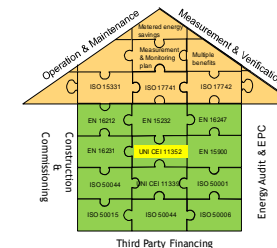
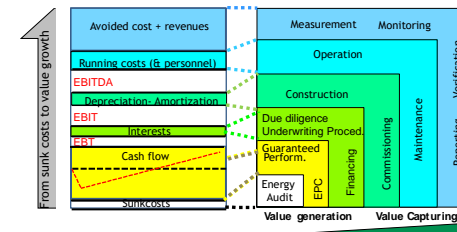
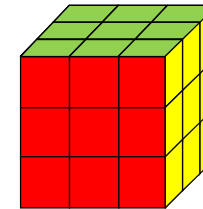
40-70 t/a CO₂ _{av}

new jobs



Take Aways

- Technical Standards are business tools to de-risk energy efficiency actions
- Integrated technical and financial processes requirements: Simple, Transparent, Standardized
- Market actors engagement to ensure adherence to a formalized and shared processes to ensure financeability



Thank you

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