



# **National Roundtable on Financing Energy Efficiency in Greece Athens, 25 October 2018**

**Organised by the European Commission in partnership with the Ministry of Environment and Energy of Greece and the UN Environment Finance Initiative.**

**Venue:** Crowne Plaza

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## Objectives

As part of the "Smart Finance for Smart Buildings" initiative, the European Commission is organising a series of "Sustainable Energy Investment Forums" to enhance the capacity of and co-operation between public and private stakeholders to develop large-scale investment programmes and financing schemes. Information on past and upcoming SEI Forums events can be found on the SEI Forums [webpage](#).

An initial regional conference on Financing Energy Efficiency in Greece and Cyprus, took place in Athens on 31 May 2018. This event gathered 183 participants working on energy efficiency finance from the financial sector, national Governments, project developers, the renovation supply chain and local and regional agencies. The presentations from that event can be found here, and make useful background reading in preparation for the National Roundtable.

The objective of the National Roundtable is to initiate a dialogue between key Greek stakeholders on how to improve access to finance for energy efficiency investments, and to identify common objectives and potential improvements to be made in the current policy framework and business practices. The Roundtable will devote a significant amount of time to dialogue and interaction between participants in the form of small working groups.

A second Roundtable will be organised in March 2019 in order to follow up on the key recommendations given by this first session.

Participants are asked to read the background paper below for a better understanding of the topics that will be discussed.

Presentations will be Greek and English. The event will be held in Greek with interpretation.

*This event is organised by the Executive Agency for Small and Medium-sized Enterprises (EASME) in the frame of the Sustainable Energy Investment Forums contract, funded under the EU Horizon 2020 programme.*

# AGENDA

**9:00 Welcome and Introduction**

**Moderator: Stavros Stamatoukos**, Project Advisor, EASME, European Commission

**Michalis Verriopoulos**, Secretary General of energy, Ministry of Environment and Energy

**Dimitris Athanasiou**, DG ENERGY, European Commission

**Nikos Mamaloukas**, Vice-Director, Environmental Sector, Ministry of Economy and Development

**Giorgos Stasinou**, President of the Technical Chamber of Greece

**Charoula Apalagaki**, Secretary General, Hellenic Banking Association

**10:00 Presentation of the Topics and Working Method for the day**

**Stavros Stamatoukos**, EASME, European Commission

**10:15 Coffee Break**

**10:45 Thematic Groups – Parallel morning sessions**

- 1. Energy renovation of residential buildings**
- 2. Energy renovation of public buildings**
- 3. De-risking energy efficiency investments**

**13:00 Lunch**

**14:00 Thematic Groups – Parallel afternoon sessions (same topics, continued)**

**15:30 Coffee Break**

**16:00 Closing plenary**

Debriefing from the Topic Rapporteurs of the parallel sessions

Discussion and next steps

**17:00 Networking cocktail**

## **Background paper**

During the National Roundtable, participants will be split into 3 working groups on the topics described below. These sessions will draw on the conclusions from the Public Conference and work to identify concrete solutions on each topic. This paper aims to summarise the key questions that are relevant for each working group, for participants to come prepared and to have an effective working session.

Topic group sessions will include introductory presentation(s) to set the context on the current situation in Greece and may include invited speakers from other European Member States. Discussions will take place in Greek and English. We will ask a rapporteur in each topic group to report on key issues arising from the discussion and to provide the 5 (or more) recommendations of the topic group, which can be addressed to public or private stakeholders.

## 1. Energy renovation of residential buildings

**Speakers:** Marco Devetta, Manager, Sogesca  
*PadovaFIT - Financing Investment Tool for the retrofitting of housing and service facility buildings in the PADOVA area, Italy*

Nicholas Stancioff, Chairman, LABEEF  
*Latvian Baltic Energy Efficiency Facility (LABEEF)*

**Moderator:** Christos Tourkolias, Energy Expert, CRES

The public conference stressed the need to bring all stakeholders together and favor an integrated approach involving knowledge transfer and capacity building, while several speakers mentioned the need to more efficiently involve and empower citizens. The importance to assist cities/public authorities in their roles either as facilitators for EE investments in the private sector or be involved in the available financing mechanisms (ELENA and Project Development Assistance programs) was also highlighted.

Moreover, many financial and non-financial barriers affecting the residential sector should be confronted, such as citizens' low awareness of the multiple benefits of energy retrofits, competing household priorities or lack of adequate skills to carry out high quality refurbishment. As a result, the energy renovation process should be made as easy and attractive as possible for all the involved stakeholders in order to mobilize the energy renovation of the residential buildings.

The working group will focus on how to support homeowners in the whole journey of home energy renovation, i.e. identification of the energy efficiency measures, selecting construction companies, supervision of the works, structuring the financing plan, etc., based on the idea that an integrated service (one-stop-shop) can simplify to a large extent the renovation process and thus increase renovation rates.

Moreover, the potential needs for capacity building will be identified, while the preconditions for the most effective access of both households and technical companies to the available funds will be discussed with all the involved actors.

The working group will further focus on the prospects and challenges considering the contribution of the Energy Efficiency Obligation Scheme in the mobilization of the energy efficiency interventions in the residential buildings. Special emphasis will be given on the effective cooperation of the various actors (obligated parties, financial institutions and technical associations and actors including ESCOs) so as to ensure the energy renovation of the residential buildings.

Finally, the potential exploitation of alternative financial mechanisms including EPCs will be assessed including the analysis of the required regulatory and legislative changes.

Mr. Marco Devetta from Sogesca, Italy, will present a concrete example of integrated home renovation service in Padova, tailored to deal with these challenges. [PadovaFIT](#) is a programme initiated by the Municipality of Padova in 2012 aiming at implementing a large scale housing retrofit programme of energy efficiency and renewable energy sources (RES) measures addressing private households - in

particular apartment buildings- and, to a smaller extent, public housing and service facility buildings in the Padova urban area. The retrofit programme is based on the principle of Energy Performance Contracting (EPC).

Another example will be presented by Mr. Nicholas Stancioff, LABEEF, Latvia. The Latvian Baltic Energy Efficiency Facility (LABEEF) developed within the SUNShINE project has initiated a promising initiative to foster the development of ESCOs using proceeds from energy savings to de-risk and finance large scale deep renovation in multi-family buildings. This is supported by several technical, economic and financial tools and with various templates and applications (e.g. contracts, protocols, reporting).

Mr. Christos Tourkolias from CRES, Greece, will present the main principles of the Energy Efficiency Obligation Schemes and an overview of existing best practices in EU targeted to the residential sector. Emphasis will be given on the design elements and the challenges of the Energy Efficiency Obligation Scheme, which should be taken into consideration from all the involved stakeholders for the effective implementation in Greece until 2030.

### **Key questions:**

#### **First session**

- 1.1 What should be the key components of a one-stop-shop service that is best suited to meet the needs of the residential sector in Greece? Which actors need to be involved in a one-stop-shop?
- 1.2 Which legal changes are needed to improve access to finance for residential buildings for both households and the companies?
- 1.3 How can the willingness of householders to borrow for home renovation be improved? What role could municipalities play in increasing awareness of and confidence in the process?
- 1.4 Which kind of capacity building programmes is needed and for which actors?

#### **Second session**

- 1.5 What are the prospects and challenges for fostering the energy renovation through Energy Efficiency Obligation Scheme? How the effective cooperation of the various actors (obligated parties, financial institutions and technical associations and actors) will be ensured? Is it possible to target on energy poverty?
- 1.6 What regulation could foster the further development of green mortgages or other alternative financial schemes including EPCs? Is there any specific Greek regulation to be addressed?

## 2. Energy renovation of public buildings

**Speakers:** Erika Honnay, RenoWATT Director  
*Public building retrofit in Wallonia, Belgium - RenoWATT Project*

Alenka Loose, Energy Manager of the City of Ljubljana  
*The Energy Retrofit Programme of Public Buildings in Ljubljana*

**Moderator:** Vlasis Oikonomou, Senior Expert, Institute for European Energy and Climate Policy

This working group will look into how to increase the renovation rates for public buildings, which is often limited by the capacity of public building owners to identify and implement energy efficiency projects. Energy performance contracting could be part of the solution, but the market still needs to be developed and better structured in Greece.

In principle, energy efficiency investments in public buildings share many of the benefits of commercial buildings (size, energy intensity, concentrated ownership, professionalized facilities managers) but face additional challenges of more cumbersome procurement procedures, potential split incentives between different divisions responsible for procurement and for the energy bills, balance sheet restrictions and limitations under public accounting rules.

The event will start with a session introducing the background issues faced by EPC and other innovative financing schemes in public buildings in the EU (from EU financed projects), such as the [RENOWATT](#) project to be presented by Mrs. Erika Honnay. The RENOWATT project, which has served as an exemplary model for replications in terms of innovative financing, is a one-stop-shop for public building retrofit created by the province of Liege through the regional development agency (GRE-Liege).

Further, experiences from the [Energy Retrofit Programme of Public Buildings](#) in Ljubljana will be presented, involving more than 350 properties owned or managed by The City of Ljubljana (Slovenia). The retrofit programme has received funding for project development assistance through the ELENA programme (EIB) and has introduced Energy Performance Contracting.

The following session will bring together the views from relevant stakeholders (such as Public authorities presenting public funding programs, agencies on experiences from the administrative point of view as well as utilities/ESCOs and financing bodies from a market perspective). This insight on the Greek market will be the triggering point for realizing the potential and the issues that investors/financiers and public building owners face when they are discussing the financing bridging.

The session will share experiences from various Greek municipalities and regions/provinces that have already materialized investments, including the challenges they have faced in bridging finance to projects and how they have overcome these.

Possibilities for extrapolating the European comparable experience in the Greek market and how to reduce the risk in these investments will be debated.. In this context, the adequate legislative framework for EPC projects (including the Statistical Treatment of EPCs as explained in the [European Investment Bank Practitioner's Guide](#).

The positions of both supply and demand of finance will be debated and the aim is to identify clear and tailored solutions for bridging the knowledge/risk gap in the Greek market. The outcomes of this dialogue will be synthesized and will enable the follow up in a future event with matchmaking between authorities and investors in public buildings.

## **Key Questions:**

### **First Session**

- 2.1 What are the challenges faced in the first steps of setting up financing for public buildings from both the building owners and the investors? Which steps would be considered as blueprint to overcome the initial hurdles from practical experiences?
- 2.2 Could public funding be allocated in the form of project development assistance, which has a higher leverage factor than investment grants/public loans? How to improve access to ELENA and H2020 PDA funding?

### **Second Session**

- 2.3 What are the needs of public building owners in Greece when it comes to supporting them in their energy renovation projects? How could they be assisted? Who could deliver this assistance and how?
- 2.4 What is needed to upscale the market for energy performance contracting, including legislative framework? How can regions and municipalities facilitate through their authorities/policies the EPC/Innovative financing adoption?
- 2.5 What is the minimum level of project aggregation required (in public buildings specific types of interventions) from investors in order to make the investments attractive?
- 2.6 How can access to finance for ESCOs be improved? For example, through mechanisms such as standardisation and forfeiting of EPCs be supported?
- 2.7 What is needed in terms of awareness raising and capacity building for public building owners?



### 3. De-risking energy efficiency investments

**Speakers:** Ioannis Orfanos, *Head of Urban Land Institute (Greek Sustainability Council). De-risking and financing (incl. mechanisms) energy efficiency projects in commercial buildings*

Caroline Milne, Director of Communications and Marketing, Joule Assets  
*eQuad platform – Bridging the financial gap between project developers and investors*

**Moderator:** Nikos Gkonis, Senior Energy Efficiency Expert, Ministry of Energy / GIZ

This session will focus on a discussion on how energy efficiency investments are viewed from different stakeholders' perspective.

Can energy efficiency investments be deployed at the necessary scale and become a real case in the Greek market? Can the de-risking of such investments succeed in boosting energy efficiency through sustainable retrofits in commercial buildings? What are the actual benefits of investing in the energy retrofit market, which are the main stakeholders involved and how can they be supported?

Energy efficiency investments are characterized by a certain level of risk due to their nature. In this session, a discussion will be held with market experts about effective ways for de-risking energy efficiency projects and how the availability of open data can help towards this direction.

Ioannis Orfanos from the Urban Land Institute (Greek Sustainability Council) will present challenges and opportunities related to de-risking and financing of energy efficiency projects in commercial buildings, focusing on the Greek market.

Caroline Milne from Joule Assets will present [eQuad](#), a platform to bridge the financial gap between project developers and investors. eQuad significantly lowers upfront due diligence costs for investors by standardizing pre-qualification processes. Funds or investors can grow their investment pipeline from a larger pool of already vetted, insured, and certified opportunities that meet their investment criteria.

## **Key questions:**

### **First session**

- 3.1 Who can be described as Real Estate Investors in the Greek market? How important is energy efficiency of buildings to these investors? Can they expect realistic benefits?
- 3.2 What is the added value that energy efficiency can offer in commercial buildings and how can it be monetized by asset evaluators?
- 3.3 How important are the energy efficiency characteristics of buildings to tenants? What are the terms usually posed by them before engaging in commercial buildings' lease agreements? Do energy efficient buildings have better market resilience?
- 3.4 What are the obstacles faced by small commercial building owners who cannot be described as investors? What is their motivation to upgrade the buildings?
- 3.5 Property owners have weak incentives to upgrade their assets, since they are not the direct users, while tenants also have insufficient incentives as they are not property owners (split incentive). Which are the potential solutions to this presumably unresolvable situation? How can the state and the legislative framework assist in resolving this issue?
- 3.6 Benchmarking is a valuable tool for understanding the performance of assets and portfolios. What available data can be shared through mechanisms such as the EFIG DEEP database or others (RICS, ULI or GRESB)? How can available databases be utilized by stakeholders to promote the development of the energy efficiency market in commercial buildings?
- 3.7 At asset level, which critical data must be recorded and how can data collection help the realization of energy efficiency investments?
- 3.8 Which is the relationship between sustainability, wellbeing and energy efficiency and how are they measured and monitored at asset and portfolio level? Considering the existing real estate market, which are the stakeholders targeted by existing building certifications (e.g. LEED, BREEAM, WELL)? Could these apply to a wider range of property owners? Is there added value to this procedure, and in which sectors is it located (workers' productivity, commercial value)?

### **Second session**

- 3.9 Which are the main obstacles discouraging financial institutions from supporting energy efficiency investments?
- 3.10 Are there actual Energy Performance Contracting examples? Can ESCOs solely undertake the risk of energy efficiency projects? Should they be focusing mainly on public projects?
- 3.11 Could Facility Management companies identify intervention opportunities targeting at raising the energy efficiency of buildings? How could they encourage such actions as intermediates between owners and tenants? Which other stakeholders could function as small-scale project aggregators (investment boards, innovative sustainability groups)?
- 3.12 How can the EFIG underwriting toolkit best be used within Greece? What kind of support is needed to encourage its public dissemination and adoption? Which institutions and individuals could be key advocates?
- 3.13 How can the new Infrastructure fund support energy efficiency investments?
- 3.14 Which are the most important challenges for the growth of the Greek energy efficiency market and why has the participation in such kind of projects been limited until now?