

EIB support to Energy Efficiency

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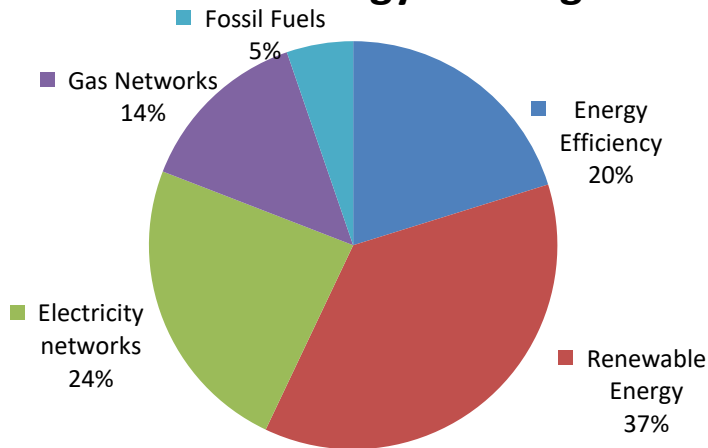
Brussels , 26 Sept 2017

EIB Energy Lending

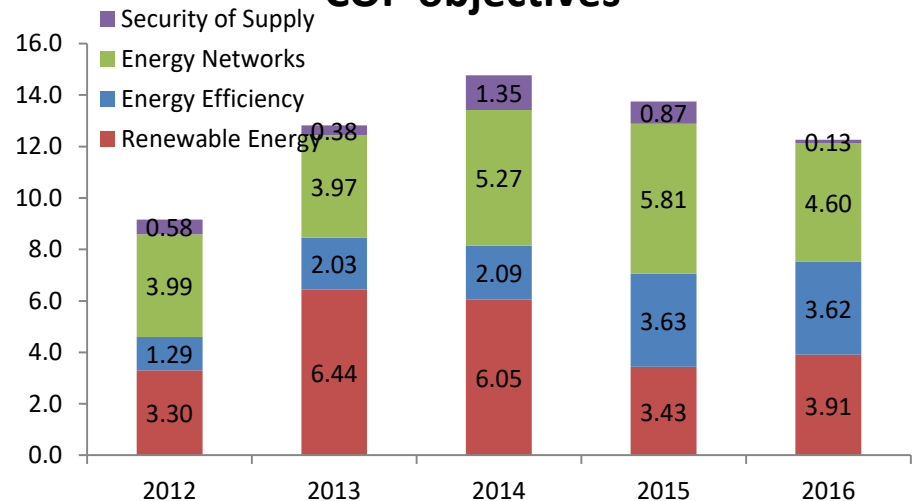
- Signatures 2012-2016: EUR 62.7 billion

Sectors: Renewable Energy, Energy Networks, Security of Supply and Energy Efficiency
Evolution over the last 5 years

Total EIB Energy Lending 2012-2016

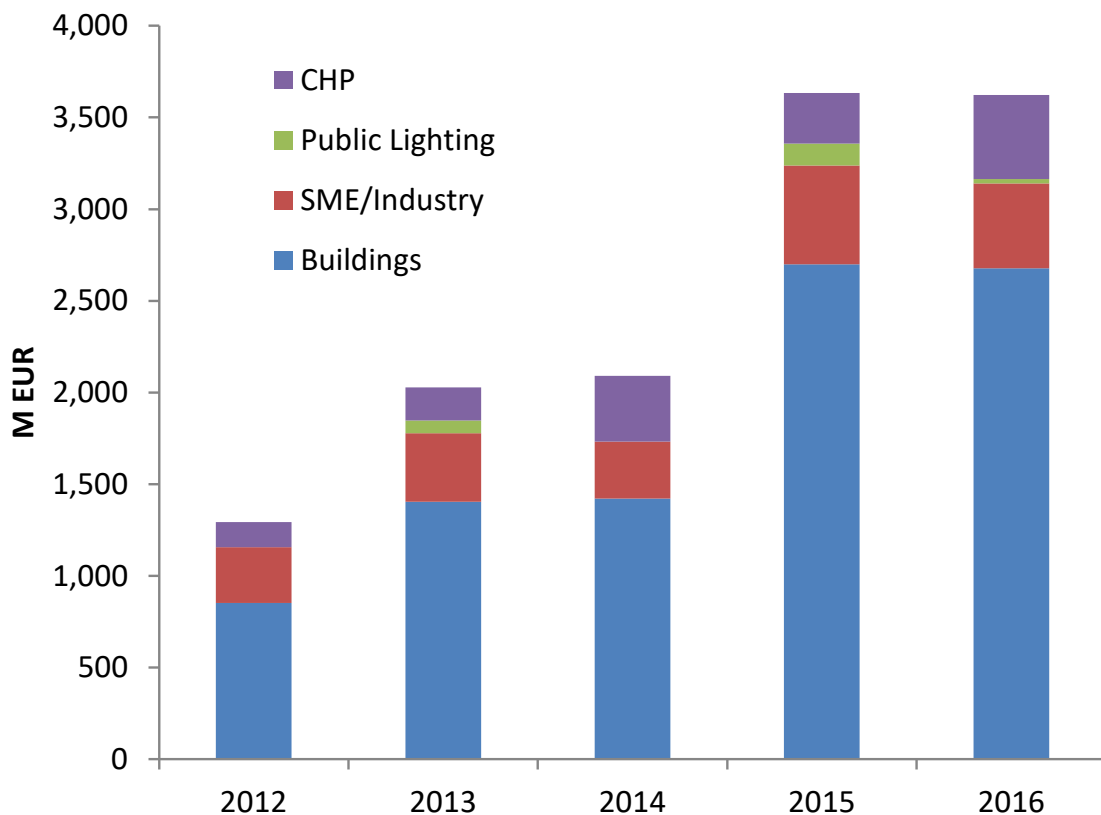


**EIB Energy Lending 2012-2016
COP objectives**



EIB lending to Energy Efficiency

EE Lending Breakdown per year



- Overall EE-lending increased by 3x since 2012
- 75% of EE-lending volume to Buildings

Sustainable Energy support activities at the EIB

Lending

- Loans (direct and intermediated)
- European Fund for Strategic Investment (EFSI)
- Investment funds (European EE Fund “E-EEF”, Marguerite)
- Private Finance for Energy Efficiency (PF4EE)

Advising

- ELENA (European Local Energy Assistance)
- JASPERS (Joint Assistance to Support Projects in European Regions)
- EIAH – European Investment Advisory Hub (joint initiative by the European Commission and the European Investment Bank, and is part of the Investment Plan for Europe.)

Investment Loan – EFSI project

Navarra – NZEB social housing (Spain)

Objective: Promote new building standards (EPBD)



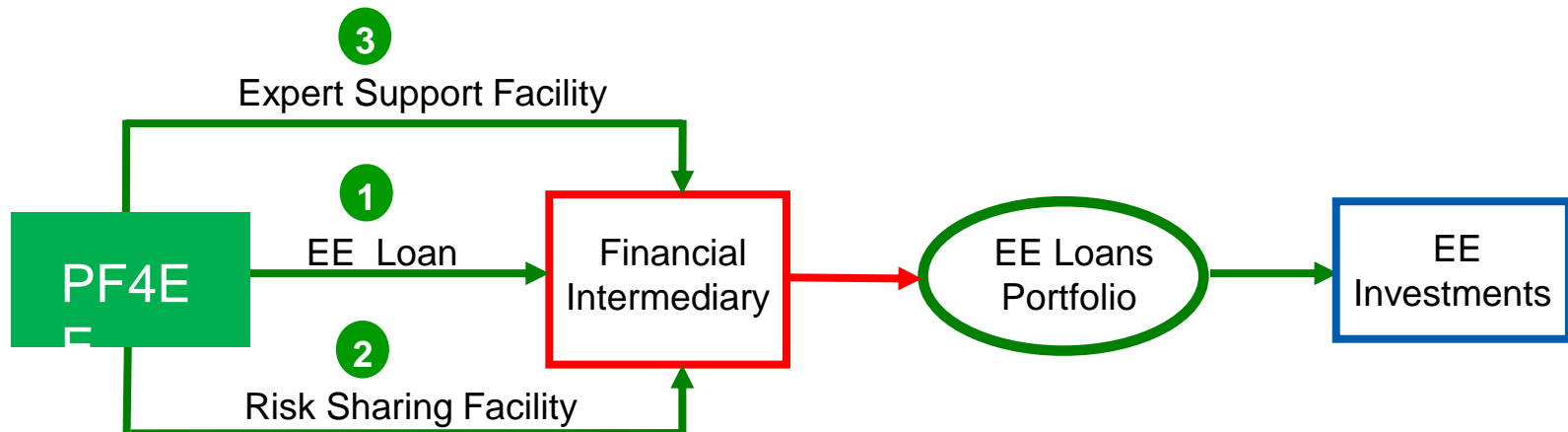
- 524 units with consumption of 20 Kwh/m², (EPC of A, passivhaus)
- Expected energy savings of 2,298.3 MWh/y (75% reduction versus the baseline), corresponding to 748.8 ton/y CO₂ savings
- Levelized cost of the final energy saved (LCOE) by the NZEB buildings is between 64 and 128 €/MWh

Private Finance 4 Energy Efficiency (PF4EE)

Objective: Increase private lending to EE

PF4EE
comprises
three
components

- A loan to the financial intermediary to be on-lent for EE investments (“**EE Loan**”)
- A risk mitigation mechanism, covering losses incurred in the portfolio of EE loans granted by the financial intermediary (“**Risk Sharing Facility**”)
- Technical assistance aiming at supporting the financial intermediary to develop the EE portfolio (“**Expert Support Facility**”)



Private Finance 4 Energy Efficiency (PF4EE)

Over **25 active discussions** with intermediaries that have expressed their interest

12 applications received

Czech Rep (KB and Ceska)	Belgium (Belfius)
Spain (Santander)	Croatia (ZABA)
France (Cred. Cooper.)	Portugal (Banco BPI)
Greece (Attica Bank and Piraeus Bank)	Cyprus (CCB)
	Italy (BPER)
	UK (BNP Paribas)

1 formal expressions of interest

Bulgaria (CIBANK)



ELENA

- Support for preparation of investments in energy efficiency, building integrated renewables, district heating and innovative transport projects
- Private bodies now eligible



What do ELENA beneficiaries receive?

- Technical Support
 - ELENA grant used to assist in project preparation (e.g external expertise, feasibility studies, energy audits etc)
- Financial Support
 - ELENA will fund up to 90% of the costs (with 10% provided by applicant)
- Allocated on a first come, first served basis
 - No calls or competitions



Technical Support under ELENA

ELENA

Technical Assistance

Support for local or regional entities to receive:

- ✓ **Additional personnel**
- ✓ **Technical studies**
- ✓ **Preparation of calls for tender**
- ✓ **Financial structuring**

Investment programme for: EE and RE

- Public and private buildings
- Public lighting and traffic light network
- Photovoltaics
- Heating/cooling systems

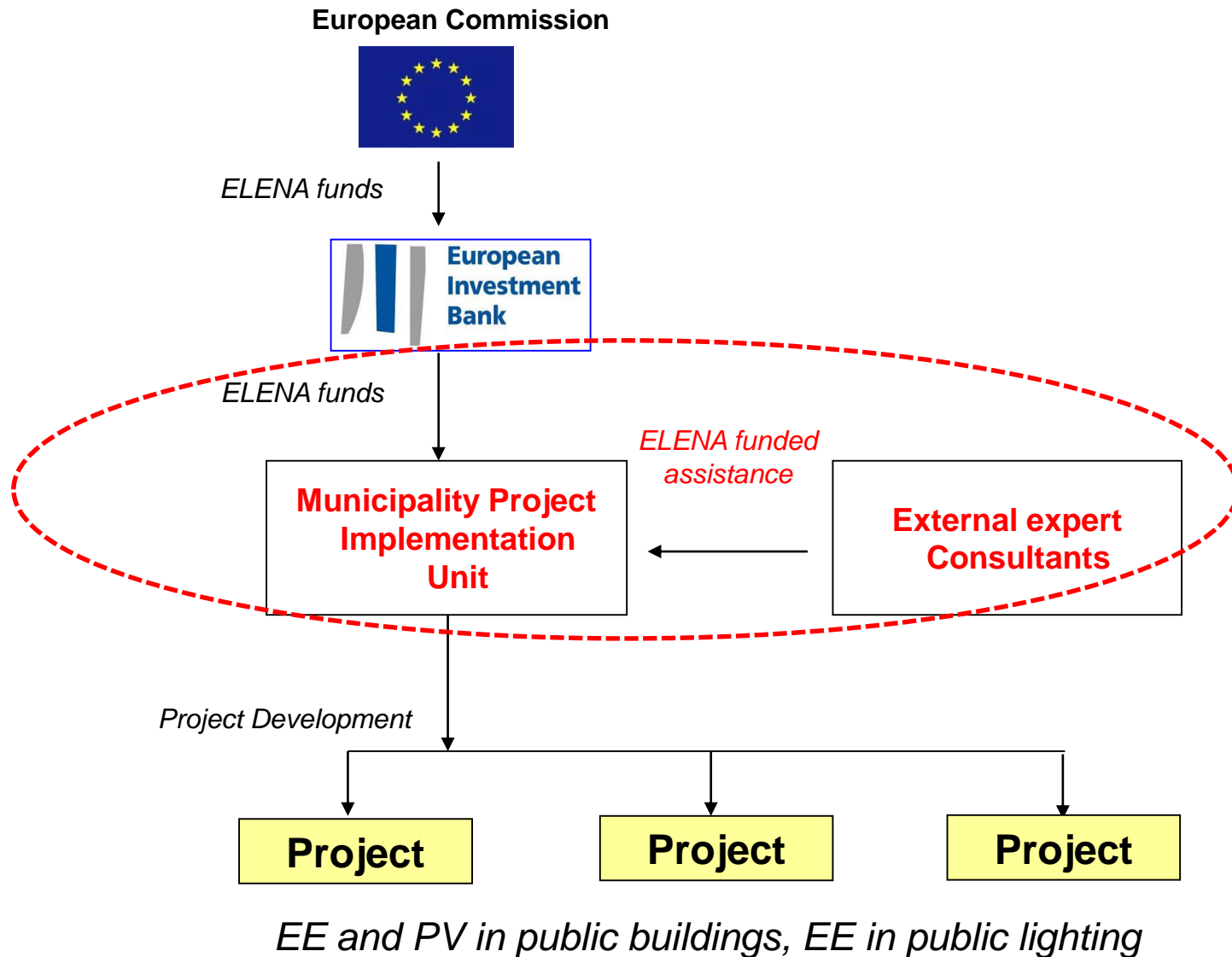
Efficient urban transport

- Clean, energy efficient and innovative road transport systems
- Related infrastructure investment such as charging stations

Local energy facilities supporting EE & RE

- Smart grids
- Information and communications (ICT) technologies

Project example



Case study: Picardie Pass Renovation

EFSI plus ELENA

- Beneficiary: Regional Public Service Company for Energy Efficiency in Picardie, France
- Objective: energy efficiency renovations of private houses (as of December 2016, 290 ongoing building sites provide work to more than 400 local craftsmen and companies with EUR 26.3m)
- Estimated investment programme cost: EUR 52m
- ELENA grant budget: EUR 1.8m
- EIB loan: EUR 23.5m

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 in the works implementation phase
- ✓ Cooperation with partners in view of promoting the service, identifying potential homeowners and prepare contracts

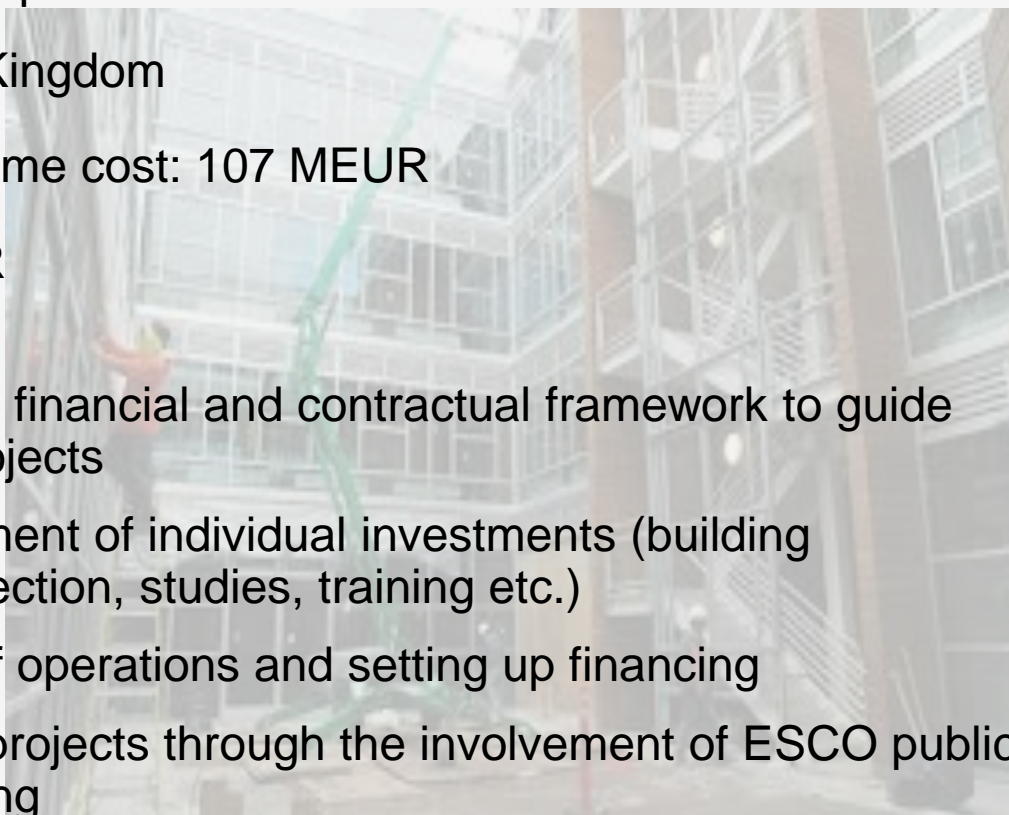
Case study: Re:FIT retrofit programme

EIB loan plus ELENA

- ▶ Beneficiary: Greater London Authority
- ▶ Objective: Carbon reduction targets through a large scale public building retrofit programme— by final report stage almost 1000 buildings were retrofitted or in the retrofit pipeline
- ▶ Location: London, United Kingdom
- ▶ Actual investment programme cost: 107 MEUR
- ▶ ELENA support: 2.9 MEUR

ELENA support requested:

- ✓ Establishment of technical, financial and contractual framework to guide organizations to deliver projects
- ✓ Identification and development of individual investments (building selection, energy data collection, studies, training etc.)
- ✓ Structuring and planning of operations and setting up financing
- ✓ Implementation of the EE projects through the involvement of ESCO public procurement and contracting



Conclusion: Unlocking EE

Huge investment needs and real potential to consume energy more efficiently

But...

- Fragmentation (small projects and high transaction cost)
- Split incentives (landlords vs tenants)
- Subsidized energy costs
- Capital constraints to expand into new products
- Lack of technical expertise

EIB's response

- Aggregation (intermediated lending, investment Funds, project and promoter aggregation, etc.)
- Flexible set ups (e.g ESCOs)
- Broad range of instruments : direct and intermediated operations
- Provision of TA: PF4EE, ELENA and high-involvement in direct operations (NZEBS)
- However, some barriers non-addressable by EIB (e.g. regulatory barriers, ESCO market, public sector limitations)

THANK YOU

More information at:

www.eib.org or info@eib.org

ELENA facility www.eib.org/elena

Advisory Hub www.eib.org/eiah



Other slides

Eligible investment programmes

Energy efficiency

- EE renovations of public and private buildings
- Street and traffic lighting
- Integration of renewable energy sources into the buildings
- Investments in district heating/cooling networks
- Local energy facilities that support EE/RE (e.g. smart grids)

Urban transport and mobility

- Investments to support the use and the integration of innovative solutions going beyond the current state of art for alternative fuels in urban mobility
- Vehicles, recharging infrastructure, energy-efficient measures and systems

Investment programmes implemented by the final beneficiary or by a third party

ELENA

ELENA



Internal staff

- Costs of personnel clearly assigned to the project
- Salaries, social security charges and other remuneration-related costs

External experts

- Feasibility design, market studies
- Structuring of programmes, business plans, energy audits
- Legal/financial advisory
- Preparation of tendering procedures
- Bundling of smaller projects to form bankable packages