



Blending Public & Private Financing for Urban Regeneration

Best examples of Urban Regeneration
(based on CITYinvest study findings)



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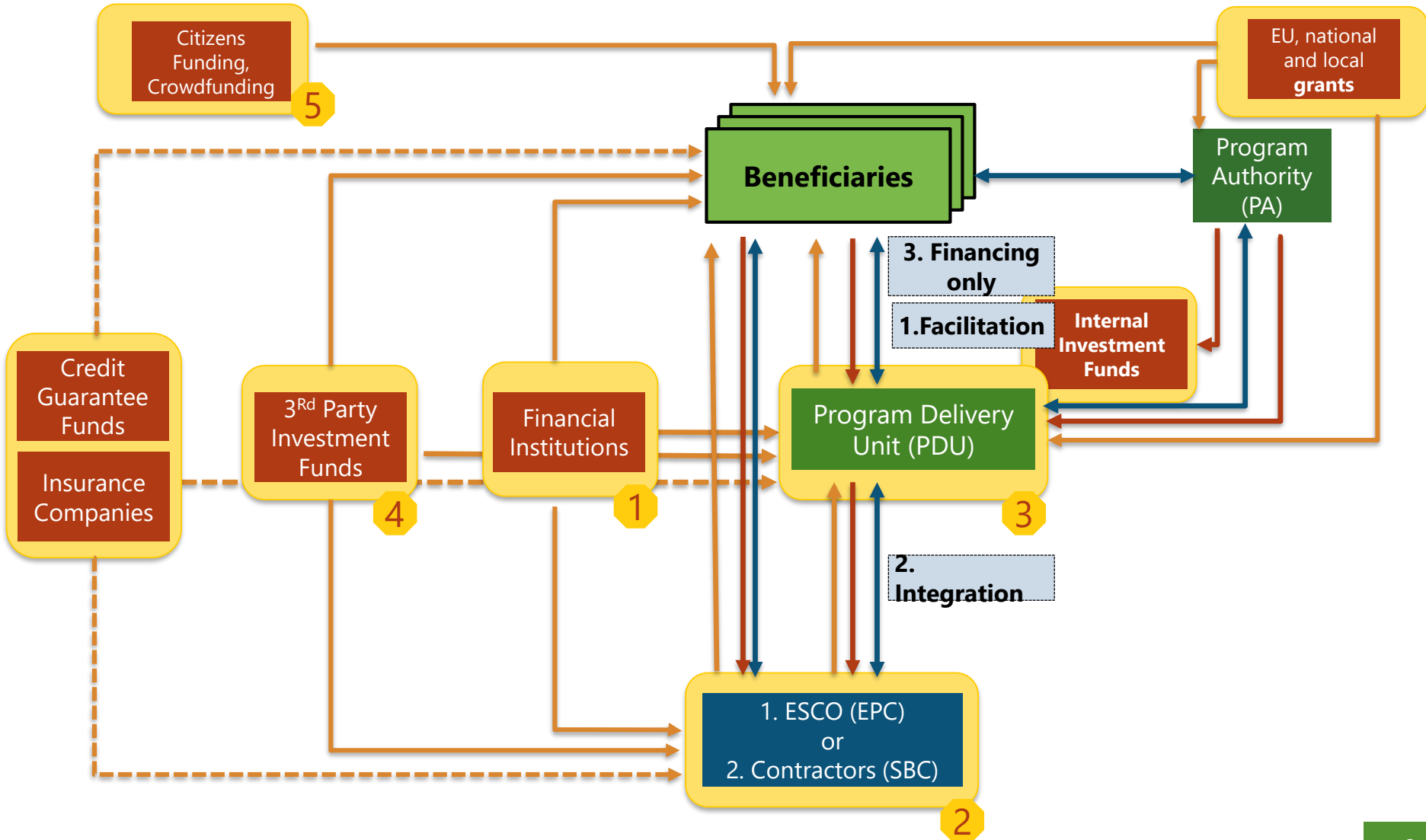
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In-depth study: What have we done?

- Analysis and comparison of 24 existing models addressing large scale and deep energy efficiency retrofit programs (including RES) involving public authorities across Europe (11 countries)
- Focus on:
 - Level of ambition
 - Implementation model
 - Operating model and services delivered
 - Sources of financing
- Provided guidance material to support local authorities in their search for financing of their EE and RES programs

Two implementation models, **three** operational models and **five** financing vehicles





Some conclusions

- Success of models often correlated with the existence of
 - well-functioning Program Delivery Unit, and
 - clear leadership role of the public partner (ambition and willingness to invest)
- Lower ambition levels (<35% savings) mostly driven by:
 - Facilitation models
 - EPC/ESC implementation
 - ESCO and/or Financial Institutions financing
- Factor 2 (50% savings) and factor 4 (75% savings) ambition levels are very often “integration” driven, both technically as financially.
- High energy efficiency ambition levels (factor 2 and factor 4) do not focus on short to medium term pay-back terms (need other financing vehicle than ESCO or FI). In other words, profitability is only one of the many investment criteria

SUNSHINE: Save your bUilding by SavINg Energy (Latvia)



➤ What?

Consortium of 2 public and 5 private partners (ESCOs, facilitators and LABEEF Fund) targeting large scale deep renovation of multifamily buildings

➤ Problem/situation?

- Soviet era multifamily residential buildings (70%) subject to rapid deterioration (harsh weather conditions and lack of proper maintenance and investment)
- Lack of awareness and technical, legal and financial knowledge, limited availability of funding, high risk perception and reluctance to take a loan

➤ Solution:

- ESCOs offer Energy Performance Contracting to multifamily buildings (20 years)
- On-bill financing (owners pay the same amount to Housing Association as before)
- Finance the ESCOs – forfeiting facility (LABEEF)

➤ Benefits: Financial savings, comfort, health, value and building lifetime

➤ Ambition/achievements:

- 50% energy savings and 200.000m² renovated (+/- 80 buildings), 30M€
- Near term pipeline: 15-20 buildings
- Additional (ESCOs) near term pipeline: 10 buildings

Énergies POSIT'IF:



➤ What?

Public-Private Partnership (Île-de-France region, other 10 public authorities, 3 energy management co-operations and 2 private banks) targeting multifamily apartment buildings with an EPC certificate of E, F or G (>230kWh/m²/year)

➤ Problem/situation?

- About 1million dwellings living in privately held multifamily apartment buildings have certificate of E, F or G.
- In this segment no initiative to deeply renovate from the private sector

➤ Solution:

- Act as an integrated service provider (public ESCO), "one-stop-shop"
- Technical design, implementation and operations, financing and insurance services
- Financing: typically 50% owner, 35% Energies POSIT'IF and 15% grants

➤ Benefits: Financial savings, comfort, health, value and building lifetime

➤ Ambition/achievements:

- +60% energy savings
- 38 housing association / 5000 dwellings in different phases of retrofit (12 in audit, 20 in design and 6 in works phase), +50M € investment
- 100M € credit facility from EIB
- Plan to renovate 1000 dwellings/year during next 10 years

Thank you!

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649730.

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