



Horizon 2020 Energy Efficiency
Webinar

Project Development Assistance (PDA)

22 March 2017

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Agenda

- Welcome
- What is PDA?
- How to prepare a convincing proposal?
- Examples and other useful information

Q&A → email us on EASME-Energy@ec.europa.eu

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PDA in a nutshell



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Started in 2011 under the Intelligent Energy Europe programme and continued under H2020



Build capacity and a project pipeline across Europe
28 projects funded triggering >€600m investments

→ <http://ec.europa.eu/easme/en/finance-sustainable-energy>

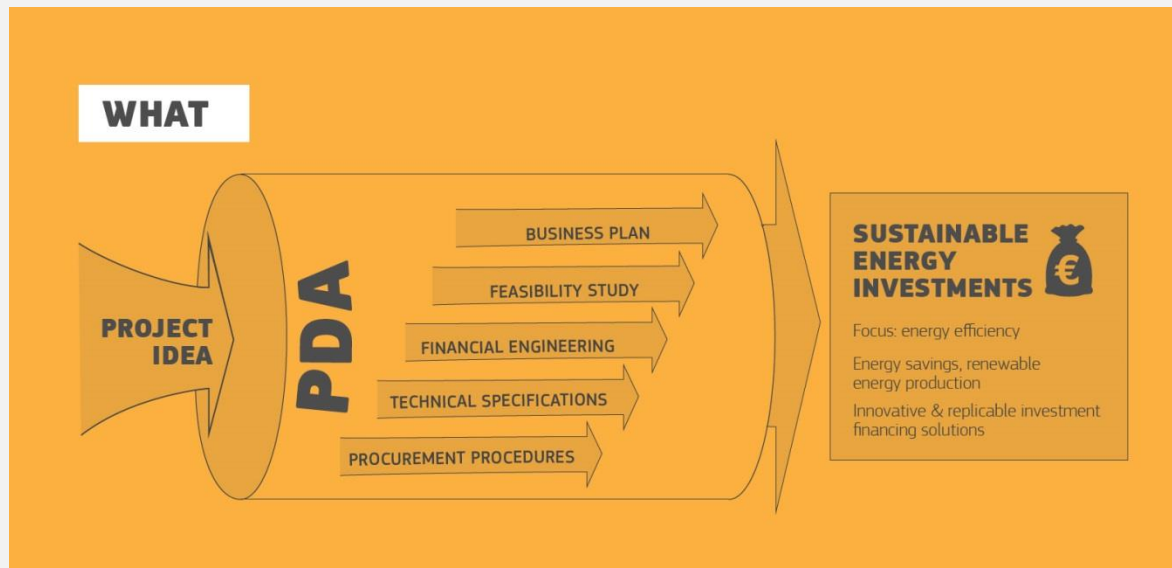


EE-22-2016-2017
Project Development Assistance



What?

- Launch of concrete sustainable energy investment projects
- Building technical, economic and legal expertise



Who?

- Public and private project promoters
 - e.g. public authorities or their groupings, public/private infrastructure operators and bodies, energy service companies (ESCOs), retail chains, estate managers and services/industry
- Proposals from 1 single entity are eligible!



Sectors targeted?

FOCUS ON...

ENERGY EFFICIENCY INVESTMENTS IN



Existing public and private buildings



Street lighting



Retrofitting of existing district heating/cooling



Urban transport



Industry and services

Size of investment portfolio: EUR 7.5 million – EUR 50 million



Main features?

- ✔ Lead to investments launched before end of the action
- ✔ Every million Euro of H2020 support should trigger investments worth at least EUR 15 million (1:15)
- ✔ Have an exemplary/showcase dimension in their ambition (i.e. reduced energy consumption and/or investment size)
- ✔ Deliver organisational innovation in financial engineering (e.g. on-bill financing schemes, guarantee funds, factoring funds) and/or mobilisation of investment programme (e.g. bundling, pooling)
- ✔ Demonstrate high degree of replicability and include clear action plan to communicate experiences/results across EU towards potential replicators

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What is a "proposal"?



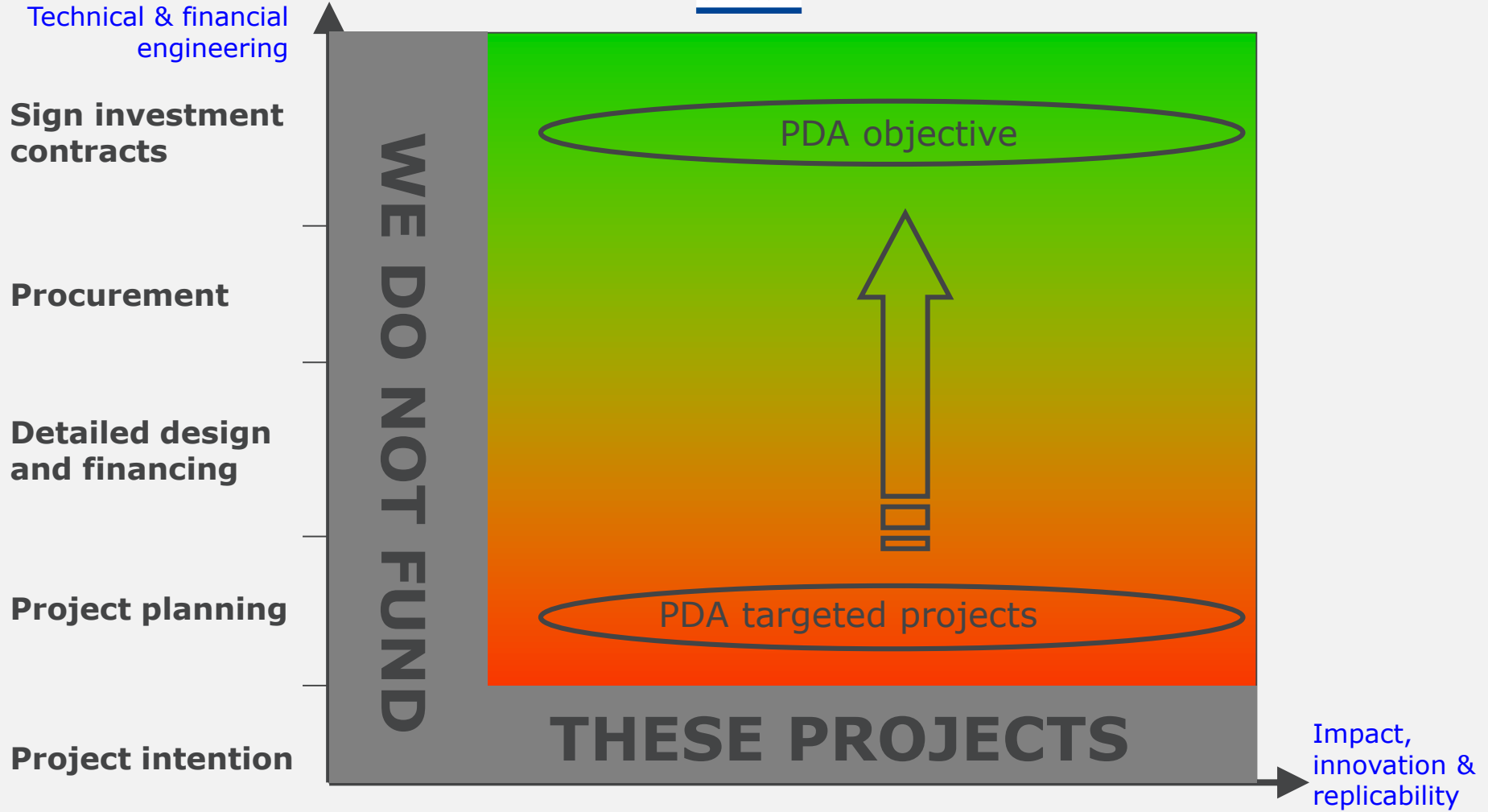
Proposal - your application:

- **Part A:** on-line administrative form templates:
 - Basic proposal details and contact data
 - Budget breakdown by organisation and cost category
- **Part B Section 1-3:** Objectives, impacts, work programme
- **Part B Section 4-5:** Description of partnership & CV's and Ethics (where applicable)
- **Annexes:** Letters of support, background documents



- Innovation in the **mobilisation of investment programme**: bundling, pooling, framework contracts, stakeholder engagement, community finance...
- **Innovation in the financial engineering**: alternatives to traditional financing (by public authorities: direct financing or subsidies)
 - Soft loans; Energy performance contracting (with third-party financing); Public ESCO's; Investment funds on energy efficiency (Jessica / ERDF...); on-bill or on-tax finance; or anything relevant!
- Innovation can also mean:
 - New target sectors
 - Higher levels of ambition (e.g. EPC's for low-energy retrofitting of buildings)
- Projects aiming only at the establishment of a financing scheme can be submitted under the 2017 topic "[EE-23-2017: Innovative financing schemes](#)"
- Technical innovation is possible, but **PDA does not target demonstration projects** (investments must be credible)
- But ... **however smart the innovation may be, it is only a means to deliver the investments!**

Credibility: sufficient maturity



Business as usual (BAU)

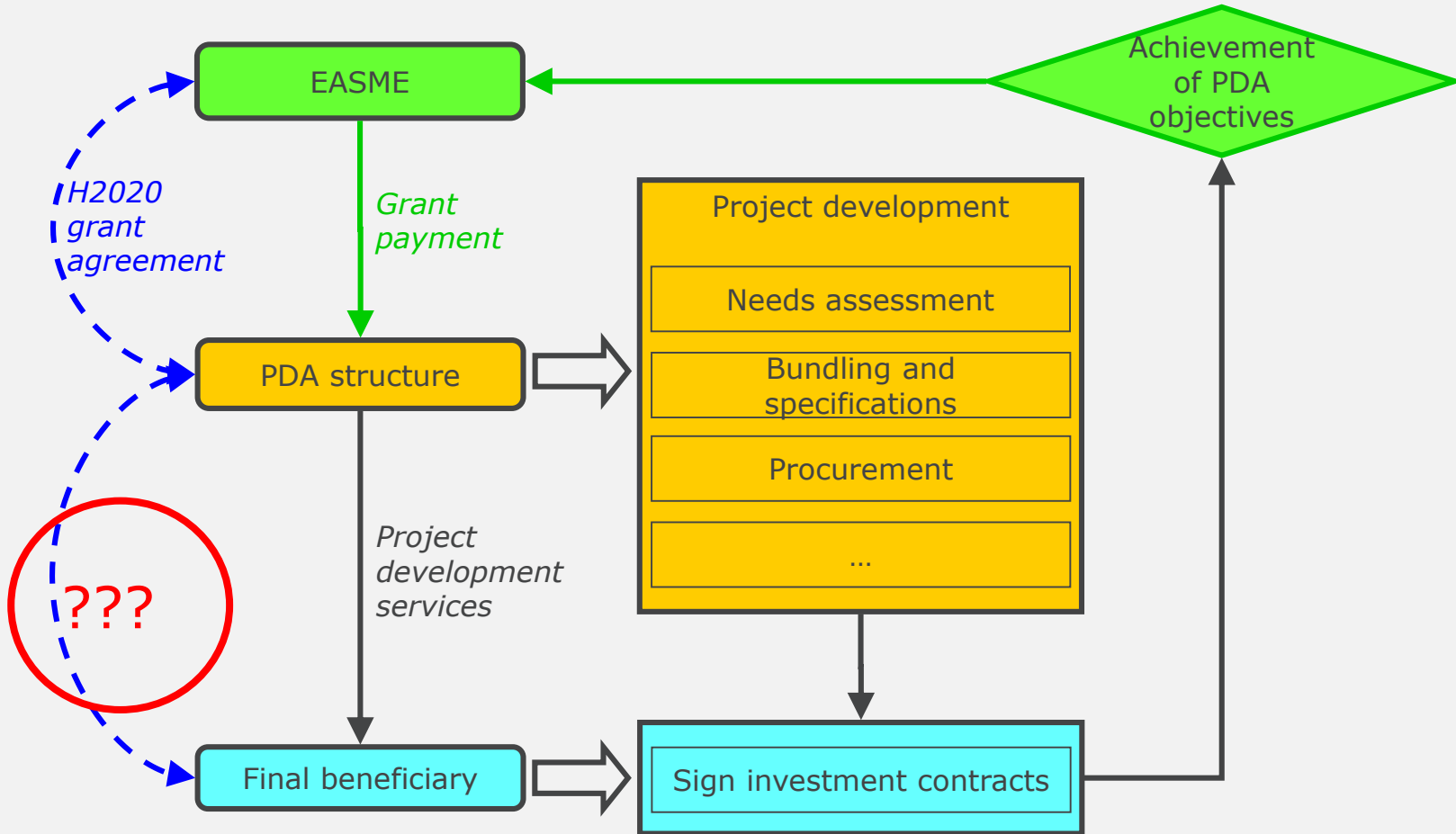
Innovative financial engineering

Executive Agency for SMEs

Bundling projects

financing

Credibility: involvement of beneficiaries



Impact: Investments



- **Impact indicators:** € invested (incl. leverage), saved energy, RES production, capacity building
- Investments must be described with **sufficient precision**
- Clarify the **evidence provided for the investments**

Table 2.1a: Detailed description of the proposed investments

<i>Investment sector: (please specify)</i>											
#	<i>Location (area, town...)</i>	<i>Type of investment</i>	<i>Description of the investment</i>	<i>Quantification</i>	<i>Total surface (m²)</i>	<i>Current energy consumption</i>	<i>Energy savings (%)</i>	<i>Renewable energy production (MWh/year)</i>	<i>Other quantifications</i>	<i>Payback time</i>	<i>Energy investment costs (thousands €)</i>
1											
2											
...											
	Total/average										

'Investment costs' refers to



- Investments which are directly related to or required for energy savings and/or renewable energy generation (“**energy investment costs**”)
- **Other measures should not be included** in the proposed investments
- For example in a building refurbishment:
 - energy costs could include changing windows, insulating the façade and painting it after insulation,
 - but not painting the hallways or changing the bath tub.
- Investment costs should **include VAT only for entities which cannot reclaim it**

Replication, capacity building and communication



- PDA projects should be replicable “**exemplary/showcase examples**”
- Dissemination = reaching out to potential replicators and policy makers
- Communication = concrete activities required for dissemination, and to engage with the key actors for your investments
 - Make use of your own networks at **local, regional and national level**
 - European dissemination is facilitated by EASME, but proposals should include ideas
- Capacity building: **prepare the ground** for future projects to be launched
 - Training staff, new governance, ...
- All these activities should use only a **small share of the budget!**
- Activities are described in section 3, concept in section 2



- PDA projects are **operational** projects!
 - No research, no studies on the best way to carry out your investments; this must have been done already
 - Make it simple and efficient: one work package per main operational phase (inventory / design / procurement / ...)
- The **key deliverables** are:
 - signed investment contracts, or unconditional tenders
- **Planning** must be credible:
 - Legal requirements for different procurement procedures
 - Be careful with usual bottlenecks: summer holidays, decision making, ...

Implementation method: Procurement aspects



European
Commission

- Procurement is essential in most PDA projects:
 - Services (subcontractors) for the PDA
 - Works or turnkey contracts (investments)
- The procedure must **fit the complexity of your project**:
 - Open or restricted call?
 - Simple tender? Negotiated procedure? Competitive dialogue?
 - Leave enough time for tenderers to establish their offers – this may not be their usual business
- **Inform the market** in advance – you will get more offers
- **Prepare financing solutions** in case of third-party financing:
 - Inform the banking and financial sector
 - Secure the participation of public financial institutions (EIB, EEEF, EBRD...)
- Bundling projects and **joint procurement**: plan how you will work
- Guide on Innovation through Sustainable Procurement: www.smart-spp.eu/index.php?id=7633

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2020TOGETHER (Metropolitan City of Torino and Piedmont Region, 2020: TOrino is GETting THERe!



Piedmont Region
Metropolitan City of Torino
Environment Park

PDA Grant: € 365,000
Investments: € 9,4M

- **Aim?** Launch an investment Programme in the energy efficiency refurbishment of 47 public buildings (36% of expected energy savings on average) and 5,000 public street lighting points (50% of expected energy savings on average) in 30 municipalities
- **Innovation?**
 - "Network procurement" of innovative Energy Performance Contracts (EPCs) together with a Public Private Partnership (PPP)
 - Third Party Investment (TPI) involving an ESCO, financial institutions and funds like the ERDF
- **Replication potential?**
 - Network procurement and EPC in public buildings
 - Make PPP and Third Party Investment a common practice



POSIT'IF (Ile-de-France Region, FR)

Promote, Organize, Support, Imagine the Energy Transition in Ile-de-France

<http://www.energiespositif.fr/>



*Société d'Economie Mixte
(SEM) Energies POSIT'IF*

PDA Grant: € 1,5M
Investments: € 40M

- **Aim?** Establish and implement a comprehensive deep retrofit programme for condominiums, social housing and public buildings that can be rolled out at scale
- **Innovation?**
 - Launch of a public-private venture to develop an Energy Service Company (ESCO)
 - Provision of an all-inclusive "Design-Implement-Operate" package with guaranteed energy savings and Third Party Financing to condominiums
 - EPC in private condominiums, to reach a min. 40% energy efficiency ratio and tend to the "Bâtiment Basse Consommation – Rénovation" objective (104 kWh/sqm/year)
- **Replication potential?**
 - EPC in private condominiums
 - Provision of Third Party Financing to condominiums



Formal criteria

- Proposals can ONLY be submitted through on-line application system
- Proposals must be on time
- Proposal must be complete
- Applications from eligible countries:
http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules_en.pdf
- Proposers must prove financial/ technical capacity


Recommendations

- Make choices, focus, have a clear direction.
- Pay attention to the "must do's" e.g. on time, completeness, page limits
- Mind the "should do's" – proposals receive lower score if not, e.g. "Proposals should involve..."
- **Win by explaining.** Experts are allowed to only read your proposal, no other sources
- Successful proposals– check them out:
http://ec.europa.eu/easme/sites/easme-site/files/20160805_mlei_projects-factsheets_final.pdf

Timeline?




 Deadline for your proposals: 7th June 17:00 CET

 Evaluation: 3rd quarter of 2017

- You can still apply to become an evaluation expert!

 Applicants notified by end of 2017

 Projects start from February 2018
(time-to-grant < 8 months)

More information and help



- Project Development Assistance – FAQ Guide
https://ec.europa.eu/easme/sites/easme-site/files/documents/pda_faq_easme_website.pdf
- EASME Energy Efficiency webpage: <http://ec.europa.eu/easme/en/energy>
- Practical information on H2020: <http://ec.europa.eu/programmes/horizon2020/en/how-get-funding>
- For all questions on the energy efficiency call: EASME-Energy@ec.europa.eu
- National Contact Points:
http://ec.europa.eu/research/participants/portal/desktop/en/support/national_contact_points.html
- To act as expert for assessing proposals:
<http://ec.europa.eu/research/participants/portal/desktop/en/experts/index.html>
- Energy Efficiency Finance Market Place (18-19 January 2017): <http://bit.ly/2hf2WsY>
- Public workshop on innovative financing for energy efficiency and renewables (28 April 2015): <http://bit.ly/1Ohtl42>
- Innovative financing solutions: experiences from Intelligent Energy Europe projects (2-3 April 2014): <http://bit.ly/1G9L9VQ>
- Innovative financing for energy efficiency and renewables: feedback from successful projects (8 October 2014): <http://bit.ly/1G7tMXC>

Applications



Horizon 2020 – Energy Efficiency Call Deadline 7 June 2017 17:00 CET



H2020 EE-22: Project Development Assistance

<https://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/ee-22-2016-2017.html>

H2020 EE-23: Innovative financing schemes

<http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/ee-23-2017.html>

H2020 EE-24: Making the energy efficiency market investible

<https://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/ee-24-2016-2017.html>

Email us: EASME-Energy@ec.europa.eu

Thank you



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<https://ec.europa.eu/easme>