

# EU Support to Energy Efficiency and Environment

## Joint EC-EPEC Private Sector Forum

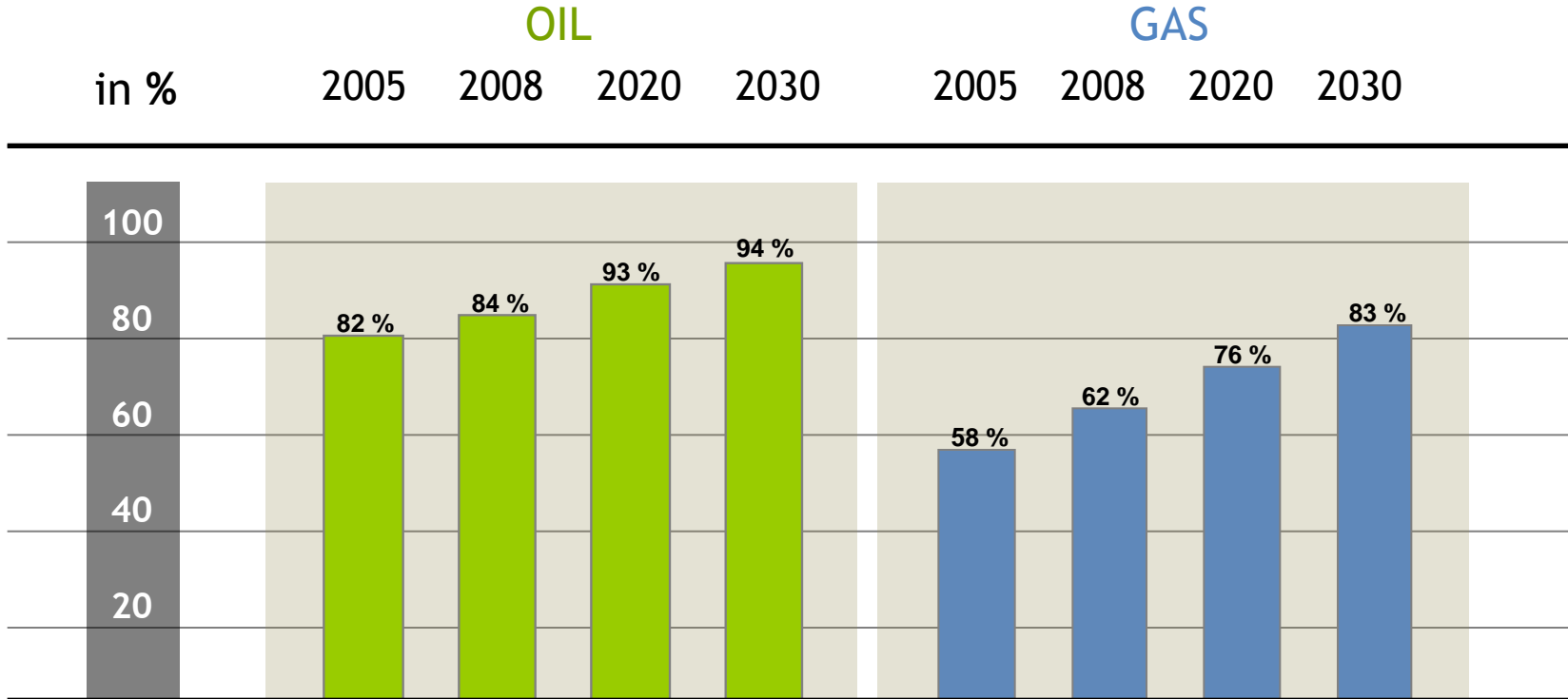
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DG Energy  
8 Nov 2011

Directorate-General  
for Energy



# AS DEPENDENCE ON ENERGY IMPORTS IS LIKELY TO GROW

« Business as usual » scenario based on 2009 figures



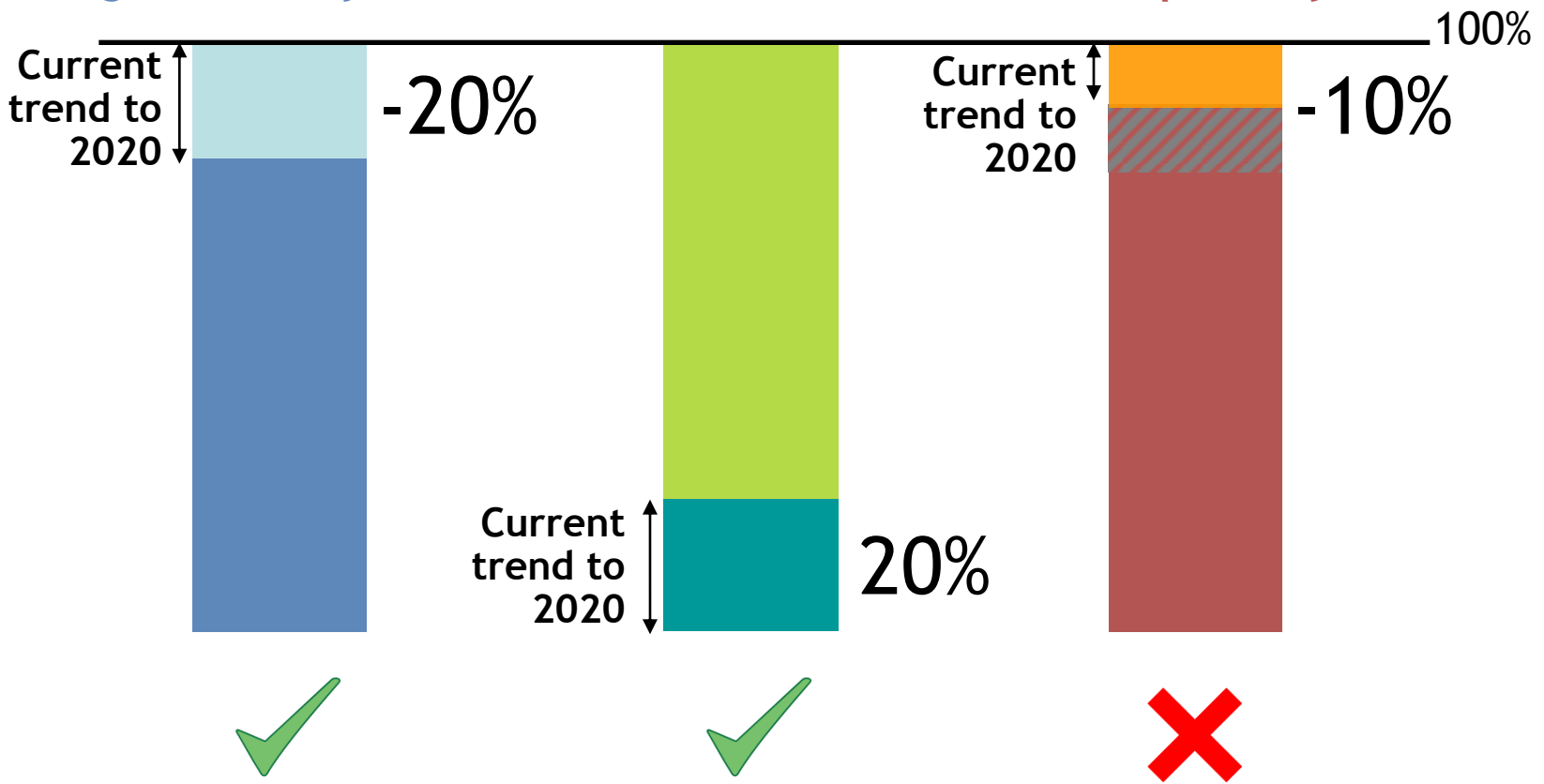
Today, Europe imports more than half of the energy it uses. If nothing changes, our dependence on fossil fuel imports will rise by 2030.

# MEETING ALL THREE “20-20-20 BY 2020” GOALS BECOMES A MATTER OF URGENCY

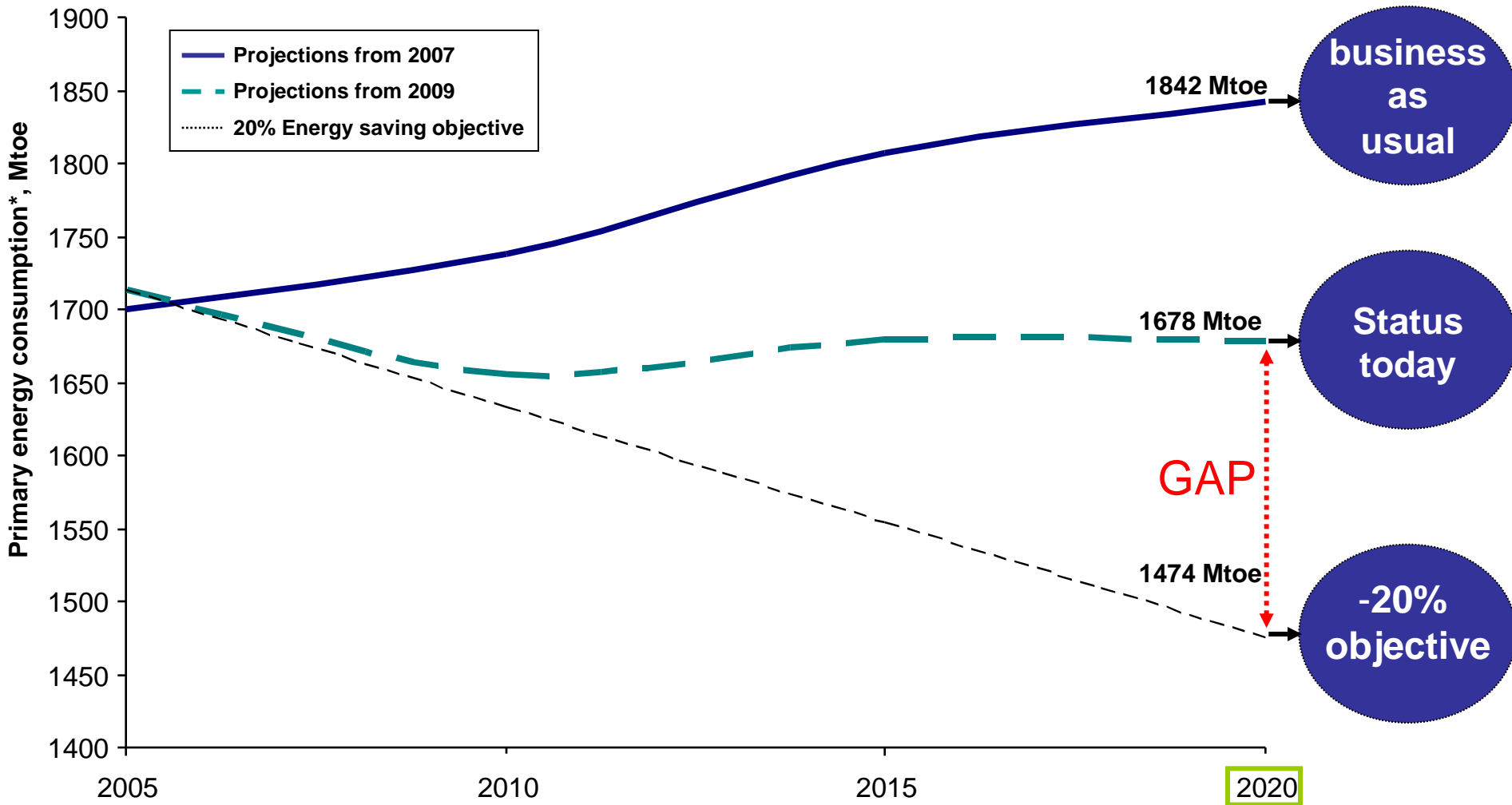
Reduce greenhouse gas levels by 20%

Increase share of renewables to 20%

Reduce energy consumption by 20%



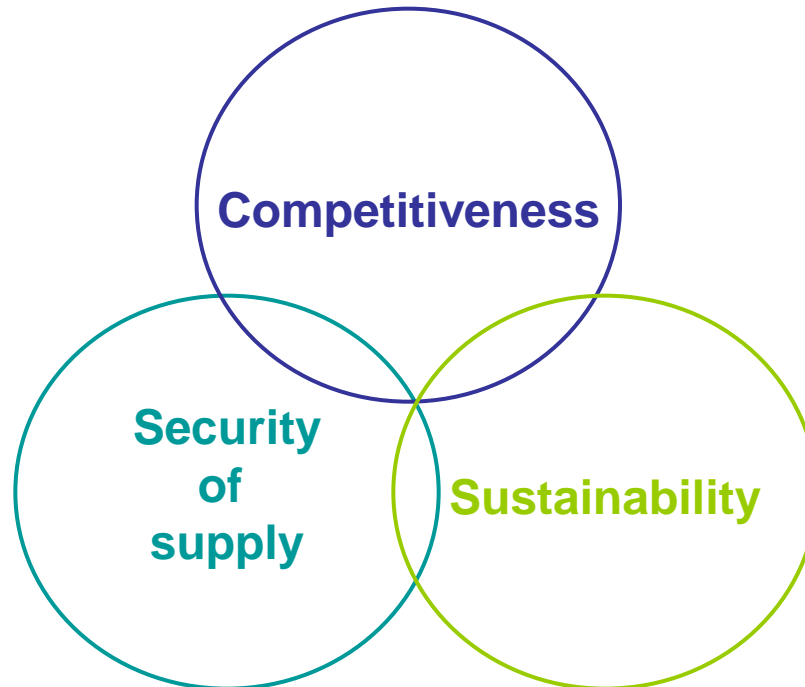
# SO FAR THE EU IS NOT ON TRACK TO MEET ITS 20% ENERGY SAVING TARGET BY 2020



\* Gross inland consumption minus non-energy uses

# CRUCIAL BENEFITS FOR EUROPE ...

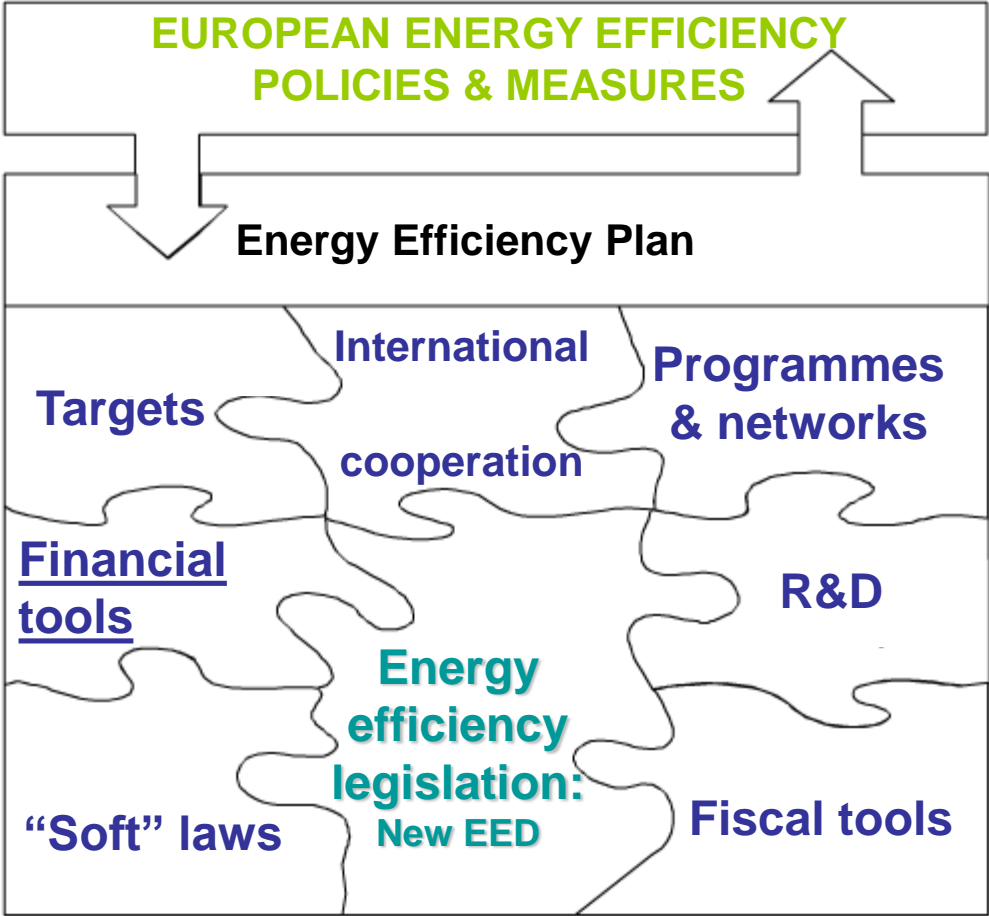
- ↓ Reduce EU's energy bill by about € 200 bn annually in 2020
- ↑ Create up to 2 million new jobs by 2020
- ↑ Boost R&D & markets for EU global leadership



- ↓ Reduce EU's energy dependence
- ↓ Reduce investments in energy infrastructures
- ↑ Improve the energy trade balance

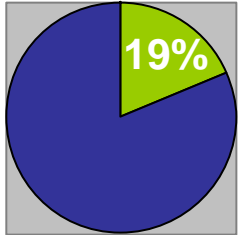
- ↓ Reduce CO<sub>2</sub> emissions
- ↓ Limit environmental degradation

# COMPREHENSIVE SET OF EUROPEAN POLICIES & MEASURES IN PLACE TO ADDRESS ENERGY EFFICIENCY IN ALL ITS ASPECTS

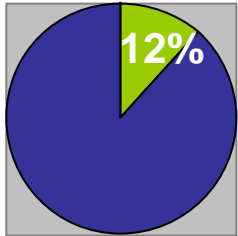


# PUBLIC SECTOR TO LEAD BY EXAMPLE

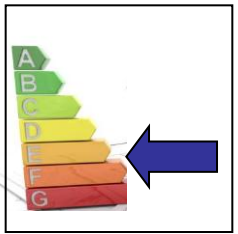
## Status



- Public sector consumption makes important share of EU's GDP



- Share of public buildings in building stock



- Low average energy performance of existing buildings stock, incl. public buildings



- Cost optimal renovation can bring up to 60% energy savings

## EED proposals

- Purchase of **products, services & buildings** with **high energy efficiency performance**
- Annual **renovation target of 3% for public buildings above 250 m<sup>2</sup>**
- Local energy **efficiency plans** and introduction of **energy management systems**
- More **systematic use of Energy Performance Contracting**

# Financial support

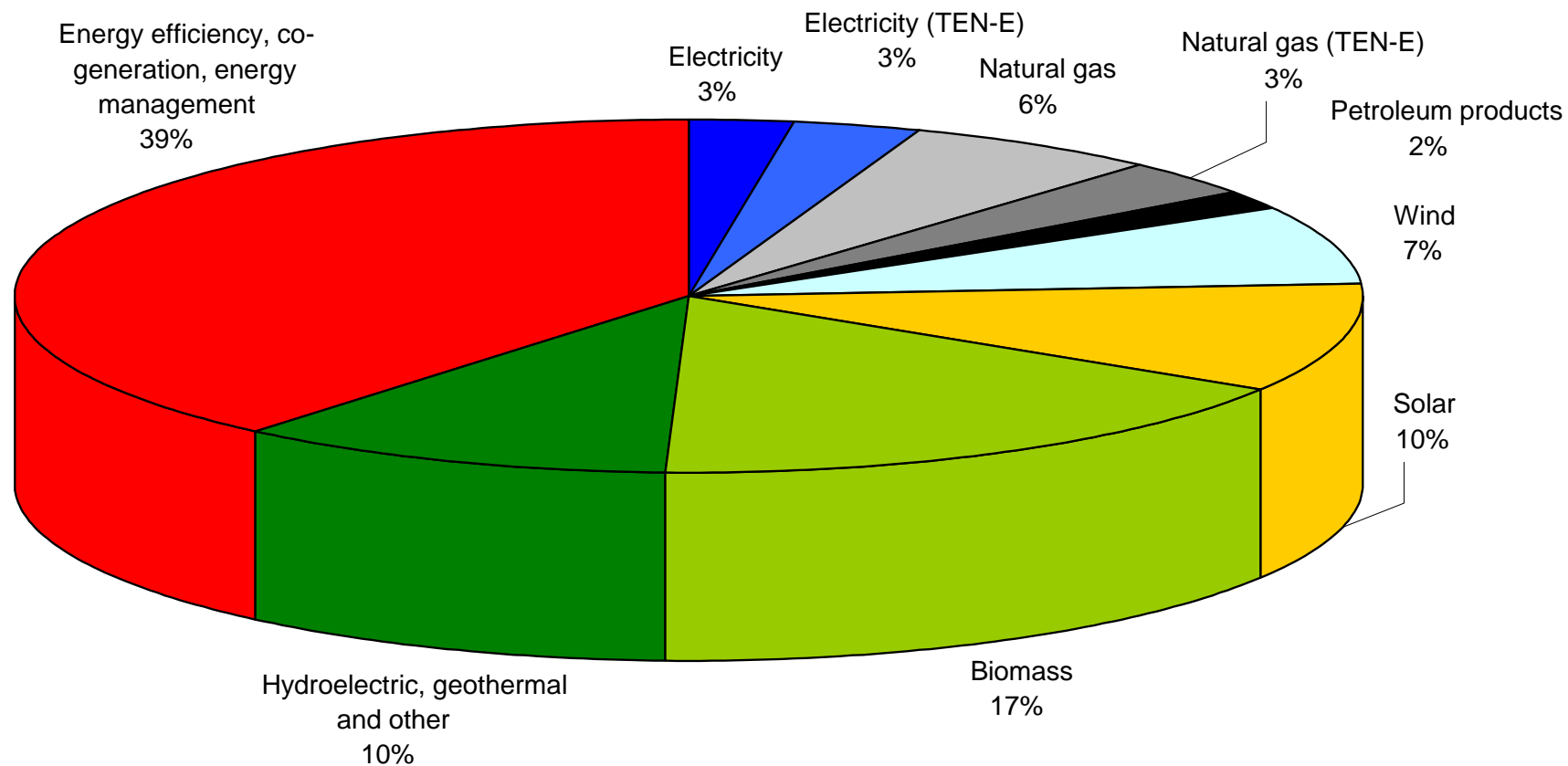


- ✓ Structural Funds/ERDF (incl. JESSICA)
  - ✓ Intelligent Energy – Europe Programme
  - ✓ ELENA Facility/ies
  - ✓ European Energy Efficiency Fund (EEE F)
  - ✓ Smart Cities and Communities
- (within the 7th Framework programme for Research)





## Cohesion Policy allocations to Energy



**2007-2013 total = € 11 billion (3 % of total)**

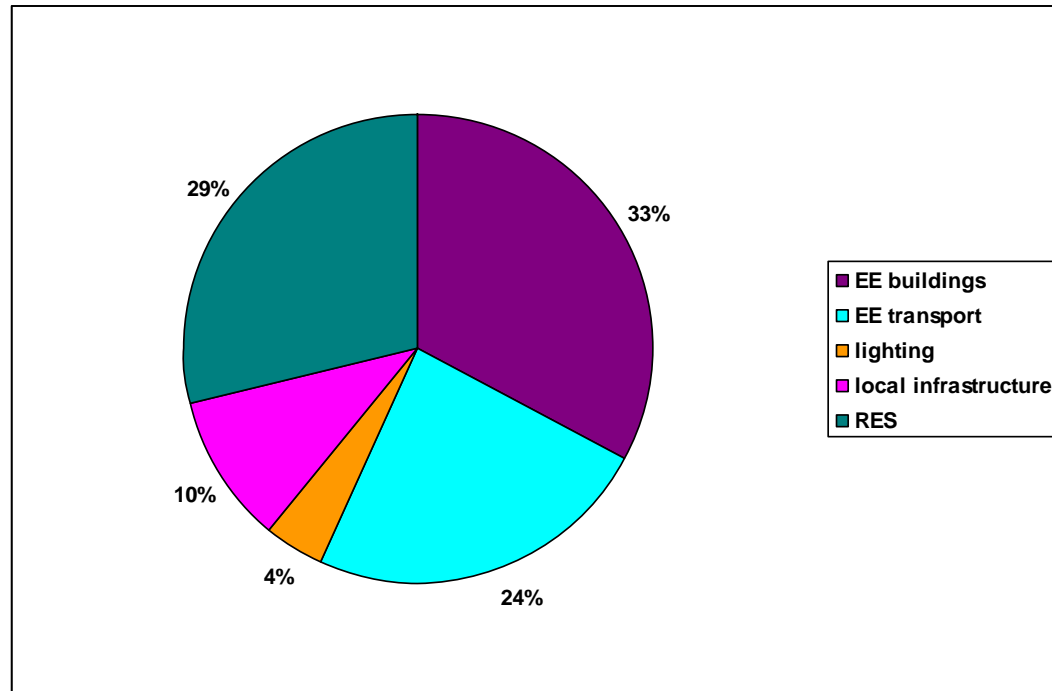
€ 9.2 billion EE & RES plus € 1.8 billion traditional energies & interconnectors.

# Intelligent Energy – Europe Programme

- ✓ ca. **€ 100 million** allocated **annually** for ‘soft projects’ focusing on energy efficiency and renewable energy projects
- ✓ specific key action for **local energy actors** / agencies / cities, focusing on capacity building, info dissemination and networking
- ✓ particular focus on Covenant of Mayors implementation
- ✓ new key action ‘**Mobilising local energy investments**’, providing TA grants for development of smaller-scale bankable investment projects (min. € 6 million investments, min grant of € 400.000, min. leverage factor 15), eligible individual cities/regions
- ✓ call already closed for 2011, likely to be continued in 2012
- ✓ complementary to ELENA Facilities, managed by the EACI
- ✓ more info on <http://ec.europa.eu/energy/intelligent/>

## ELENA EIB projects per 31/10/2011

### Distribution of planned investment for the 15 signed and approved projects



- Expected investment: EUR 1.9 bn
- Fair distribution between sectors
- Support to small & medium-size cities through regional/provincial bodies
- Replication of best practices, on very large scale
- Significant use of energy performance contracts or ESCOs

## **ELENA EIB**

**Preliminary indicators for signed and approved projects  
(as stated by applicants, as of end October 2011)**

- **Energy savings: 1 TWh during ELENA funding period**
- **The production of energy from renewable sources: 0,5 TWh for the same period**
- **The total emissions of CO<sub>2</sub> avoided: 0,55 million tons annually over the ELENA project duration**
- **Direct and indirect jobs created during the implementation and life time of the investment programmes, if fully achieved, could be estimated at 32.500 person-years**

# European Energy Efficiency Facility (EEEF)

## 1) Fund

- **Objective:** address specific financial needs of public authorities for commercially viable EE/RE projects in the EU.
- **Size: €265Mio (EC,EIB,CDP, DB;target size €500-600mio)**
- **Scope: EE (70%), RES (20%), clean urban transport (10%)**
- **Form:** SICAV, investment in forms of loans, guarantees, equity but **no grant**

## 2) Technical Assistance (TA)

- **20M€** (EC), TA grant linked to projects supported by the Fund

## 3) Awareness raising activities

- Ca. 1M€: EPEC to perform the campaign

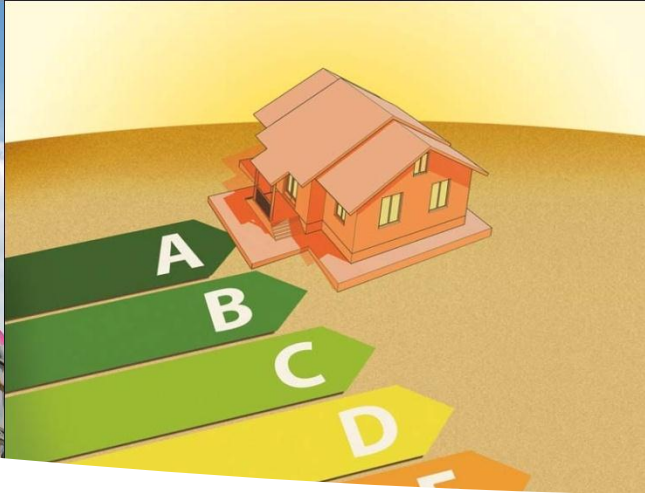
# EEEF: Available financing products

→ Provide **innovative financial scheme** to address specific needs of local/regional public authorities and support development of ESCOs, involving private financing into EE/RE/CUT projects (=PPP);

**Non-standard project finance products** : junior loans, convertible debt, equity participation, tailor-made senior loans (longer duration or grace periods), EPC as collateral to secure a loan, forfeiting loans;

**Application procedure**: no call for proposals/tenders for easy access

**Essential** : leverage , added value



**Thank you!**

**For further information on energy efficiency please consult our website:**

**<http://ec.europa.eu/energy/efficiency/>**