

Private Sector Forum

PPPs in Energy Efficiency

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Energy efficiency

- ❖ Public sector: stocks of aging real estate; also public transport and distribution networks need to become more energy efficient.
- ❖ Private sector: knowledge and experience of realising significant energy savings.

- ❖ Energy efficiency as one of the priorities of the Europe 2020 Strategy of the European Commission.
- ❖ A significant support available at European level – how to link projects with sources of support (i.e. ELENA, JESSICA, EEEF, etc.)?
- ❖ Two pilot areas: (i) public buildings and (ii) street lighting.

EPEC's activities include:

(i) workshops,

(ii) Guidance material for PPPs in energy efficiency and street lighting.



PPP – The role ELENA can play

What is ELENA?

ELENA (European Local ENergy Assistance) is a European Facility aiming, through technical assistance, at supporting authorities in accelerating their investment programmes in the fields of energy efficiency and renewable energy sources. It supports local and regional authorities in contributing to the "20-20-20" initiative of the EU. ELENA support covers a share of the cost for technical assistance that is necessary to prepare and implement an investment programme, e.g. additional feasibility and market studies, business plans, energy audits - in short, everything necessary to make cities' and regions' sustainable energy projects ready. ELENA does not focus on PPP specifically, but it recognises public-private partnerships (PPP) as a possible procurement method.

Further information: www.eib.org/elena

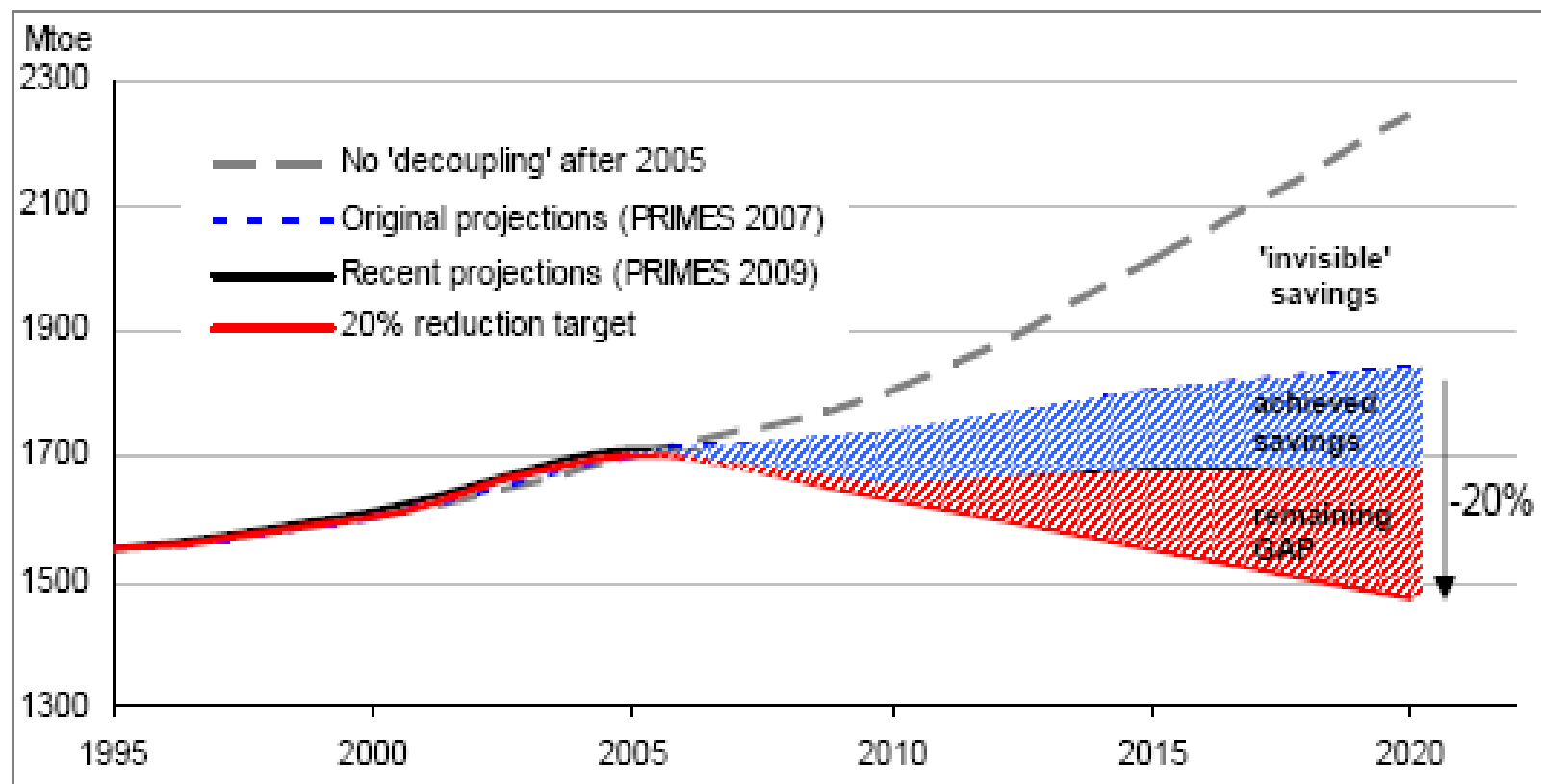
What else has to be considered?

- ELENA is available for local and regional authorities or other public bodies eligible under the Intelligent Energy Europe Programme
- investment programmes normally above EUR 50 million (smaller projects are eligible only when integrated into larger investment programmes)
- ELENA covers up to 90% of eligible costs required for technical support (additional staff and external expertise) related to a clearly identified investment programme
- the cap for requested assistance under ELENA is 4% of the investment volume (minimum leverage factor of 25)
- investment programme needs to be implemented within a 3-year timeframe, if not ELENA grant may (partly) be recovered.

Which investments can be supported?

- public and private buildings (including social housing and street and traffic lighting)
- integration of renewable energy sources into the built environment (e.g. solar photovoltaic, solar thermal collectors, biomass)
- district heating/cooling networks (e.g. combined heat and power (CHP), decentralised CHP systems)
- urban transport (e.g. high energy efficiency / hybrid buses, electrical or low-carbon propulsion systems, electric cars)
- local infrastructure (e.g. smart grids, IT for energy efficiency, energy-efficient urban equipment, refuelling alternative fuel vehicles).

Can the EU energy savings goal of 20% be met by 2020?



Quelle: EC Efficiency Plan
Impact Assessment – 8.3.11

PPP and Energy Efficiency – existing savings models can be realised as PPPs

	Long contract duration	Life-cycle approach	Risk sharing	Output specification	Private (co-) financing	Incentive- and payment mechanisms	Room for innovation
PPP	✓	✓	✓	✓	✓	✓	✓
ESCO	✓	✓	✓	?	✓	?	✓
EPC (Energy Performance Contracting)	?	?	✓	?	✓	?	✓

How do PPPs in Energy Efficiency fit with EIB/ EU financial instruments?

EIB/EU funding facility	Applicable	Sector	character & purpose Of instrument	PPP?	For EE		Focus
					focus	support	
JESSICA	EU 27	Public	Urban development fund, revolving financial support	✓	?	✓	Realisation phase
ELENA	EU 27	Public	technical support facility (subsidy for transaction costs)	✓	✓	✓	Preparation phase
JASPERS	EU 12	Public	support for better preparation of EU-funded projects	✓	?	?	Preparation phase
EEEF	EU 27	Private	equity fund for energy efficiency projects	✗	✗	?	Realisation phase
RSSF	EU 27	Private/ Public	risk sharing facility for high risk projects (e.g. R&D)	✓	?	✓	anytime

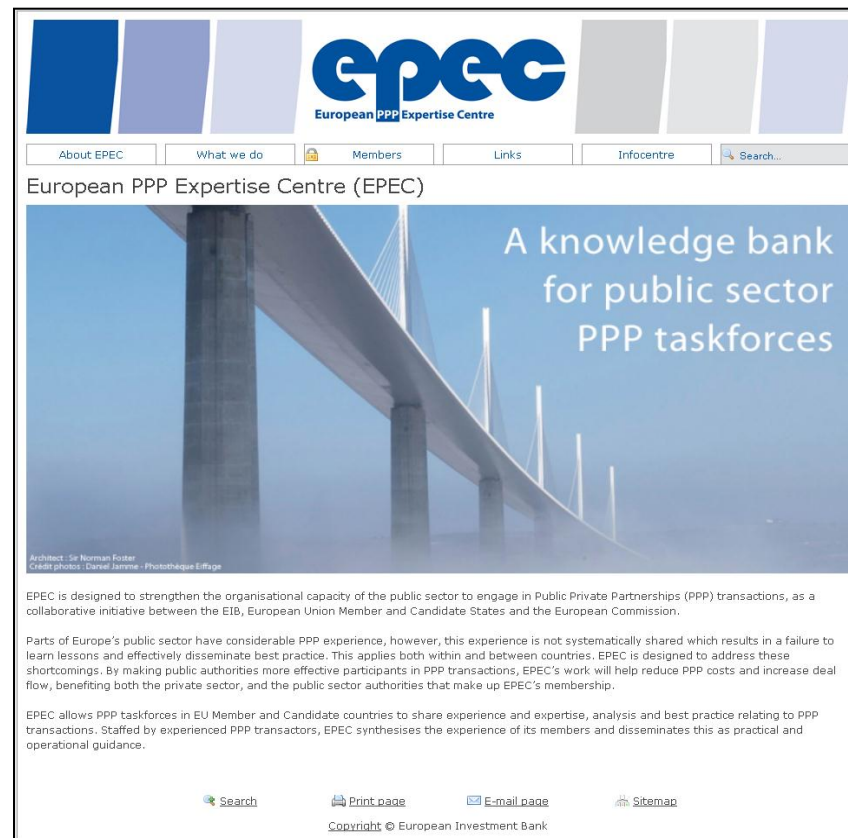
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The screenshot shows the EPEC website interface. At the top is the EPEC logo and navigation menu with links for 'About EPEC', 'What we do', 'Members', 'Links', 'Infocentre', and a search box. Below the menu is a large banner image of a bridge with the text 'A knowledge bank for public sector PPP taskforces'. The main content area contains three paragraphs of text describing EPEC's mission and services. At the bottom, there are links for 'Search', 'Print page', 'E-mail page', and 'Sitemap', along with a copyright notice for the European Investment Bank.

European PPP Expertise Centre (EPEC)

A knowledge bank
for public sector
PPP taskforces

Architect: Sir Norman Foster
Credit photos: Daniel Jarman - Photothèque Eiffage

EPEC is designed to strengthen the organisational capacity of the public sector to engage in Public Private Partnerships (PPP) transactions, as a collaborative initiative between the EIB, European Union Member and Candidate States and the European Commission.

Parts of Europe's public sector have considerable PPP experience, however, this experience is not systematically shared which results in a failure to learn lessons and effectively disseminate best practice. This applies both within and between countries. EPEC is designed to address these shortcomings. By making public authorities more effective participants in PPP transactions, EPEC's work will help reduce PPP costs and increase deal flow, benefiting both the private sector, and the public sector authorities that make up EPEC's membership.

EPEC allows PPP taskforces in EU Member and Candidate countries to share experience and expertise, analysis and best practice relating to PPP transactions. Staffed by experienced PPP transactors, EPEC synthesises the experience of its members and disseminates this as practical and operational guidance.

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