European policy in support of energy efficiency investments

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Financing energy efficiency in Malta and Italy
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The context

2015: Paris Agreement on climate change

UN 2030 Agenda for Sustainable Development

2021-2027 MFF: 25% of EU expenditure contributing to climate objectives (€ 320 billion).
**Action Plan: financing Sustainable Growth**

1. reorient capital flows towards **sustainable investment** to achieve sustainable and inclusive growth;

2. manage financial risks **stemming from climate change**, resource depletion, environmental degradation and social issues;

3. foster transparency and **long-termism** in financial and economic activity.

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- Investment gap to achieve EU climate and energy targets by 2030: almost EUR 180 billion yearly
- Overall investment gap in transport, energy and resource management infrastructure: EUR 270 billion yearly
Clean Energy for all Europeans

Energy Efficiency: the most cost-effective way of achieving Energy Union objectives...

Energy security, solidarity and trust

A fully integrated energy market

Decarbonising the economy

Research, Innovation and Competitiveness

An Energy Union based on 5 mutually supportive and interlinked dimensions
# Energy Efficiency policy framework

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<td>Almost 50% of the 20% EU2020 target</td>
<td>Clear vision for a decarbonised building stock by 2050</td>
<td>Binding 30% energy efficiency target for 2030</td>
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<td>New product groups and reviews (WP 206-19)</td>
<td>Smart &amp; Efficient buildings (use of Information and Communication Technologies)</td>
<td>Create 400,000 new jobs</td>
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<td>E-mobility supported</td>
<td>Reduce gas imports by 12%, save € 70 billion in fossil fuel imports</td>
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<td>Smart Finance for Smart Buildings initiative</td>
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Revised EPBD

- Stronger long term renovation strategies for Member States, aiming at decarbonisation by 2050 and with a solid financial component
- Targeted support to e-mobility infrastructure deployment
- Higher thresholds for inspections of heating and air conditioning systems and reinforced provisions on building automation
- A Smart Readiness Indicator for buildings
- Strengthened data requirements
- Enhanced transparency of national building energy performance calculation methodologies

Member States have to transpose the new requirements by 10 March 2020 (20 months)
75% of the housing stock is energy inefficient, missing the benefits of increased renovation.

Renovation rates are too low and renovation depth is too shallow.

Need to accelerate and finance building renovation investments.

Tapping the potential of smart building technologies.
Revised EED

- A new energy efficiency target for the EU for 2030: 32.5%, upwards revision clause by 2023
- Extended energy savings obligation for achieving new energy savings for the next period 2021-2030 and beyond, coming from new energy efficiency renovations or other measures undertaken in end-use sectors (0.8, 0.24 f. Malta)
- Strengthened rules on individual metering and billing of thermal energy (better information for consumers)
- Transparent, publicly available national rules on the allocation of the cost of heating, cooling and hot water consumption in multi-apartment and multi-purpose buildings

Member States will have 18 months to transpose the new elements of the Directive into national law (22 months for provisions on metering and billing)
THE "SMART FINANCE FOR SMART BUILDINGS" INITIATIVE

More effective use of public funds
- Deploying Financial Instruments and flexible energy efficiency and renewable financing platforms
- Building on EFSI blending with ESIF funds

Assistance and aggregation
- Supporting the project pipeline at EU and local level
- Project Development Assistance facilities
- "One-stop-shops"

De-risking
- Understanding the risks and benefits for financiers and investors
- The De-risking Energy Efficiency Platform (DEEP)
- Commonly accepted underwriting framework
The "Smart Finance for Smart building" Initiative

A GREATER MOBILISATION OF INVESTMENTS

Smart Finance for Smart Building Initiative aims at unlocking investments and private financing through:

- Effective use of public funding
- Aggregation of projects
- De-risking

Financing Initiatives:

- European Local ENergy Assistance (ELENA)
- De-risking Energy Efficiency Platform (DEEP)
- EEFIG Underwriting toolkit
Thank you for your attention!

#EnergyUnion