BREAKOUT SESSION 2

Financing Home Renovation

**ENERSHIFT**
Region of Liguria, IT

Giuseppe Sorgente,
Region of Liguria

**LEMON**
Region of Emilia-Romagna, IT

Claudia Carani, Agenzia per l'energia e lo sviluppo sostenibile associazione (AESS)
SOCIAL HOUSING
INNOVATIVE
FINANCIAL TENDER
FOR ENERGY

Arch. Giuseppe Sorgente
Brussels, 21st February 2018
THE PROJECT

FUNDING
EnerSHIFT is a CSA (Coordination and Support Action) funded by the European Union in the frame of Horizon 2020 - Research and Innovation Programme under the call «EE20 Project Development Assistance»

BUDGET
1.000.000, 00 € ab.

DURATION
February 2016 - January 2019 (36 M)
EnerSHIFT project is based on the necessity to improve the quality of Social Housing Buildings through retrofitting, for the sake of low income people and to decrease energy consumption and related emissions while boosting the local economy.

**AIM**

Implementation of energy retrofitting interventions for € 15 mil. thanks to the use of innovative financial schemes such as E.P.C. model.

**BENEFICIARIES**

Over 3000 families living in 76 SHO’s buildings, located in 14 municipalities of Liguria.
THE PARTNERS

PUBLIC AUTHORITY
PROJECT MANAGEMENT & COORDINATION, LEGAL & ADMINISTRATIVE PROCEDURES

LIGURIA REGION - Coordinator
Urban Development Project Office
Regional Centralized Public Procurement Unit

IN-HOUSE REGIONAL AGENCY
TECHNICAL SUPPORT FOR ENERGY RETROFITTING INTERVENTIONS

IRE S.p.A.
Energy Division

REGIONAL AGENCIES FOR SH BUILDINGS
OWNERS AND MANAGERS OF THE PUBLIC BUILDINGS SELECTED IN ENERSHIFT

ARTE Genova
ARTE La Spezia
ARTE Imperia
ARTE Savona

PRIVATE SYNDACATES
TENANTS’ REPRESENTATIVES PROJECT CONTACT POINT FOR FAMILIES

SUNIA
SICET
UNIAT
THE EXPECTED RESULTS

PRIMARY ENERGY SAVING
14,5 GWh/y

R.E.S. PRODUCTION
1 GWh/y

CO2 SAVING
Ab. 3500 tCO2

ENERGY SAVING
Ab. 50%
Overcome existing barriers to implementation of EPC in the Social Housing building sector and to the development of ESCo market

Develop innovative financing schemes through PPP and flexible contract models offering advanced energy services, to boost the replication of EE initiatives in SH buildings at mass scale level

Apply the triple win approach, in order to spread benefits among building owners, tenants and ESCOs while avoiding any cost to tenants

Improve the life quality of tenants, and engage them against energy poverty

Foster the cooperation between ESCos and Financial institutions to promote the bankability of the projects
Project Tender & Financial Engineering

The aim is to reduce the level of financial risk of the operation.

INVESTMENTS

- Regional Funds
  - ERDF Fund
  - Guarantee Fund
- Private Investments
  - Banks & Co ESCOs
- National Funds
  - H&C Supporting Schemes
  - RES/EE Certificates

TENDER for ESCOs

- Tenants
- Beneficiaries
- Signatories
- SHOs

EnerSHIFT

1 ml € from EU

Around 15 ml €
BARRIERS TO THE ESCO MARKET ARE MAINLY FINANCIAL

- Availability of 5 mil € ERDF & Guarantee fund
- Stakeholders platform, Banks’s agreement ICP protocol
- Available national contributions: «Conto Termico» for ESCOs
- Amendment to Social Housing regional law

TENDER for ESCOs

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1 mil € from EU

Tenants
Beneficiaries
Signatories
SHOs

around 15 mil €
PUBLIC FUND SCARCITY?

WE HAVE THE AVAILABILITY OF 5 MILLION € ERDF

CAN WE USE THEM?  NO, BECAUSE

- Sinergy between H2020 funds and ERDF
  - In Italy the spending and reporting ERDF rules do not match with the ESCo-fee model

- Guarantee Fund
  - Public contributions to the ESCos breach the PPP rules on risk allocation
  - We are still waiting for the National ERDF 2014-2020 guidelines so we can’t activate it!
  - We are waiting for the National Guarantee fund foreseen by national law since 2014...

... ANYWAY WE HAVE TO MANAGE TWO SEPARATED TENDER PROCESS
E.P.C. TENDER

Date of Publication (EU Official Journal): **14.08.2017**
Deadline for the submission of the offers: **18.12.2017**
Regulatory framework: **Public Service Concession**
Requested services: **Energy saving, Energy management of buildings, Supply of energy for 67 building** (43 thermal power plants)

Lots amount: The total value of the concessions is around **€ 21 mil** (plus VAT, including the energy supply), split up as follows:
- Lot n. 1 A.R.T.E. Genoa – ab. € 17 mil
- Lot n. 2 A.R.T.E. La Spezia – ab € 3 mil
- Lot n. 3 A.R.T.E. Savona + Imperia – ab. € 1 mil

Term of concessions:
**Minimum target: 45% energy saving**
**PHASE I**: max 14 months for the implementation of the EE interventions
**PHASE II** for the operation and maintenance of the plants: 12/13 years
ERDF FUNDS TENDER

Date of Publication planned: **31.06.2018**

Deadline for the contract signature: **31.01.2019**

Regulatory framework: **4 Public Procurement tenders for works**

Requested services: **Deep energy renovation for 9 lighthouse buildings**

Lots amount: The total value of the works is **€ 5.000.000,00** (plus VAT), split up as follows:
- Lot n. 1 A.R.T.E. Genoa: € 2 mil
- Lot n. 2 A.R.T.E. La Spezia: € 1
- Lot n. 3 A.R.T.E. Savona: € 1
- Lot n. 4 A.R.T.E. Imperia: € 1

**Common elements with EPC tender:**
- Energy audits
- Modeling of interventions, including estimated cost
Lot 1: N. 3 offers received from groupings of big companies. Offers are under assessment.

Lots 2 - 3: No offers received. Why?

- SME market UNREADY to meet the EPC terms at technical/financial level
- Difficulty to deal with the SMALL SIZE of the 2 LOTS

Launch of a NEW TENDER PROCEDURE

- When: early March 2018
- Deadline: May 2018 (ab. 2 months)
- Framework: Public Service Concession
- Requested services: EPC for 23 buildings (18 TPP)
BENEFITS FOR THE TENANTS

Better life quality and cost saving

Innovative triple win approach

BENEFITS will be SHARED among Tenants, SHOs and ESCOs

COSTS of the interventions will NOT AFFECT Tenants

Shared saving model

Energy bill BEFORE intervention

Cost saving for users

Recovery of investment by the ESCo

Energy bill AFTER intervention
THANK YOU FOR YOUR ATTENTION

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