Pilot Project: “Feasibility study to finance low cost energy efficiency measures in low income households from EU funds”

1.1. Introduction

Vast amounts of energy are used in buildings (40% of EU energy use). As depicted by a number of studies (e.g. Energy Efficiency Financial Institutions Group Interim Report1) buildings also represent the major potential for economically viable and beneficial investments into energy efficient renovation, leading to reduction of consumed energy (thus associated costs), prolongation of useful life of properties and increasing of their market value. While this is self-evident, there are still many obstacles preventing building owners (and tenants, in particular) from making these investments reality. Specific attention needs to be given to low-income households, who are the most vulnerable, with difficult access to financing and at the same time unsustainably high energy bills due to the poor state of buildings they occupy.

In the Multiannual Financial Framework 2014-2020, in particular in the framework of the European Structural and Investment Funds, major effort is put to increase investment volumes for the renovation of buildings, including those occupied by the low-income consumers. However, taking into account the specific characteristics of this consumer group, special attention needs to be given to the financing methods and instruments used or under development, ensuring their effective deployment. To do so, a study needs to be developed that will map the situation and provide recommendations on the most effective options to finance energy efficient renovation of buildings for low-income households.

1.2. Procurement

The overall budgetary allocation reserved for 2015 amounts to EUR 120,000.

1.2.1. Pilot project: “Feasibility study to finance low cost energy efficiency measures in low income households from EU funds”

1.2.2. Legal basis:


Budget line:

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Subject matter of the contracts envisaged:

Development of a comparative study, analysing options and instruments allowing to finance low-cost energy efficiency measures, using EU Funds, in the segment of low-income households.

Type of contract and type of procurement:

A call for tender with a value up to EUR 60,000

Indicative number of contracts envisaged: 1

Indicative timeframe for launching the procurement procedure:

<table>
<thead>
<tr>
<th>Step</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invitation to submit tenders</td>
<td>2Q 2015</td>
</tr>
<tr>
<td>Deadline for submission of tenders</td>
<td>3Q 2015</td>
</tr>
<tr>
<td>Information of tenderers on the results of the evaluation</td>
<td>4Q 2015</td>
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<tr>
<td>Signature of the contract</td>
<td>4Q 2015</td>
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</tbody>
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Implementation:

DG ENER C3

Payment of EUR 40,000 is foreseen in the fourth quarter 2015.

Balance payment of EUR 20,000 foreseen for the second quarter 2016.

Overall objective and purpose of the action

In connection with emergency plans to ensure EU energy supply security and reduce dependence on energy imports, special protection should be given to vulnerable consumers hit by energy poverty. Energy used in buildings accounts for 40% of EU energy use. Financing
deep renovation of buildings was recently recognised as a key priority for funding under the European Structural and Investment Funds 2014-2020. However, optimum ways of mobilising financing to support specific low-cost energy efficiency measures that could be implemented relatively quickly in low-income households still need to be found. Such financing measures, using any available EU funds and budget lines, would help vulnerable consumers to reduce their energy needs without reducing their standard of living. A financing feasibility study will be carried out. The objectives of the study will include determining what is needed in practice to make EU funds available to this group of citizens for such short-term measures, properly taking into account social and economic impacts (creation of local jobs, reduction of consumers' bills, etc.), barriers represented by split incentives between tenants and building owners, complementarity with longer-term energy efficiency measures and the financing already available at EU and national level.