ELENA Facility
European Local ENergy Assistance
Support for One Stop Shops

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European Investment Bank

Riga, 10/04/2019
EUR 4.8bn to EE in 2017 (65% buildings, 30% industry)
Buildings is the largest EE sub-sector, in line with EU priorities
How EIB can assist:
Lending, Blending, Advising

Loans/Funds

- Investment Loans (direct)
- **Intermediated Loans**, Promote Aggregation. Small and medium-scale projects (particularly to SMEs) via national and regional intermediary banks. Lending decision remains with the financial intermediary

- Investment Funds
- European Fund for Strategic Investment (EFSI)
- Dedicated schemes such as Private Finance for Energy Efficiency (PF4EE), Smart Finance for Smart Buildings (SFSB)
- Blending with ESIF

Technical Assistance / Advisory Services typically upstream, with or without links to operations.

- ELENA (European Local Energy Assistance)
- JASPERS (Joint Assistance to Support Projects in European Regions)
- FIA (Financial Instruments Advisory)
- EIAH (European Investment Advisory Hub)
Outline

‣ What is ELENA?
‣ Who can benefit from ELENA?
‣ What type of investments does ELENA support?
‣ Eligible costs
‣ Application process
‣ Case studies of One Stop Shops
What is ELENA?

- Established in 2009 as European Local ENergy Assistance – not only local anymore
- Based on an agreement between the European Investment Bank (EIB) and the European Commission
  - managed by the EIB
  - financed by the Horizon 2020 Framework Programme for Research & Innovation
- Grant for preparation (not implementation) of investment programmes
- More than EUR 155m awarded to more than 80 projects supporting approx. EUR 5.4bn investments

*Picture: Aarhus tram project*
General rules

› Minimum investment of EUR 30m
› Grant covers up to 90% of costs related to project development support
› Budget allocation: first come, first served principle; in range of EUR 30m – 50m per year
› Required level of maturity: preparatory studies carried out and main decisions taken before ELENA support request (ELENA proposal should demonstrate high probability that project will be implemented)
› Obligation of investment implementation - leverage factor required:
   › 20 for sustainable energy projects
   › 10 for residential buildings and urban transport
› In case the leverage not achieved: grant may be clawed back
› Final beneficiary (applicant) doesn't have to be the one who is implementing the investment
› 3-year implementation period for EE projects, 4-year for urban transport
Who can benefit?

Public sector

• Local, regional or national authorities
• Other public bodies (e.g. energy agencies)
• Groupings of such authorities or bodies

Private sector

• Private entities planning to develop and support eligible investments: e.g. associations, mixed public/private, banks etc.

ELENA TA should not have purpose or effect of producing a profit
Eligible investment programmes

Sustainable Energy

- EE renovations of public and private buildings
- Street and traffic lighting
- Integration of renewable energy sources into the buildings
- Investments in district heating/cooling networks
- Local energy facilities that support EE/RE (e.g. smart grids)

Investment programmes implemented by the final beneficiary or by a third party

ELENA
Eligible investment programmes

Urban transport and mobility

- Investments to support the use and the integration of innovative solutions going beyond the current state of art for alternative fuels in urban mobility
- Vehicles, recharging infrastructure, energy-efficiency measures and systems

Investment programmes implemented by the final beneficiary or by a third party
Eligible investment programmes

Residential buildings

- EE refurbishment of residential buildings
- Integration of renewable energy sources into the buildings
- Project development activities: assessing the energy performance of buildings: support for energy performance certificates or energy audits, access to financing: help households access financing from financial institutions, and/or available grants, setting up one stop shops etc.

Investment programmes implemented by the final beneficiary or by a third party

ELENA
## Eligible costs

<table>
<thead>
<tr>
<th>Internal staff</th>
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<tbody>
<tr>
<td>- Costs of personnel clearly assigned to the project</td>
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<td>- Salaries, social security charges and other remuneration-related costs</td>
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<tr>
<th>External experts</th>
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<tbody>
<tr>
<td>- Feasibility, design and market studies</td>
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<tr>
<td>- Structuring of programmes, business plans, energy audits</td>
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<tr>
<td>- Legal/financial advisory</td>
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<td>- Preparing of tendering procedures</td>
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<td>- Bundling of smaller projects to form bankable packages</td>
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Application process

First contact: ELENA@EIB.ORG

PRE-APPLICATION (2-3 pages with basic information on the envisaged investment programme and technical assistance needs)

Initial check of eligibility

APPLICATION – final version

Refining the application in cooperation with the ELENA Team of EIB

APPLICATION – first version
(usually around 30 pages template document covering the details of the planned investments, costs, expected energy savings and details of related TA needs)

Request for Approval to the European Commission

Preparation of the Funding Agreement and signing the contract

Start of project development services financed by ELENA
ELENA projects overview

ELENA interactive map
Financing Home Renovation in Europe

Consensus on findings regarding private housing refurbishment market

- Targeting households through multiple criteria
  - Residential building typology
    - Urgency for renovation
    - Dwelling and neighborhood
  - The right moment
    - Stage of life
    - House is empty
  - Availability of financing
  - Consumer style

A fragmented offer for EE house refurbishment

Consensus on findings regarding private housing refurbishment market

→ A fragmented offer

Craftmen, Installers
General contractors & Cooperatives
Architects, Engineers
Hardware stores, Brokers
Energy utilities
Banks
Publicly funded advisers
One-stop-shops ???

Core business  Limited  Emerging

Building inspection and energy analysis
Quotation financing plan
Quality insurance
Renovation
Financing
Commissioning & Follow-up

Examples of EIB support to One Stop Shops

Bank is involved in the support of one stop shops for EE in residential buildings at two levels:

Examples of **EIB as lender** to co-finance the EE measures:

- SEM Îles de France Energies
- Picardie Pass Renovation
- SEM ARTEE
- SEM Bordeaux Métropole Energies
- Sustainable Loans for citizens in Limburg, Netherlands

Examples of **ELENA grant support** for several OSS:

- Picardie Pass Renovation
- Superhomes, Tipperary, Ireland
- ARTEE, Nouvelle Aquitaine, France
- Sustainable Loans for citizens in Limburg, Netherland
- Others in advanced stage of preparation or submitted to the EC for approval (E.g FR, NL and SP)
EIB Financing plus technical assistance in France

- Specialised companies “Société de Tiers Financement” (STF) were established to provide technical and financial assistance to homeowners / homeowners associations i.e “One stop shop”
- For each sub-operation, the borrower from EIB is the STF
- Final Beneficiaries will be homeowners or homeowners associations
- Average loan ~EUR 31,000
- Allow the offer of long tenor (~20 yrs) plus attractive rates (2-2.5%)
Province of Limburg

EIB Loan

- EIB investing EUR 75m in the province Fund ("Duurzaam Thuis")
- For private citizens who can borrow money for EE measures and PV installations

ELENA Support

- Citizens also receive technical advice to increase the EE component of the loans, advice on suppliers and contractors, advice on works and prices etc.

- 10-15 year terms
- Loans: Owner up to EUR 35,000 and tenants up to EUR 25,000
- Province Loan Officers can work with the homeowners on personalized energy assessments
Tipperary Energy Agency

- **Beneficiary:** Tipperary Energy Agency
  - Deep retrofit of single family dwellings under the programme “Superhomes”
  - Public Lighting Replacement Programme
  - Implementation of renewable heating systems, mobilising investment under the Renewable Heat Incentive (RHI)
  - Implementation of community wide energy efficiency under the state Better Energy Community (BEC) and energy efficiency obligation scheme

- Estimated investment programme cost: EUR 38m

- ELENA grant budget: EUR 1.5m

- Project Development Services (PDS) financed by ELENA provide support to the TEA for implementation
  - ELENA PDS Team composed of TEA staff and external subcontractors.
  - Offering a tailored assistance to various stakeholders – private homeowners, public entities, SMEs
  - Undertake the stakeholder engagement, the technical and business case development and provide energy audits, prepare the procurement and design of the investments
  - ELENA PDS Team will liaise directly with the individual house/facility owners to encourage the investment
EIB Support to One Stop shop

- EIB loan
  - Long term loans for EE measures to homes

- ELENA grant
  - ELENA funded assistance for technical and financial advice to homeowners

Project - EE in homes
Thank you for your attention!

Further information:

www.eib.org/elena