



#H2020Energy

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Innovative financing for energy efficiency investments

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Unit B1 Energy

Research and
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Challenge

- **"Smart Financing for Smart Buildings" initiative**
 - More effective use of public funding
 - Aggregation and assistance for project development
 - De-risking
- **Innovative regional/national financing schemes**
 - Adequate private finance supply for EE investments
 - Maximised leverage ratio of private finance to public funds

Scope

- **Development or replication and implementation of innovative financing schemes for EE investments**
 - Various financing models/schemes
 - Different organisation types/ownership structures
 - Complementarity to already available funding
 - Provision of finance and structuring of demand (regional/national level)
 - Targeting specific areas (e.g. energy-intensive industries, buildings etc.)
 - Tailored and innovative for the targeted regions and market segments
 - Demonstration of market potential, as well as business case and financial viability
(including investment sizes targeted, expected savings, transaction and management costs, expected returns etc.)

Scope (cont.)

- **Exemplary financing schemes**
 - Dedicated credit lines
 - Guarantee facilities
 - Factoring/forfaiting schemes
 - On-bill (e.g. utility-financed) or on-tax financing schemes
 - Citizen financing (e.g. crowd-funding) for EE
 - Models for deep renovation of buildings (property and rental market)
 - Schemes for different industry sectors and cross-sectorial initiatives
 - Solutions integrating existing market-based instruments relevant for EE
(e.g. carbon finance instruments, including those under the EU ETS; EE obligations, incl. white certificates etc.)
 - Schemes based on project aggregators/clearing houses at regional/national level (project development support; matching demand & supply of EE finance)

Scope (cont.)

- Set-up of new **innovative, operational financing schemes**
- **Replication of previously successful solutions**
(e.g. developed/implemented under various PDA facilities, incl. ELENA of EIB)
- **Establishment of regional/national aggregators** able to develop large (standardized) project pipelines
- Creation of **EU or regional/national energy efficiency investment roundtables/platforms** to
 - Organise **dialogue** with and between the relevant stakeholders and
 - Develop **roadmaps**
 - Propose **improvements in the legal frameworks**
 - Develop and validate **template documents** and **contracts**, leading to a better understanding of the market



Clear **action plan** to communicate across Europe towards potential replicators

Expected Impact

- Depending on scope addressed
- Quantified indicators and targets, wherever possible

- Delivery of **innovative financing schemes** that are **operational** and **ready to finance** EE investments
- **Regional/national aggregators** with demonstrated/traceable capacity to set up large-scale pipeline of (standardized) sustainable energy investments (*in terms of number of and/or amount of investment*)
- EU or regional/national **EE investment roundtables/platforms** providing a comprehensive range of support and/or services to facilitate access to EE finance
- **Primary energy savings** triggered by the project (*in GWh/year*)
- **Investments in sustainable energy** triggered by the project (*in million Euro*)
- **Additional positive effects** (reduction of GHGs/air pollutants)

Relevant Horizon 2020 projects

CITYinvest

- Introduction of **innovative financing schemes** (revolving funds, EPC, third party financing, cooperative models etc.) in **3 pilot regions** (Belgium, Bulgaria, Spain)
- **Analysis of models** (opportunities and barriers)
- **Large-scale capacity building** and training (for public authorities)
- **Web-based portal** for practical guidance and match-making

TrustEE

- **Investment fund** focused on industrial energy efficiency
- Fund-internal **guarantee facility** to reduce risks
- **Third Party Financing** – institutional investors

Relevant Horizon 2020 projects (cont.)

Call 2017

- **Energy savings insurance mechanism for SMEs** combined with retention guarantees by technology providers and (simplified) independent validation/verification based on standardised contractual arrangement.
- **On-tax financing mechanism for energy renovations** linking debt to the property rather than to the owner and collecting debt repayment through property taxes.
- **Capacity building activities and roll-out of operational innovative financing schemes** (incl. energy performance contracting, crowdfunding and leasing) in Eastern Europe and Caucasus region

Project Development Assistance projects

- **EE-11: Aggregation - Project Development Assistance**
- **IEE (Intelligent Energy – Europe) PDA projects:**
<https://ec.europa.eu/easme/en/project-development-assistance-pda>

Key proposal features

- **Sufficiently clear, concrete and mature concept**
(e.g. financial solution(s) to be developed or tailored and replicated, sectors/investment types targeted etc.)
- Adequate **market and barrier analysis**
- Demonstrated **response to real market needs** and corresponding **concrete (market) impact**
- Clear **economic/financial viability** of the solution(s) envisaged
- Suitable **addressing of market acceptance**
(e.g. involvement of and/or engagement strategies regarding key stakeholders and, in particular, financial sector actors)



Thank you!

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