



Attracting private finance for sustainable energy

Innovative financing schemes for sustainable energy investments

LIFE EU Infoday 2021

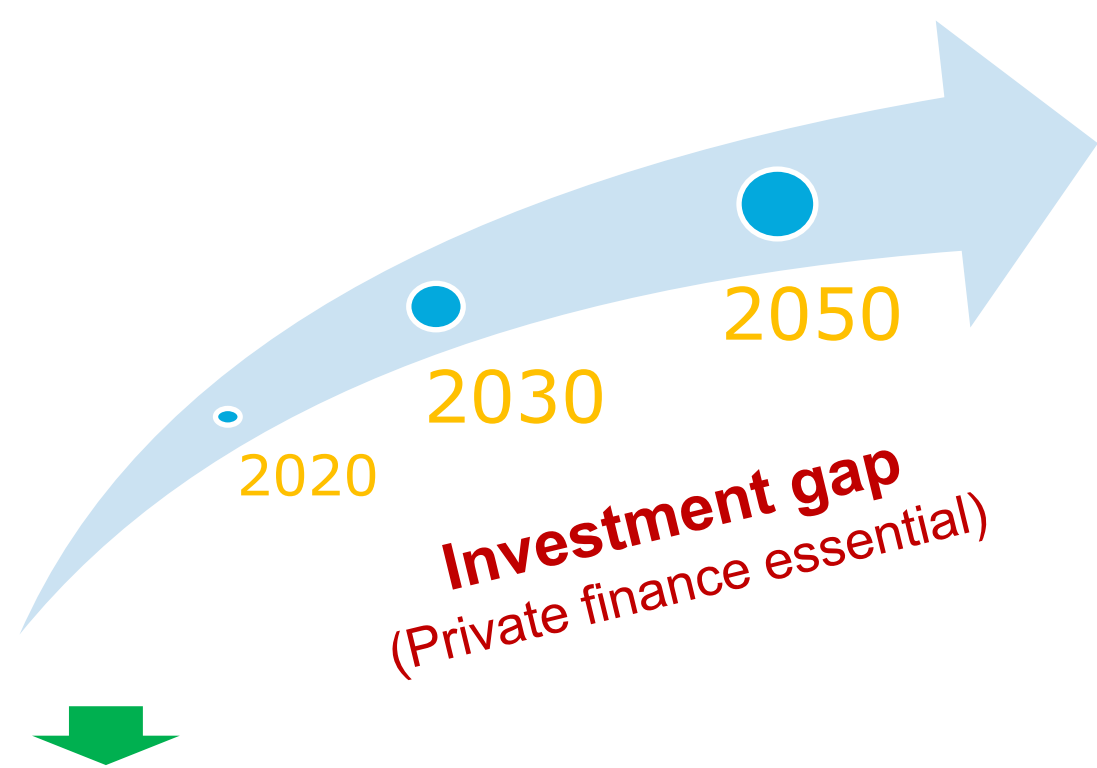


European Climate,
Infrastructure and
Environment
Executive Agency

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Objectives

- **Climate and Energy Framework 2030**
(incl. “Long-term renovation strategies”)
- **European Green Deal:**
1st climate-neutral continent
(incl. “Renovation Wave”)



Innovative financing schemes for sustainable energy investments

- ✓ Leveraging **private finance**
- ✓ **Regional / national** roll-out
- ✓ **Expandable / replicable** at scale
- ✓ Adapted to **specificities of sustainable energy and energy efficiency**
- ✓ Aligned with **EU Sustainable Finance policy / legislation** and **EU Taxonomy**

Scope – Main focus

Set-up of innovative financing schemes for sustainable energy investments

- ✓ Leveraging **private finance**
- ✓ Dedicated focus on **energy efficiency (EE)**
 - ✓ **Operational** by end of the action



Scope - Elements to be addressed

- ✓ Establishment of **innovative, operational financing schemes**
- ✓ **Drawing on / upscaling** of other successful financing schemes **possible**
(e.g. H2020 / MLEI PDA or ELENA-EIB)
- ✓ **Provision of finance** and **structuring of demand** (regional / national level)
- ✓ Targeting **specific region(s) / sector(s)**
(e.g. buildings, energy-intensive industries, insurance sector etc.)
- ✓ **Tailored** and **innovative** for targeted region(s) and market segment(s)
- ✓ **Complementarity / additionality** to already available funding
- ✓ Demonstration of **market potential**, as well as **business case** and **financial viability**
(incl. investment sizes targeted, expected savings, transaction and management costs, expected returns etc.)
- ✓ Alignment with **EU Sustainable Finance policy / legislation** and **EU Taxonomy**



Scope – Indicative financing schemes

- € Models integrating **tailored grants, equity, debt, mezzanine financing, refinancing mechanisms, guarantees or other de-risking instruments** etc.
- € Specific **schemes for building energy retrofits**, addressing property or rental markets and deep energy renovation
- € **Securitization vehicles** and **green bond schemes**
- € **Local investment structures**, including citizen financing (e.g. crowdfunding) or other forms e.g. focusing on prosumers
- € Solutions integrating existing **market-based instruments** relevant for EE
(e.g. carbon finance instruments, incl. those under the EU ETS; EE obligations, incl. white certificates, CO₂ / energy taxes, ESC / EPC etc.)
- € Schemes based on **aggregators / clearing houses** at regional / national level
(blending facilitation; project development support; matching demand and supply of EE finance)



Expected impacts

Quantified indicators and targets, wherever possible

- ✓ Delivery of **innovative financing schemes**:
 - Adequately **tailored**;
 - **Operational / ready to finance** sustainable energy and, in particular, EE investments
- ✓ **Investments in sustainable energy** triggered (*cumulative, in million Euro*)
- ✓ Contribution to wide-spread implementation of **EU Sustainable Finance policy / legislation** (in particular, the **EU Taxonomy**), and achievement of the underlying objectives
- ✓ **Primary energy savings / renewable energy generation** triggered (*in GWh/year*)
- ✓ Reduction of **GHG emissions** (*in tCO_{2e}/year*) and, if applicable **air pollutants** (*in kg/year*)



Relevant Horizon 2020 projects

TrustEE

TrustEE

- **Forfeiting solution / securitisation vehicle** with **industry focus**
- **Standardised** project assessment / development platform
- **Third Party Financing** – institutional investors
- <https://www.trust-ee.eu/>

E-FIX

- **Capacity building** and **roll-out** of operational **innovative financing schemes** in **Eastern Europe / Caucasus region**
- **Energy performance contracting, crowdfunding, leasing**
- www.energyfinancing.eu/en/



Relevant Horizon 2020 projects



ESI Europe

- **Energy savings insurance** mechanism for SMEs
- Simplified **independent validation / verification**
- **Standardised contractual arrangements**
- <https://www.esi-europe.org/>

eEaaS

- **Energy efficient equipment-as-a-service:** new business model and financial structure for **industrial SMEs**
- Mainstreaming of **energy efficiency servitisation ("pay-per-use") financial model** for SMEs
- **Standardisation** of financing structure to **recapitalize technology providers**
- <https://energy-base.org/projects/efficiency-as-a-service-eaas-in-europe/>



Relevant Horizon 2020 projects



EuroPACE

- **Property-linked on-tax finance** for home renovation
- **One-stop-shop** pilot in Olot (Spain)
- **Benchmarking of contractor and energy expert validation and management systems**
- **Replication** in Spain and beyond
- <https://www.europace2020.eu/>

Ren-on-bill

- **On-bill financing** for **residential building renovations**
- **Open-source Energy Renovation Valuation Tool** to rate investment projects
- 3 pilots in **Italy, Lithuania and Spain**
- <https://www.renonbill.eu/>



RENONBILL



Relevant Horizon 2020 projects

Call 2020

- **SEIFA: Private equity fund**, providing **equity and mezzanine financing for industrial sustainable energy investments in Central and Eastern Europe** and supported by dedicated **software platform** facilitating **project aggregation** and **pipeline creation**
- **SER: Forfeiting solution** for **private ESCOs** for **energy retrofits of buildings** in the **non-profit sector** in Italy and beyond, combined with **credit guarantees**, as well as **standardisation** and **aggregation**
- **SUPER-i: Innovative PPP solutions** for energy renovation of **social housing building stocks**, including **dedicated credit lines, risk-sharing facilities and EPCs** and addressing **energy poverty**

Project Development Assistance (PDA) projects

- **Horizon 2020 PDA projects**
- **IEE (Intelligent Energy – Europe) PDA projects**



Key proposal features

- ✓ **Sufficiently clear, concrete and mature concept**
(e.g. financial solution(s) to be developed, sectors / investment types targeted etc.)
- ✓ **Demonstrated response to real market needs and corresponding concrete (market) impact**
- ✓ **Adequate market and barrier analysis**
- ✓ **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)



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Thank you very much!



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