



EIB Financing Tools for Energy Efficiency in Buildings

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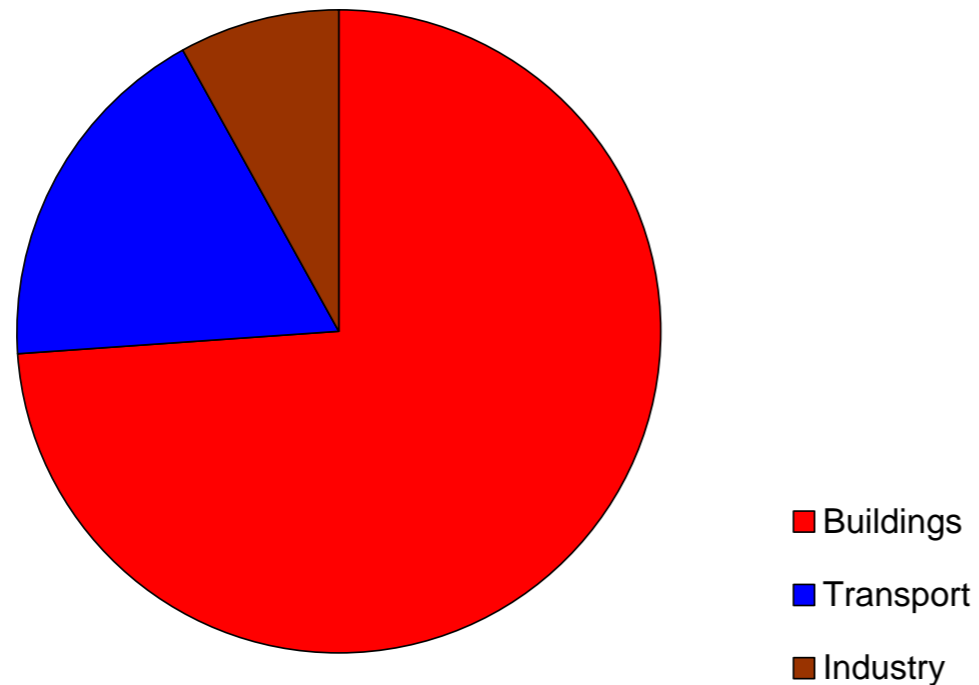
Renewable Energy & Energy Efficiency Division

European Investment Bank

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Introduction



CO₂ emissions in Brussels



- Urban areas are responsible for 70% of energy consumption in EU.
- Buildings sector is the main energy consumer in EU.



EIB and EE in buildings



1. ELENA (European Local Energy Assistance)
2. JESSICA (Joint European Support for Sustainable Investments in City Areas)
3. Lending



1. ELENA



- EC-EIB cooperation to support local and regional authorities to reach **20-20-20 targets**.
- Link to **Covenant of Mayors**.
- Funds provided by **DG ENERGY** under (CIP/IEE II programme).
- Managed by **EIB**.
- **Only Public Bodies** from IEE countries can apply.



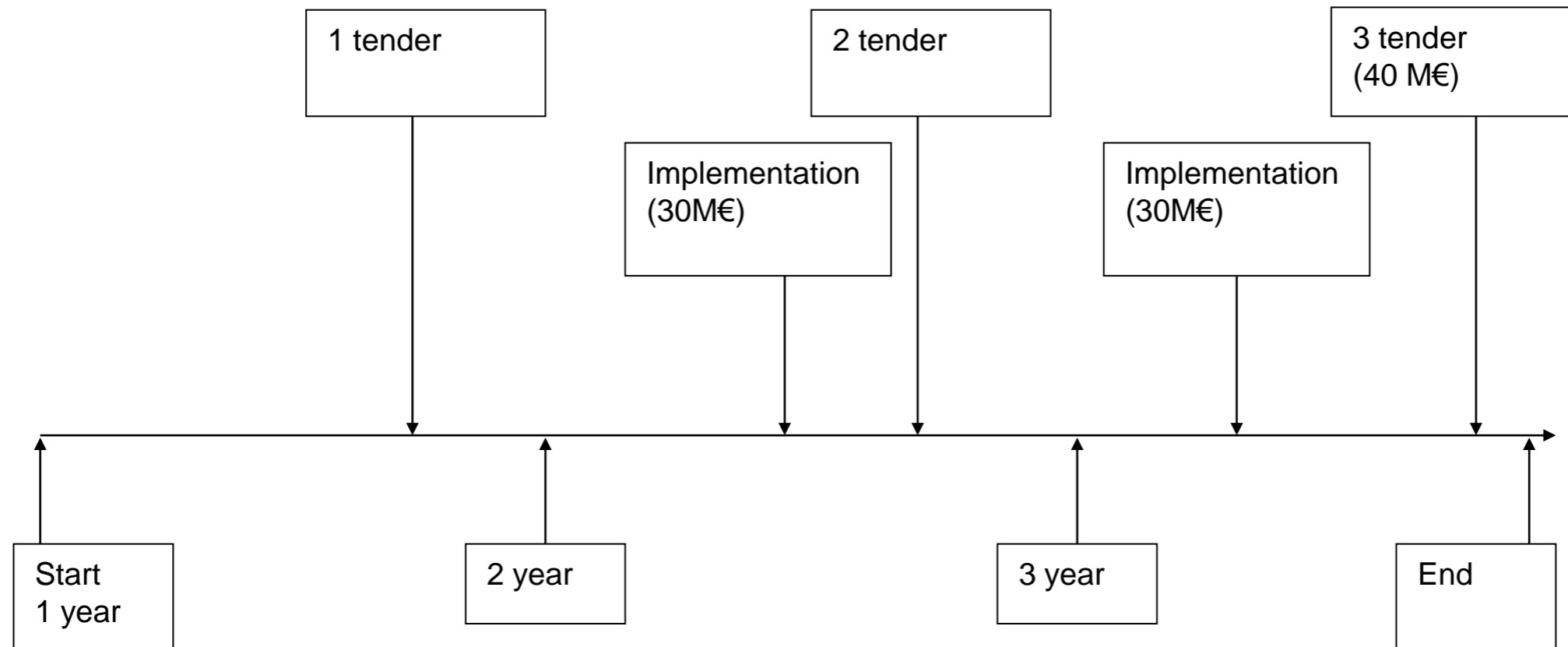
ELENA - overview



- Grants to prepare investment programmes covering up to **90% of eligible costs**.
- **Only Public Bodies** from IEE countries can apply.
- Area: **RE in the built environment, energy efficiency, district heating, transport**.
- **3 years** to implement the programme.
- Minimum **leverage factor of 25** (to be verified at the end of the financing period).
- Replication potential (innovative solutions, **minimum project size of 50 MEUR**).



Leverage factor



Leverage factor

$$30 \text{ M€} + 30\text{M€} + 40 \text{ M€} = 100 \text{ M€}$$

$$100 / 2 = 50 > 20$$



ELENA (Project Development Services)

Support to Final Beneficiaries with:

- Refine Feasibility studies
- Business Plans
- Technical studies (energy audits)
- Procurement/tendering/contracting
- Additional technical staff
- Financial structuring

INVESTMENT PROGRAMME

- **EE and RES investments** in public and private buildings, including social housing and street and traffic lighting
- **DH networks**
- **Decentralised CHP**
- **Urban transport** to support increased energy efficiency and integration of renewable energy sources
- **Local energy infrastructure** to support developments in these sectors



Status: April 2012



Beneficiary	Country	Sector	Total Investment
Prov. of Barcelona	Spain	EE/RES	500,000,000
Prov. of Milan	Italy	EE	90,000,000
Stadtsverwarming of Purmerend	The Netherlands	DH/CHP	98,000,000
City of Paris	France	EE	180,000,000
Empresa Municipal de Transportes Madrid (EMT)	Spain	Electric Vehicles	53,400,000
Vila Nova de Gaia	Portugal	EE/ PublicTransport	73,411,000
DAFNI	Greece	RES	52,820,000
City of Malmö	Sweden	Public Transport	170,500,000
Greater London Authority	United Kingdom	EE	114,000,000
Greater London Authority	United Kingdom	EE	114,950,000
Transports Metropolitans de Barcelona	Spain	Public Transport	163,880,000
Sustainable Development Agency Modena	Italy	EE/RES	54,000,000
Province of Chieti	Italy	EE and RES	80,000,000
E-laad.nl: distribution network regional operators	Netherlands	Electric Vehicles	30,000,000
Sittard-Geleen	Netherlands	District heating/waste heat	55,400,000
Region Zeeland	Denmark	EE/RES	62,125,201

Total TA: 28 MEUR

Total investments: 1.9 BEUR

Average TA: 1.7 MEUR/project

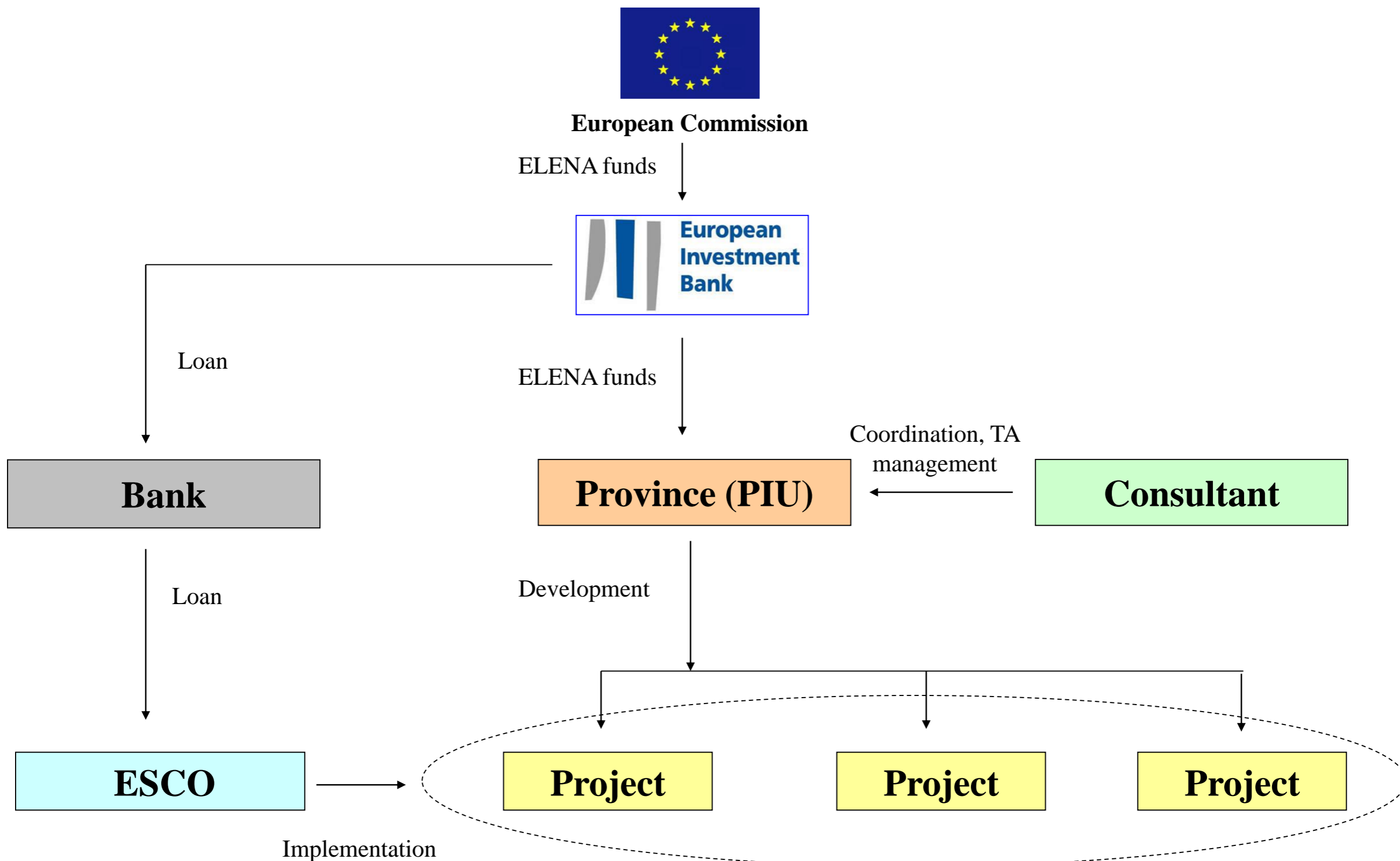
Av. leverage factor: 68

Available budget: 20 + 22 MEUR





Example: Province of Chieti





Province of Chieti



- EE and PV in public buildings, EE in public lighting
- Investment cost of 80 MEUR
- EIB loan of 60 MEUR
- Province as support structure (PIU + consultants)
- Investments originating from 22 municipalities



Application process



Contacting EIB

- By fax, letter or e-mail (best way through e-mail to elena@eib.org)
- English or French is required

Information available on ELENA web site (www.eib.org/elena):

- ELENA brochure
- Frequently Asked Questions
- Application form
- Guide for Applicants (soon)



Application process



Two stage application procedure:

- Pre-Application
- Application

Comments:

- No deadlines
- Continuous application/evaluation process
- “First-come, first-served” rule



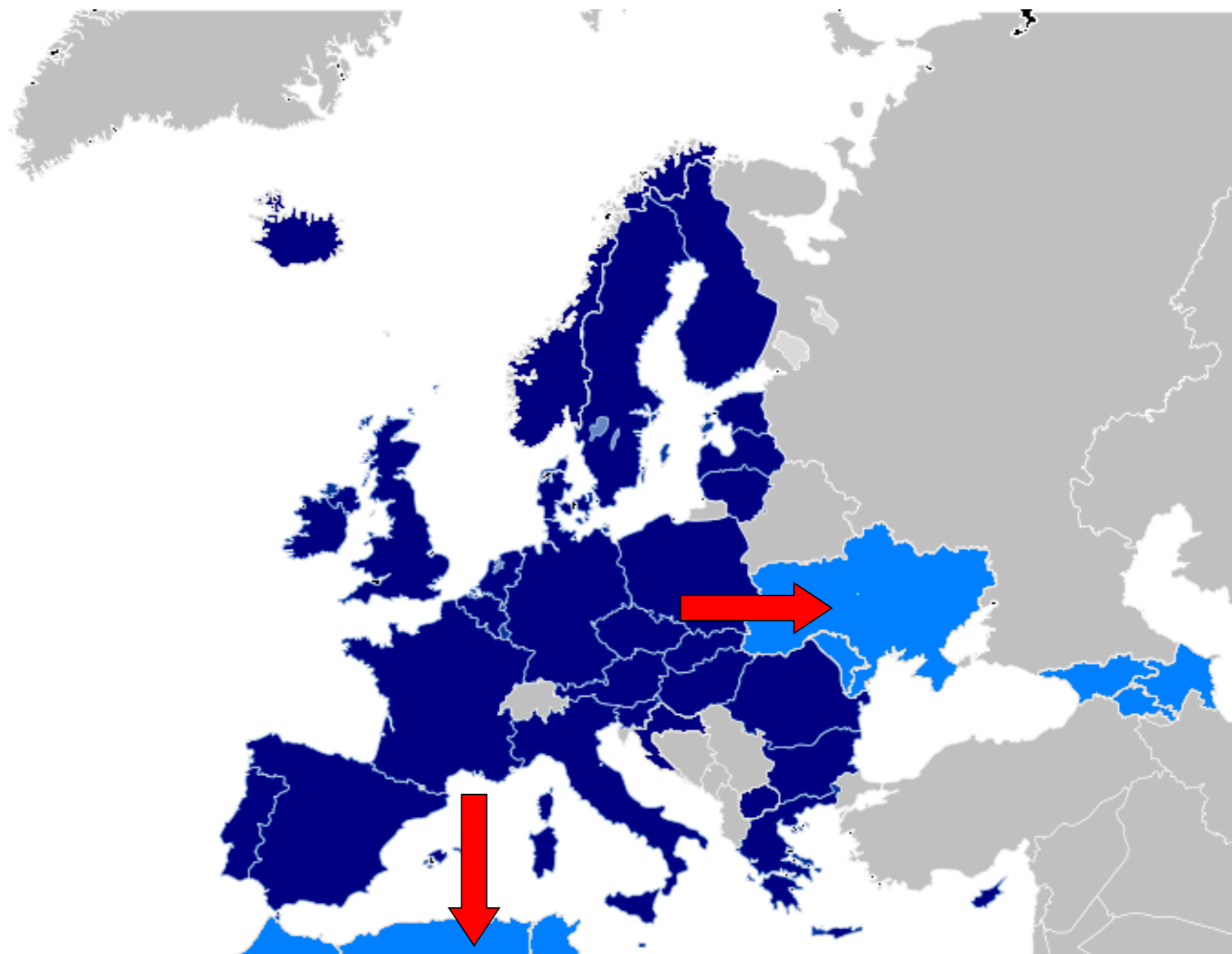
Features of successful applications



- Firm Sustainable Energy Action Plan (SEAP)
- Strong political commitment
- Project maturity
- Clear objectives
- Good understanding of the challenge
- Sound management structure and cooperation of the relevant staff
- Precise estimation of TA needs



ELENA East, ELENA Med





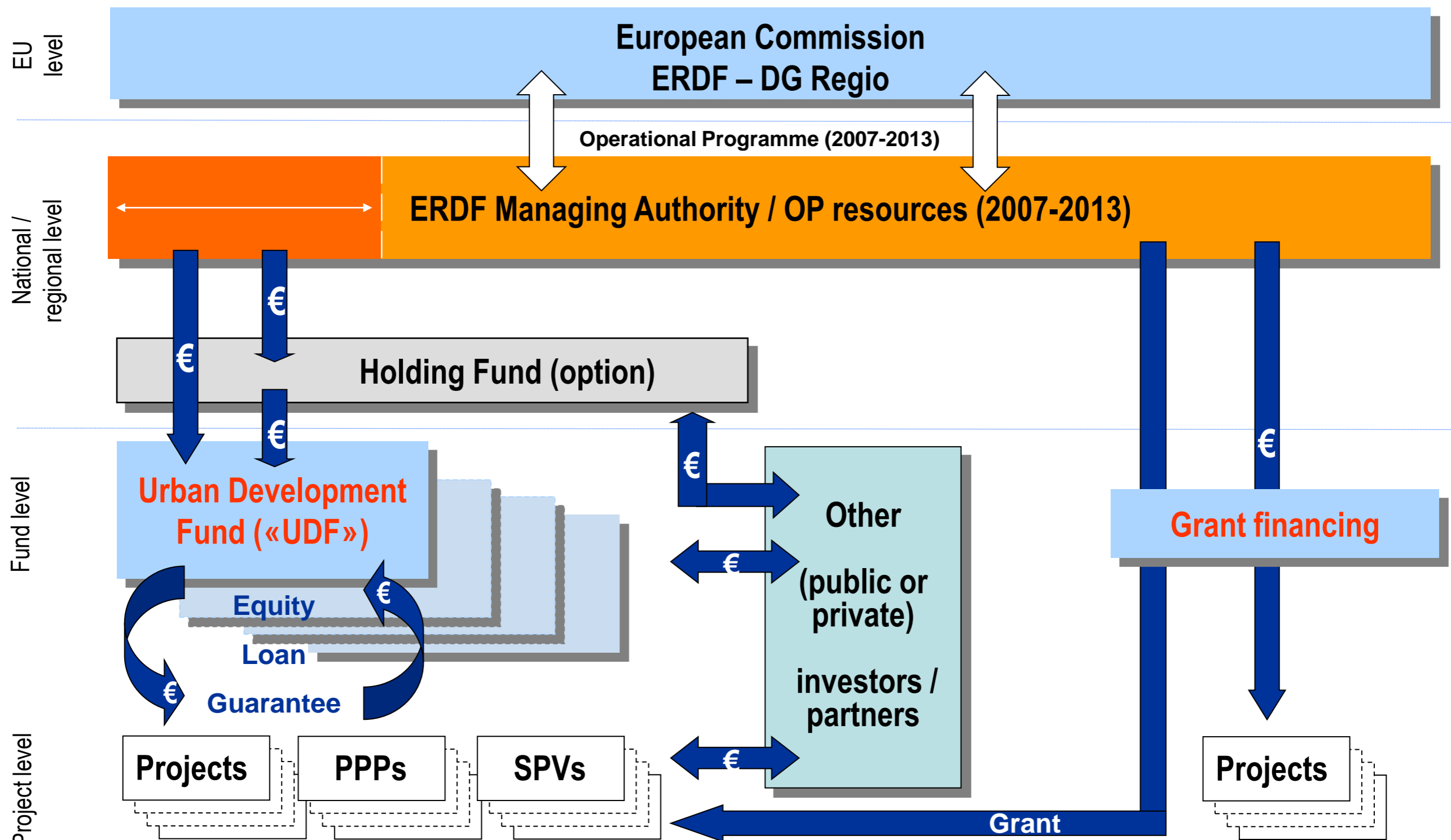
Wrap-up



- ELENA can cover up to 90% of TA costs.
- ELENA supports large investment programmes (over 50 MEUR).
- ELENA supports ambitious initiatives (beyond BAU).
- ELENA links TA with implementation (3 years, leverage factor).
- ELENA can be used to leverage private investments in public infrastructure.



2. JESSICA - main components





The role of EIB

- EIB taking a leading role, alongside DG-REGIO, in **promoting and developing JESSICA instruments in MS**
- SF Regulations specifically provide for **EIB to act as a Holding Fund** (on a not-for-profit basis)
- **Technical assistance** and dissemination of best practice, based on established expertise in lending to urban renewal/regenerations projects across the EU
- **Providing complementary loan financing**



EIB JESSICA activities



EIB Holding Fund mandate			Implementation progress						
Managing Authority	Volume (EUR m)	HF FA	0	1	2	3	4	5	6
HF - Wielkopolska (PL)	67	II/09							
HF - Andalucía (ES)	86	II/09							
HF - Lithuania (LT)	227	II/09							
HF - Portugal (PT)	130	III/09							
HF - WestPomerania (PL)	33	III/09							
HF - London (UK)	110	IV/09							
HF - NorthWest England (UK)	110	IV/09							
HF - Sicily (IT)	148	IV/09							
HF - Moravia Silesia (CZ)	20	I/10							
HF - Campania (IT)	100	I/10							
HF - Scotland (UK)	55	II/10							
HF - Greece (GR)	258	III/10							
HF - Silesia (PL)	60	III/10							
HF - Pomerania (PL)	57	III/10							
HF - Bulgaria (BG)	33	III/10							
Total signed 2010	1,494								
HF - Energy Efficiency (ES)	142	I/11							
HF - Galicia (ES)	15	I/11							
HF - North East (CZ)	20	II/11							
HF - Masovia (PL)	40	II/11							
HF - Lodzka (PL)	30	III/11							
HF - Abruzzo (IT)	25	III/11							
HF - Czech National Fund (CZ)	40	III/11							
HF - Hungary (HU)	80	III/11							
Total expected 2011	392								
Total 2010 + 2011	1,886								

Key implementation stages:

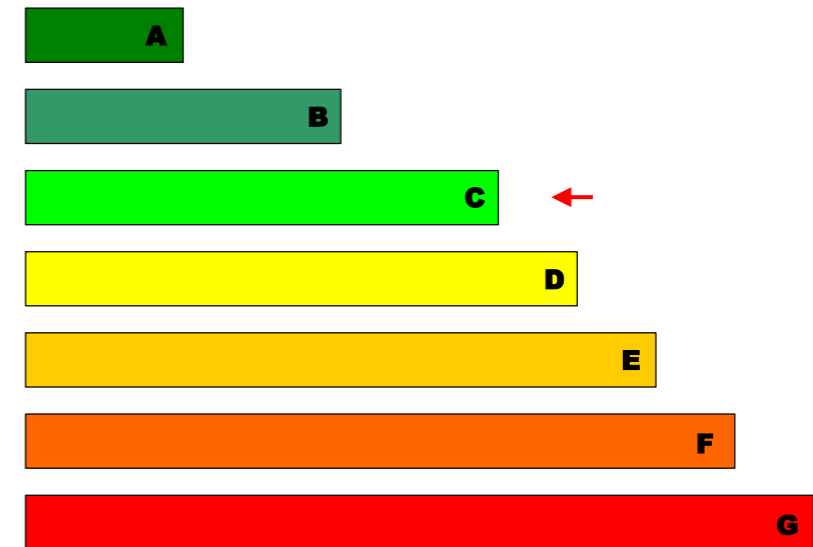
0	Pre-negotiation Stage/ HF Agreement to be signed in 2010
1	HF Agreement signed/ Investment strategy/ Investment board
2	Call(s) for Expression of Interest in preparation
3	Call(s) for Expression of Interest launched
4	Call(s) for Expression of Interest closed
5	UDF(s) selected
6	Operational agreements in place (HF/ UDF)



Example: JHF in Lithuania



- Favorable economical situation
- Low interest loans (UDF)
- Grants covering project preparation costs when “D” energy class achieved
- Grants of 15% of project costs when “C” energy class achieved



TA provided:

- Assistance on programme implementation and optimisation
- Assistance on establishing sound programme management
- Streamlining of the procedures



3. Lending



- EE and RE in Barcelona 250 MEUR
- EE Milan Covenant of Mayors 45 MEUR
- Midi-Pyrenees Energies Renouvelables 350 MEUR
- Bucharest Thermal Rehabilitation 315 MEUR
- NFOSIGW Green Investment Scheme 50 MEUR
- Urban Regeneration Loans
- Structured Programme Loans (e.g. Lithuania, Poland, Greece, Portugal)



Example: Bucharest



- Signature: 17.12.2010
- Bucharest S6 district.
- Implementation: municipality.
- 270 buildings with 23,000 app.
- 50% average energy savings.
- Current consumption 190 kWh/(m²a)
- Heat tariff 20 EUR/MWh (5.6 EUR/GJ)
- Investment costs of 140 MEUR (6000 EUR/app).
- Financing:
 - EU funds: 50%
 - Municipality: 50%
 - EIB loan: 70 MEUR (50%)

Project: BUCHAREST S6 THERMAL REHABILITATION - Romania





Summary



- Building renovation is the priority area for EE
- Large investment programmes are needed to meet energy and climate change goals
- In order to scale-up the investments, financing must be leveraged with grants and TA
- Programme approach must be used to ensure the results
- EIB is ready to support EE initiatives with its financing and expertise



Thank you for your attention

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