

Overview of EU investment support instruments for sustainable energy

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What is currently available at EU level?

Cohesion policy funds (2007-2013):

- **4,6 billion € for energy efficiency**
- **4% of ERDF can be re-allocated to energy efficiency**

Intelligent Energy Europe Programme (2007-2013):

- **735 million € for ‘soft’ energy efficiency/renewables projects**

ELENA Facility:

- **97 million € for technical assistance to mobilise investments**

European Energy Efficiency Fund (EEE-F):

- **265 million € for investments into mature, bankable efficiency/renewables projects**
- **20 million € for technical assistance**



European
Commission

ELENA-CEB

Mid-size programmes
Direct contracts with CEB
or Intermediated via PFIs
Open call, no deadline
Leverage 20
IEE/CEB MS
< €50m

ELENA-EIB

Large scale investments
Direct contracts with EIB
Open call, no deadline
Leverage 20
All IEE MS
>€50m

ELENA-EBRD

Mid-size investments
Direct contracts with EBRD
Open call, no deadline
Leverage 20
IEE/EBRD MS
< €50m

TA for Project
Development
Services

ELENA-KfW

Mid-size programmes
Intermediated via PFIs
Open call, no deadline
Leverage 20
All IEE MS
< €50m

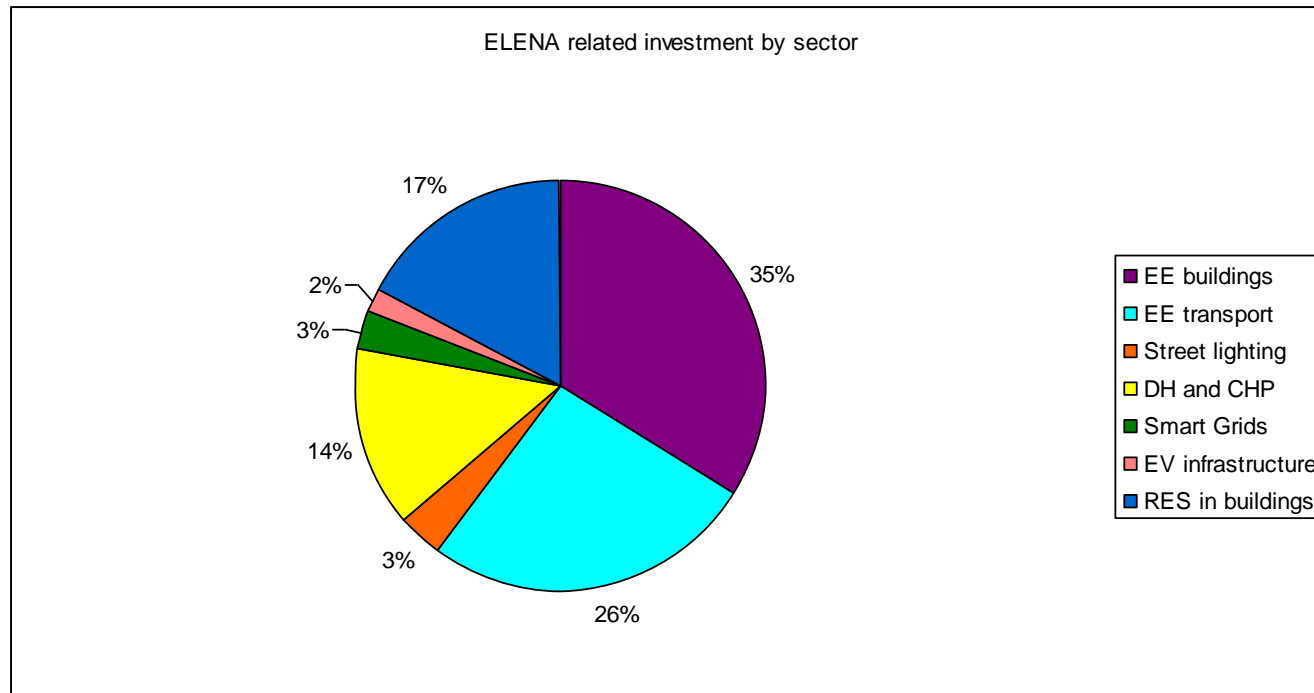
MLEI

Small-scale investments
Direct contracts with EACI
IEE call, standard deadline
Leverage 15
All IEE MS
> €6m

ELENA EIB

- **16 signed and approved projects - EUR 28 mio from IEE**
- **approximately EUR 1.5 billion worth of investment.**
- **leverage factor for current projects is situated at 54**
- **investments already committed close to 100 MEUR**

Figure 1: Distribution of expected investment by sector in signed and approved projects



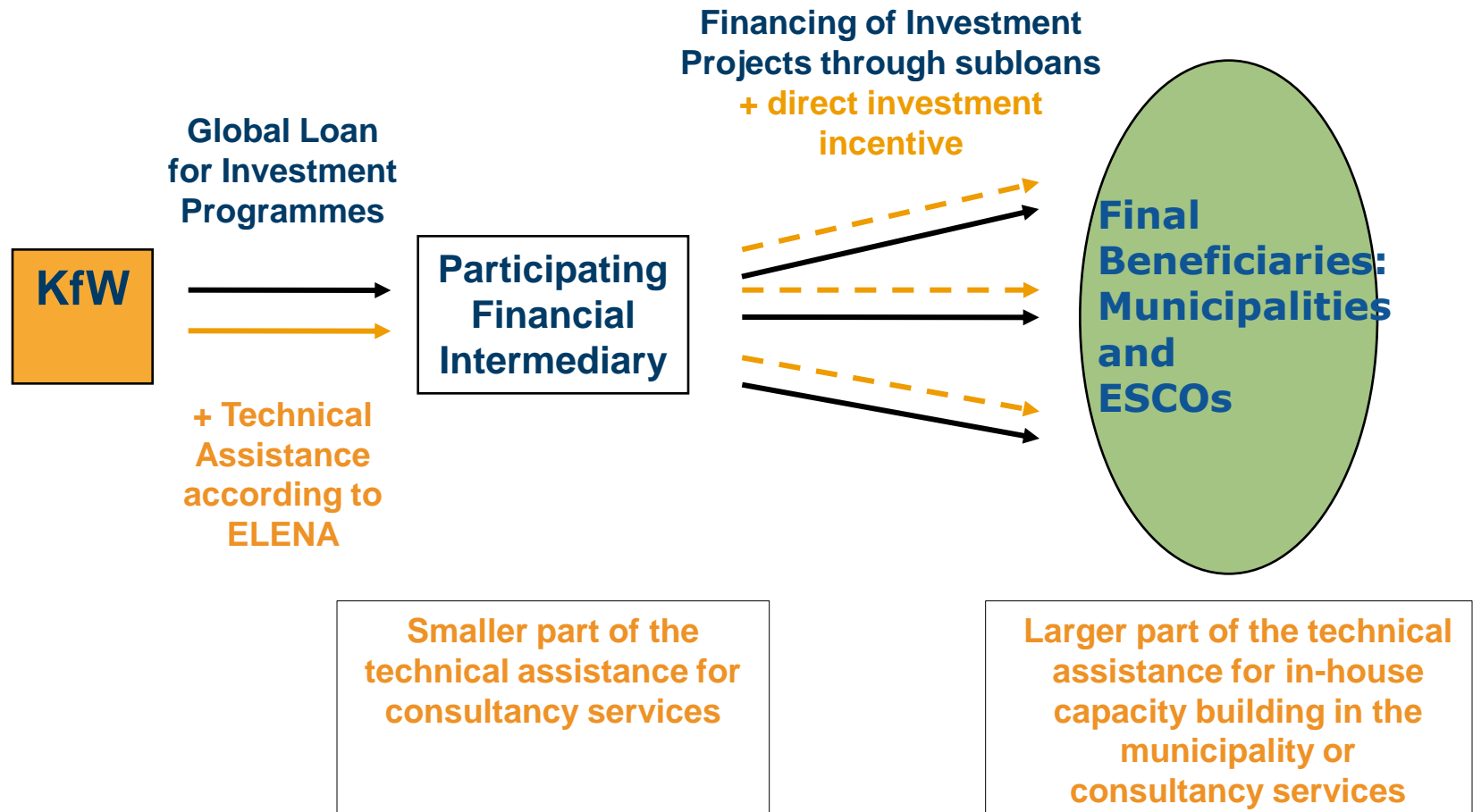
	Energy savings (GWh/y)	Renewable energy generated (GWh/y)	CO2 emissions avoided (t/y)
Budget 2009			
Prov. of Barcelona	100	30	90,000
Stadtsverwarming of Purmerend	50	264	56,500
Prov. of Milan	30		9,000
City of Paris	32		6,480
EMT	4		1,800
Vila Nova de Gaia	35	6	12,120
DAFNI	42	85	113,930
RE:Fit	5		100,000
E-laad	1		171
City of Sittard-Gelen	90		18,122
<i>Sub-total 2009</i>	<i>388</i>	<i>384</i>	<i>408,123</i>
Budget 2010			
City of Malmö	82		25,000
Greater London Authority - DE	275		75,000
Transports Metropolitans de Barcelona	61		16,400
Sustainable Development Agency Modena	17	12	9,900
Prov. of Chieti	36	7	16,100
City of Bristol*	59	77	37,834
<i>Sub-total 2010</i>	<i>531</i>	<i>96</i>	<i>180,234</i>
TOTAL	919	480	588,357

Pipeline:

- **18 projects, 34 MEUR ELENA funding, and investments of EUR 2.2 billion**
- mainly **energy efficiency in buildings** and **small renewable installations**, mostly PV systems.
- uptake of large street lighting projects, usually integrated with other sectors.
- two projects focussing on the transport sector
- Main applicant – **IT**, and four projects from **SI**, **RO** and **HU**. Other “new” comers are **BE** and **IC**.
- discussions initiated with another 14 potential applicants (additional EUR 20 million of support for an estimated investment of EUR 900 million).

ELENA - KfW

- So far, **two operations under development**:
 - 1) The investment programme with the **Kommunal Bank, Berlin**
ELENA EUR 1 million to launch 20,16 MEUR in investments.
 - 2) The investment programme with the **BCPE, France**
ELENA EUR 1.7 million to mobilise ca **100 MEUR** in investments.
- Negotiations on **project proposals** commenced with other commercial banks.
- Financial crisis slows down decision processes at the PFIs.
- Public budget restrictions make new investments very difficult.



ELENA – Status and developments

- ***Status of ELENA Facility***
 - ✓ ELENA-EIB – operational
 - ✓ ELENA-KfW – operational
 - ✓ ELENA-CEB – operational, but 'young'
 - ✓ As of 2012: ELENA-EBRD to focus on EU-9 (EE, LV, LT, PL, HU, SK, BG, RO, SI), Croatia, FYR of Macedonia – under negotiation
 - ✓ All approved projects communicated via websites of banks, IEE, Managenergy and Covenant of Mayors
 - ✓ Common entry point at the IEE website

MLEI - Status and developments

The Call for proposals 2011:

- **25 proposals from 7 countries**, potential investment of **EUR 800 million**.
- **8 (+1) projects selected** (public buildings, street lighting, district heating and biogas production)
- The **EU contribution** around **EUR 7 million**;
- expected **EUR 192 million invested** in EU-15 countries and Norway.

The Call for Proposals 2012:

- **31 proposals from 11 countries** including the **EU-12 and Croatia**.
- The total **potential investment of EUR 700 million**.

Why supporting the TA

- **Replication of approaches developed by ELENA/MLEI projects in other regions/countries**
- **Scaling up and bundling EE & RE investments**
Larger scale, better efficiency, economies of scale, reduced transaction costs
- **Increased capacity within local authorities**
Encouragement to improve planning and coordination
- **Improvement of bankability of projects**
Support provided improves access to finance
- **Support to the implementation of measures in SEAPs**
- **Market confidence building**

European Energy Efficiency Fund

- EPPR amended regulation 2010
- **265 M€** (EC, EIB, CDP, DB), launched 1st July 2011
- **Objective:** addressing financial needs of commercially viable EE and RES projects
- **Scope:** 70%EE, 20% RES, 10% Clean urban Transport
- **Final Beneficiaries:** local/regional public authorities
- **Tailor made financing:** Senior/junior loans, convertible debt, equity participation, forfeiting loans
- **Technical assistance** (20M€ in 90% grant for financed projects)

EEE F Eligibility criteria

- At least 20 % primary energy savings for EE projects, (higher for buildings)
- Min. 20 % reduction of CO2 equiv. for RE and transport
- Comply with EU legislation (RE directive, CHP...)
- Concrete objectives to mitigate climate change +multi-annual strategies
- Proven technologies
- Strong support for ESCOs providing guaranteed energy savings
- Typical project size: up to 25M€

Role of the Fund in mobilising private finance

- **EEE F objective:** enhance viable EE and RES investments at local/regional level within multiannual strategies to mitigate CC
- Address market failures (information/awareness, TA...)
- **Address Lack of access to capital** (specific financial products...)
- Confidence building around EE investment,
- Develop and spread ESCO/EPC models,
- Offer innovative financing

What might be available at EU level?

*Next Multi-Annual Financial Framework (2014-2020)
proposals:*

- **Cohesion funding to allocate some 17 billion € to energy efficiency and renewable energy (doubling current allocations)**
- **Horizon 2020: 6.5 billion € is to be allocated to research and innovation in "Secure, clean and efficient energy"**
- **Increased use of financial instruments**

What should be improved?

*Public consultation on financial support for
energy efficiency in buildings*

Public consultation on the future of the IEE

- **How could access to financing be improved?**
- **What is the role of the EU regulatory framework?**
- **How to remove important barriers?**

Thank you for your attention

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