

Unlocking the Potential of Renewables and Energy Efficiency at District Level

CA-RES/CA EED/CA EPBD Joint Workshop

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Barcelona, January 2020

European investment Bank – An overview

- EIB is based in Luxembourg and **owned by the 28 EU Member States**
- EIB is the **EU's long-term lending institution** – a public bank with objectives **driven by EU-policies** with priorities to promote European economic development and integration
- 4 **key areas**: innovation, SME, infrastructure, climate/environment
- EIB's **financing activity** was **~56 bn EUR** in 2018, thereof 48 bn EUR within the EU
- EIB **finances itself** mainly **through bond issuance** on international capital markets
- **Core activities** include **lending, blending and advisory**



4 Public Policy Goals plus 2 cross-cutting objectives: 2018

Innovation&Skills



• € 13.5bn

Environment

A safe and healthy environment



• € 15.2bn

Infrastructure



• € 12.3bn

SME finance

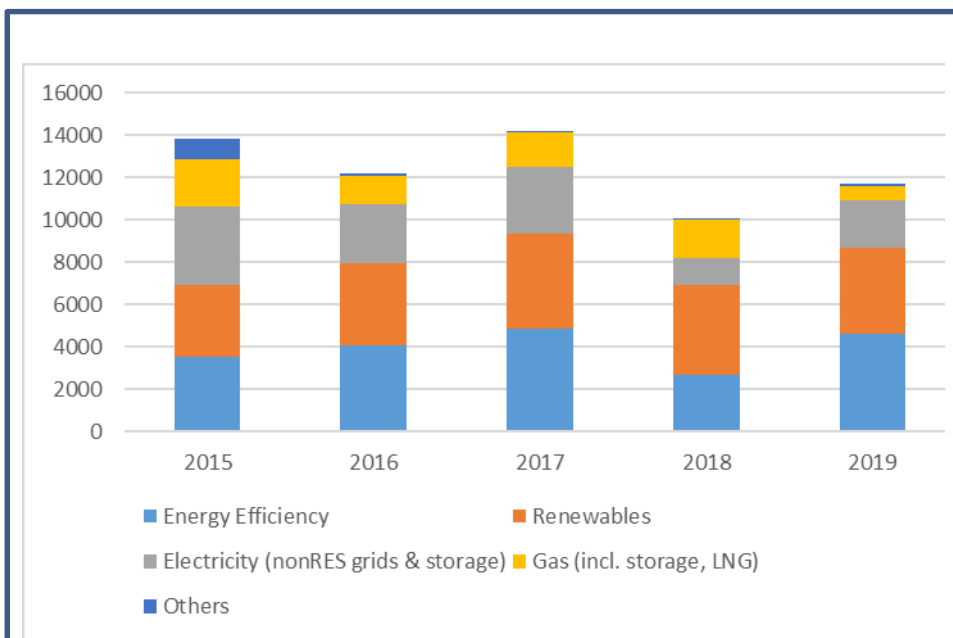


• € 23.3bn

EIB Cross-cutting objectives:
Climate Action and Cohesion

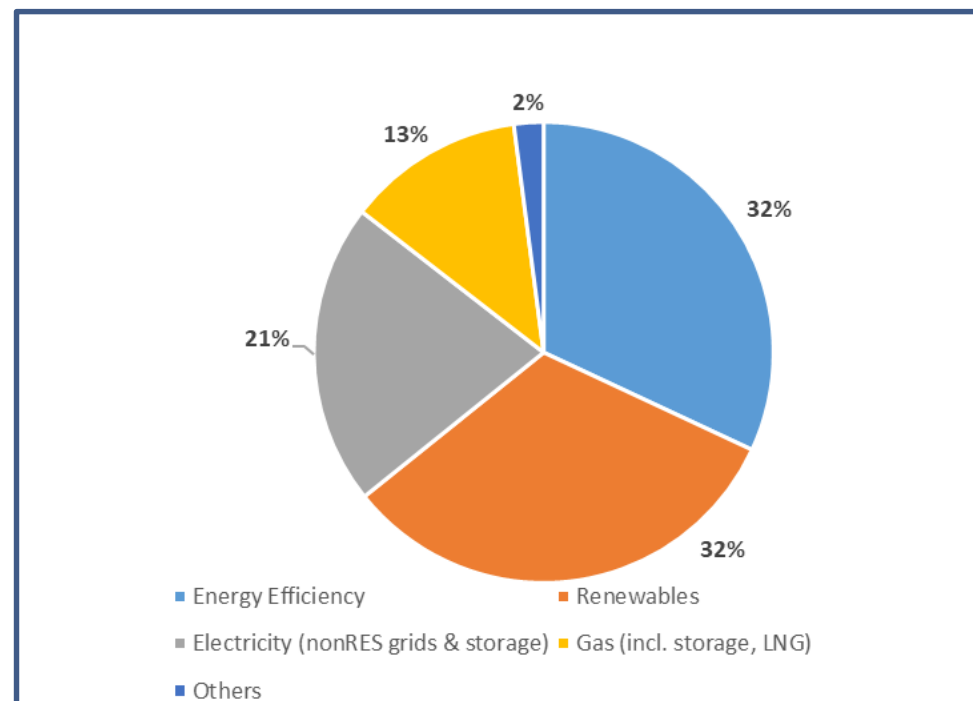
EIB lending to the energy sector

Overall Energy Signatures (EUR bn)



- EUR 12.4bn per year (2015-2018)
- EE+RES represents 64% of energy lending

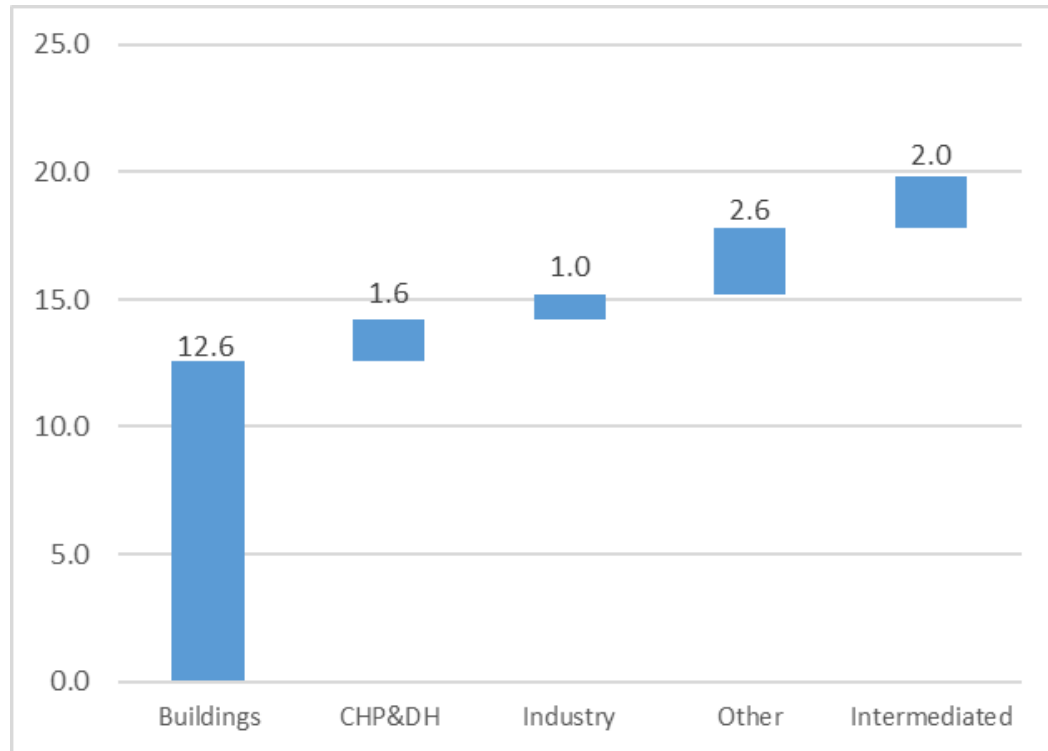
Breakdown by sectors (2015-2019)



- Driven by EU energy policy
- Focus on RE, EE and networks
- Increase of EE over last years

EIB lending to the energy sector: Energy Efficiency

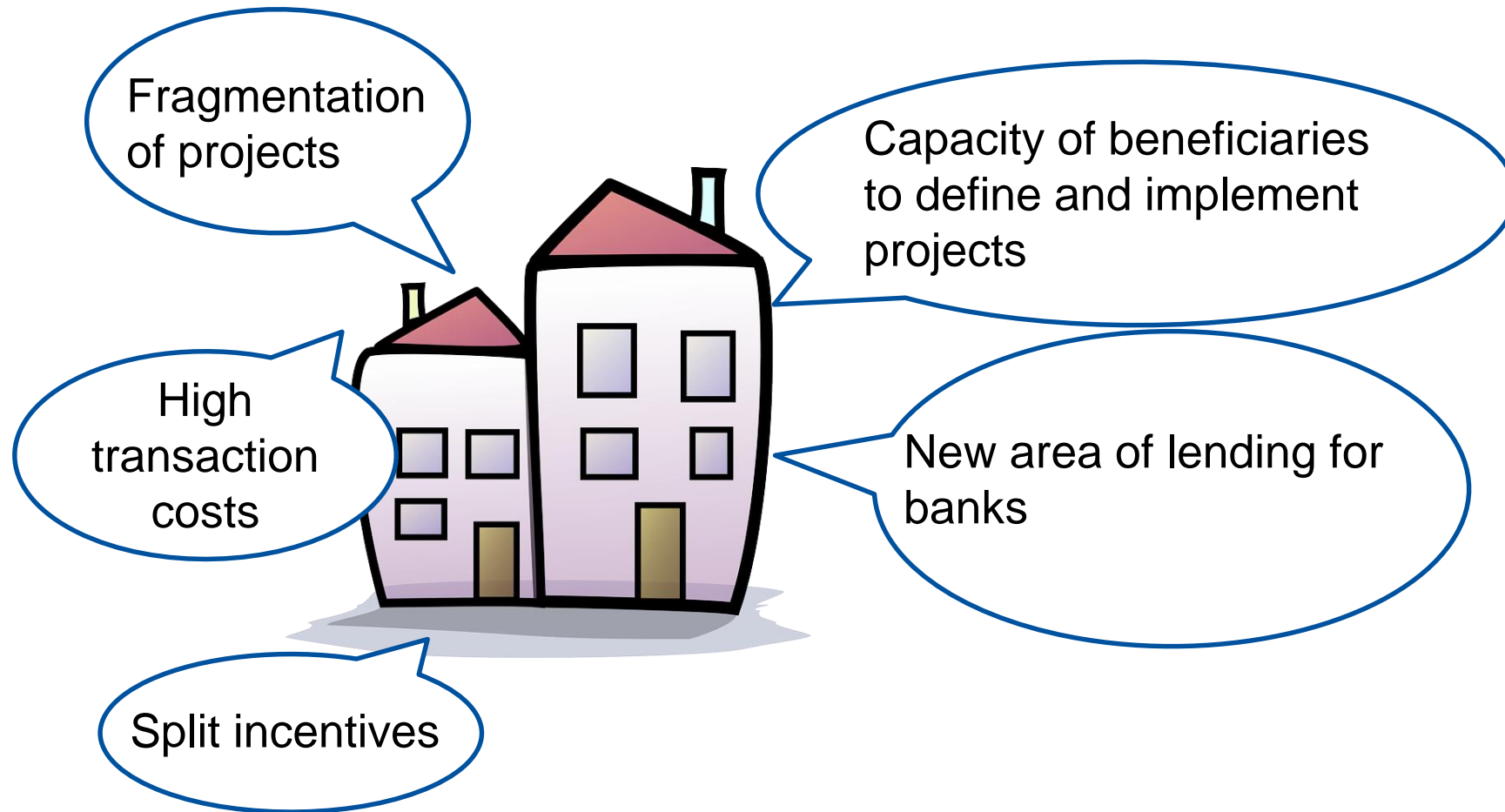
EIB Lending (2015-2019)



Priority areas

- Strong focus on building rehabilitation
- Co-financing alongside ERDF and CF possible
- Public sector building rehabilitation including programmes through ESCOS
- Availability of Technical Assistance under ELENA facility to support the implementation of large investment programmes
- Aggregation as well possible through intermediation with public and private FI's
- In addition, focus on DH but as well EE in SME and MidCaps

Typical barriers to delivering EE



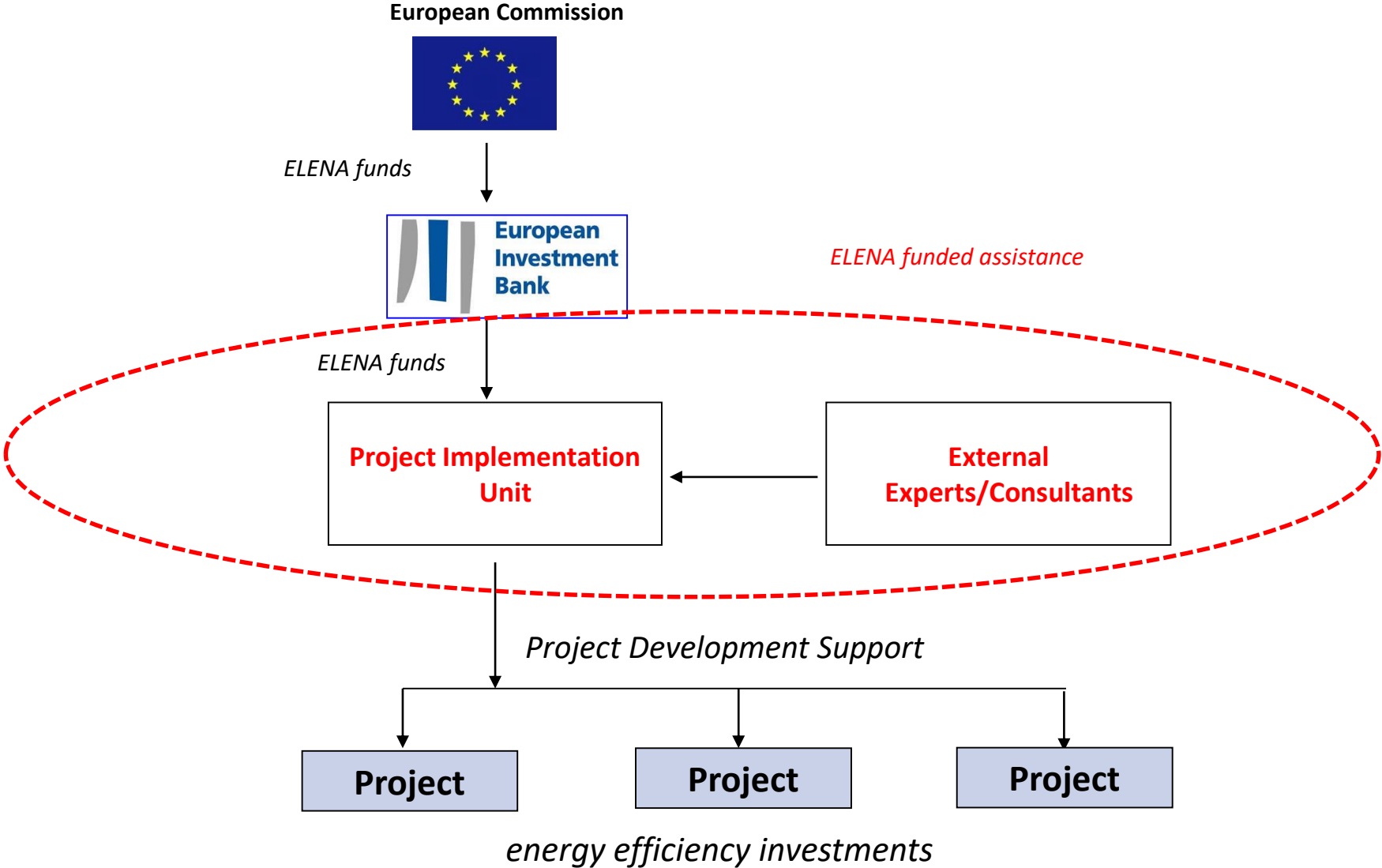
What is ELENA?

- EC-EIB cooperation to support public and private bodies to **prepare their energy saving investment programmes** in order to reach EU 2020 and 2030 energy saving targets.
- Allocated on a first come, first served basis. No calls or competitions
- To date - portfolio of over 100 contracts totalling over EUR 181m and supporting projects in 23 countries.
- Associated investments on the ground are estimated to be in excess of EUR 6.6bn
- ELENA will fund up to 90% of the project preparation costs (with 10% provided by applicant)
- ELENA can fund dedicated existing staff plus new external experts

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

ELENA Project Implementation Structure



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 costs

ELENA →	Internal staff
	<ul style="list-style-type: none">• Costs of personnel clearly assigned to the project• Salaries, social security charges and other remuneration-related costs
	External experts
	<ul style="list-style-type: none">• Feasibility, design and market studies• Structuring of programmes, business plans, energy audits• Legal/financial advisory• Preparing of tendering procedures• Bundling of smaller projects to form bankable packages• Modelling or simulations

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)

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

Residential buildings

- EE in residential buildings
- Building integrated renewables
- Project development activities: assessing the energy performance of buildings: support for energy performance certificates or energy audits, 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

ELENA

ELENA

Examples of ELENA TA: City of Leuven, Belgium

F. Beneficiary: Leuven Klimaatneutraal 2030 (Private)

ELENA Grant: EUR 1.5m

Investment: EUR 115m

Timeframe: 08/2018 to 07/2021

T. Assistance: The PDU will take up the management and coordination of the LEUVEN ELENA project. The required technical expertise will be hired externally. Subcontracting will be done according to the public national rules. The PDU will manage contracts and cooperation with external experts. External expertise will be used and will depend on the stage of the available technical studies. Where possible, requests for external expertise will be shared between several buildings and cover multiple building owners.

Inv. Programme: The investments supported by the ELENA LEUVEN project aim at increasing building energy efficiency, renewable energy generation, including waste heat, and renovation of street lighting. The building stock for this project is a combination of residential buildings, educational buildings, offices, buildings used for leisure (culture and sports) and health care. All buildings are spread out on the City of Leuven territory.

Examples of ELENA TA: Bristol, United Kingdom

F. Beneficiary: Bristol City Council

ELENA Grant: EUR 1.9m

Investment: EUR 52m

Timeframe: 12/2018 to 11/2021

T. Assistance: The ELENA grant will be used for the preparation of tendering procedures such as produce standard specifications and project-specific tender specs. Feasibility studies, energy audits, and design studies will also be conducted. ELENA will contribute to establishing legal, technical and financial framework beyond the period of the assistance programme and will provide additional benefits in the transfer of learning from Bristol to its partners.

Inv. Programme: The project will support the investments in the following sectors:

- Energy Efficiency in non-residential (170)
- Energy Efficiency in residential buildings (1,000)
- Renewable Energy (PV: 2,300 kWp)
- District heating (11 km)
- Street lighting (23,000 street lights)
- Transport (electric charging points)

Examples of ELENA TA: Belgium

F. Beneficiary: Belfius Bank

ELENA Grant: EUR 3.2m

Investment: EUR 98.8m

Timeframe: 01/2020 to 12/2022

T. Assistance: The project will provide support and accelerate investments in the public sector and third sector. ELENA will help to establish an internal team, supported by external consultants, which will be delivering technical assistance to different asset owners in the implementation of the eligible investment programme.

Inv. Programme: The project will support acceleration of investments in the following sectors:

- Energy efficiency in public buildings;
- Building integrated PV's;
- Street Lighting;
- DH (renovation & extension of existing DH and development of new cogeneration or waste heat based DH).

Examples of ELENA TA: France

F. Beneficiary: Agence Régionale pour les Travaux d'Économies d'Énergie (ARTÉÉ)

ELENA Grant: EUR 0.8m

Investment: EUR 51.2m

Timeframe: 01/2018 to 12/2020

T. Assistance: The project will provide support to set up an one stop shop, offering an integrated approach to accelerate ambitious EE renovation projects in the residential sector. The project aims to develop different approaches in order to balance the energy savings with the repayment of investments (25 years period). The project aims to renovate 1,900 housing units.

Inv. Programme: the project aims to renovate 1,900 housing units, with an investment from EUR 12,000 to EUR 56,600 to insulate the building envelope, replace the windows and to improve the efficiency of the heating systems by installing condensing boilers or biomass boilers.

Examples of EIB EE&RES operations: Ile de France

Counterpart: SEM ENERGIES POSIT'IF

EIB finance: EUR 100m

Signature date: 07/12/2015

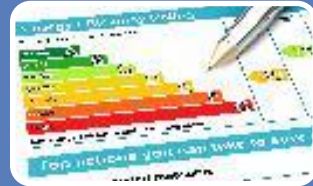
Description: The project supports the thermal refurbishment of residential buildings and the use of renewable energies in the region of Ile de France.

Objectives: The works consist mainly of improving the insulation of the buildings and windows as well as renovation of the heat generation and distribution system in the buildings, ventilation systems, and electric appliances which are part of the joint tenancy area (lights, pumps, etc.). The use of renewable energies (e.g. biomass or solar thermal collectors) may also be included in the works. Individual metering is foreseen in certain cases, for users to monitor their consumption. The works will lead to a 50 to 70 % reduction of overall energy consumption of the buildings.

Impacts: Energy savings: 72 GWh.y

RES production: 4 GWh.y

New Energy Lending Policy



Unlocking energy efficiency



Decarbonising energy supply



Supporting innovative technologies
and new types of energy infrastructure



Securing the enabling infrastructure

Increased Climate Ambition: the EU Climate Bank

- Growing sustainable finance from billions to trillions. By working with our public and private partners the **EIB Group** will help **unlock** at least **EUR 1 trillion** of investment for **climate action & environmental sustainability (CA&ES) in the critical decade 2021-30**. This will include a marked increase in support for climate adaptation and resilience.
- Increasing EIB's own financing for climate action and environmental sustainability (CA&ES). **EIB to be more ambitious and reach 50% for CA&ES by 2025**.
- **Aligning all the EIB Group's financing activities** with the principles and goals of the **Paris agreement by the end of 2020**.

Unlocking energy efficiency



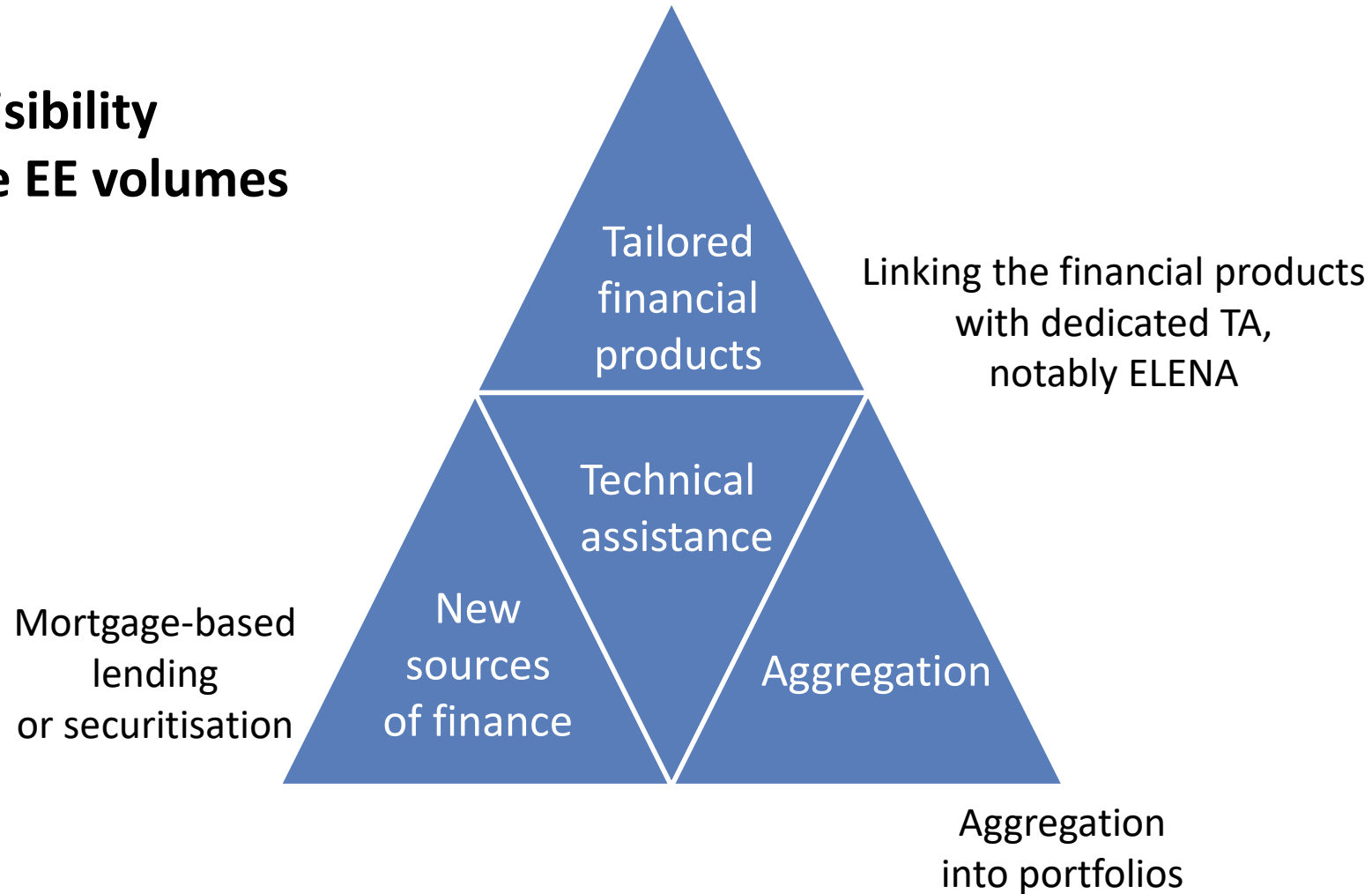
Key priorities:

- Energy efficiency first principle
- Financing up to 75% of costs
- Focus on building rehabilitation and SMEs
 - New European Initiative for Building Renovation
 - Development of new sources, e.g. mortgage-based lending
 - Tailored support to remove technical and financial barriers

Initiative for Building Renovation (EIB-R)



Objective:
Increase visibility
to increase EE volumes



Thank you!

More information at: www.eib.org
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[EIB energy lending policy: Supporting the energy transformation](#)