

E-Fix Horizon2020 Energy Financing Mix

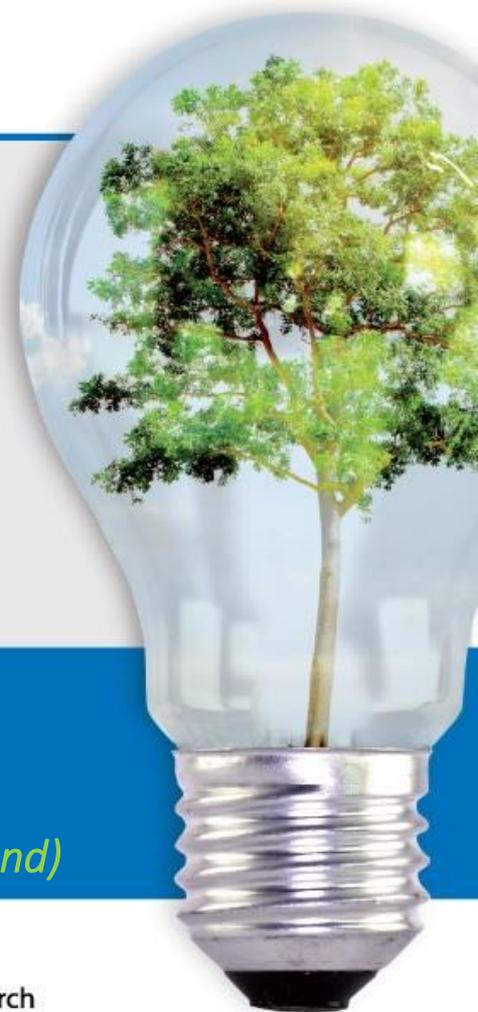
Innovative Financing Opportunities for Energy Efficiency

Cosmin Capra, ConPlusUltra Ltd. Vienna/Austria

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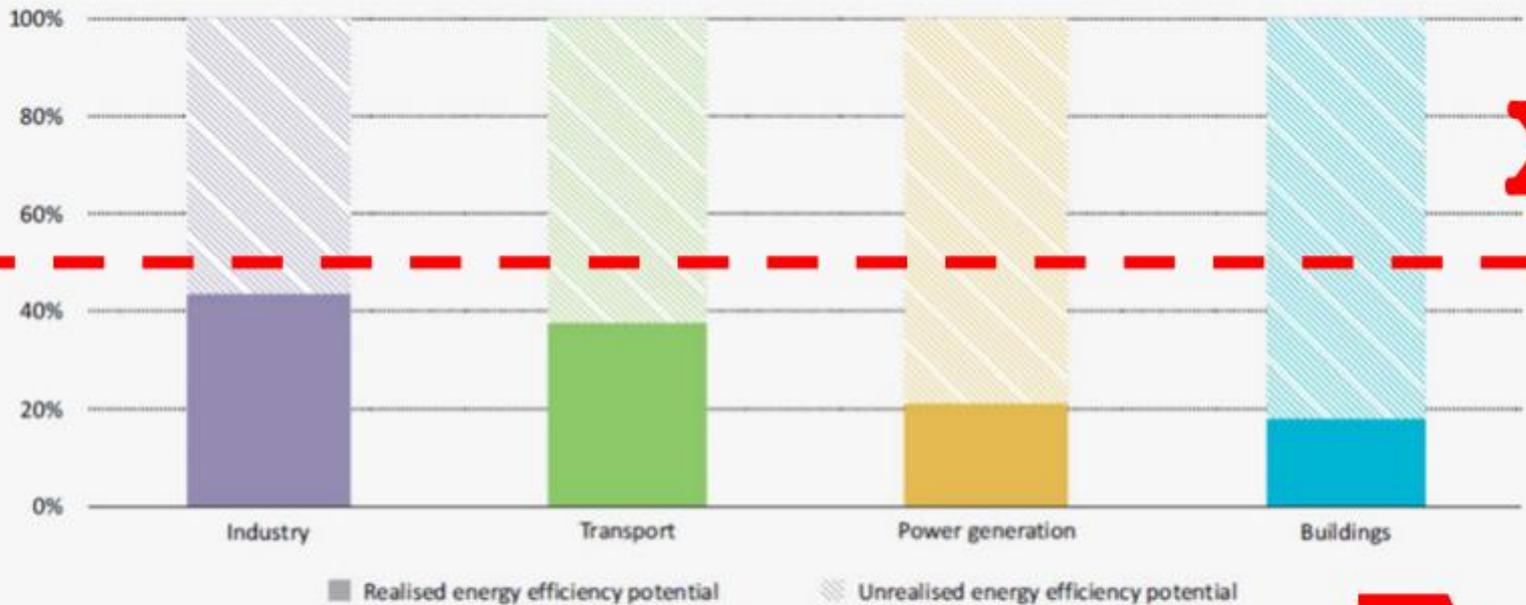


- **Lack of (private) investments** in EE improvements
- Still challenges ahead to **improve EE above minimal legal requirements**
- **Delay in implementation** of EE investments, especially in private sector because of
 - long payback times
 - lack of financing means
- **Lack of knowledge/experience** using innovative financing mechanisms

How much is the potential for energy efficiency?

Figure 1.3

Long-term energy efficiency economic potential by sector



x2



Note: These energy efficiency potentials are based on the IEA New Policies Scenario outlined in IEA (2012c).
 Source: IEA (2012c), *World Energy Outlook 2012*, OECD/IEA, Paris.

Key point

IEA projections to 2035 show that as much as two-thirds of energy efficiency potential will remain untapped unless policies change.

(Source: Capturing the Multiple Benefits of Energy Efficiency. IEA 2014)



How much investment is needed?

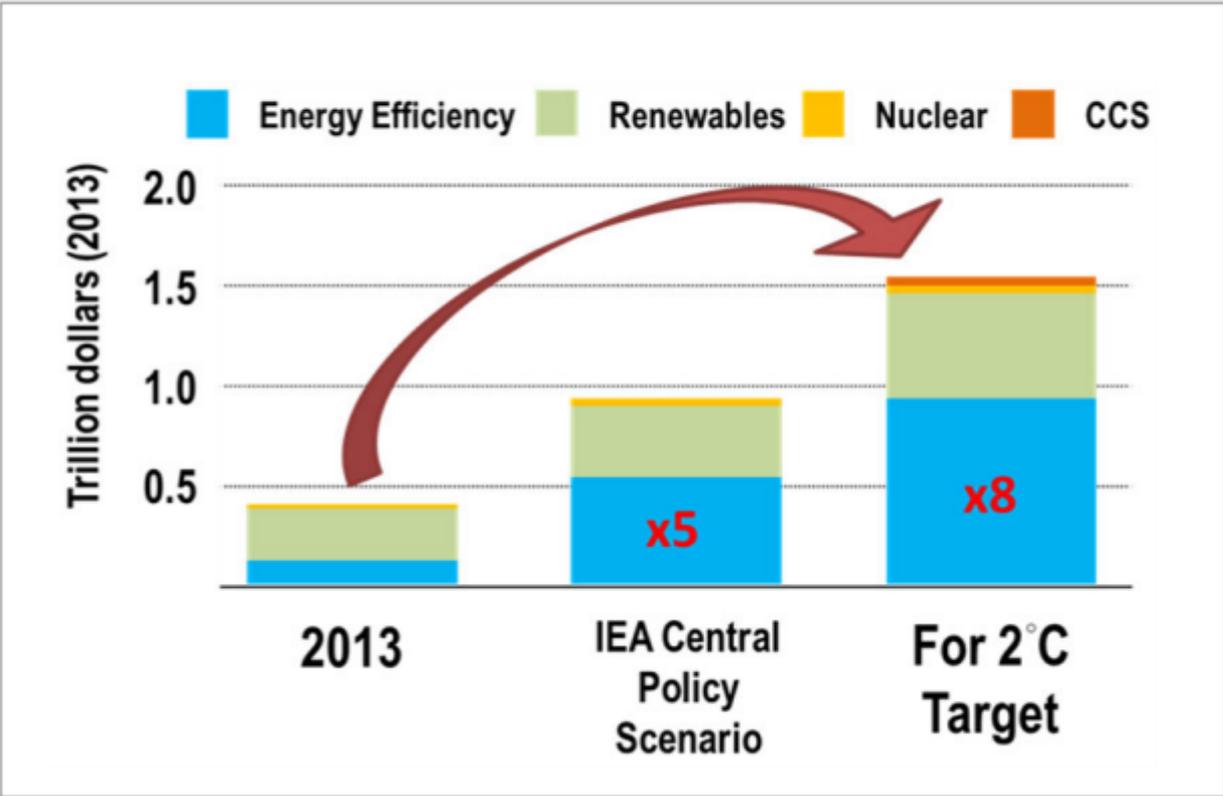
Global Annual Investment Need (2014-2035, IEA)

2014 Ceres Global:
Projects global annual investment need (2010-2020) to limit global temperature rises to a 2°C scenario:

- \$300 billion in buildings' energy systems
- \$30 billion in industry

EU needs to invest:
(for 2°C scenario, IEA)

- \$1.3 trillion in energy efficiency in buildings from 2014-2035
- \$154 billion in energy efficiency in industry



E-FIX wants to remove barriers between investors and project developers

Investors in energy projects

- Commercial banks
- Development banks
- Investment funds
- ESCOs (using internal funds)
- Microfinancing institutes
- Business Angles
- Communities
- Private citizens - the crowd
- Carbon or Climate Funds

Barriers

Perceived risks of the energy projects

- Uncertainty for investor
- No capacity to plan and implement

Restricted access to funds

- Missing collaterals
- Excessive regulations for energy projects

E-FIX

building bridges for energy investments

- Missing know-how for feasibility assessment
- Perceived unfeasibility/ long payback time
- Lack of public acceptance

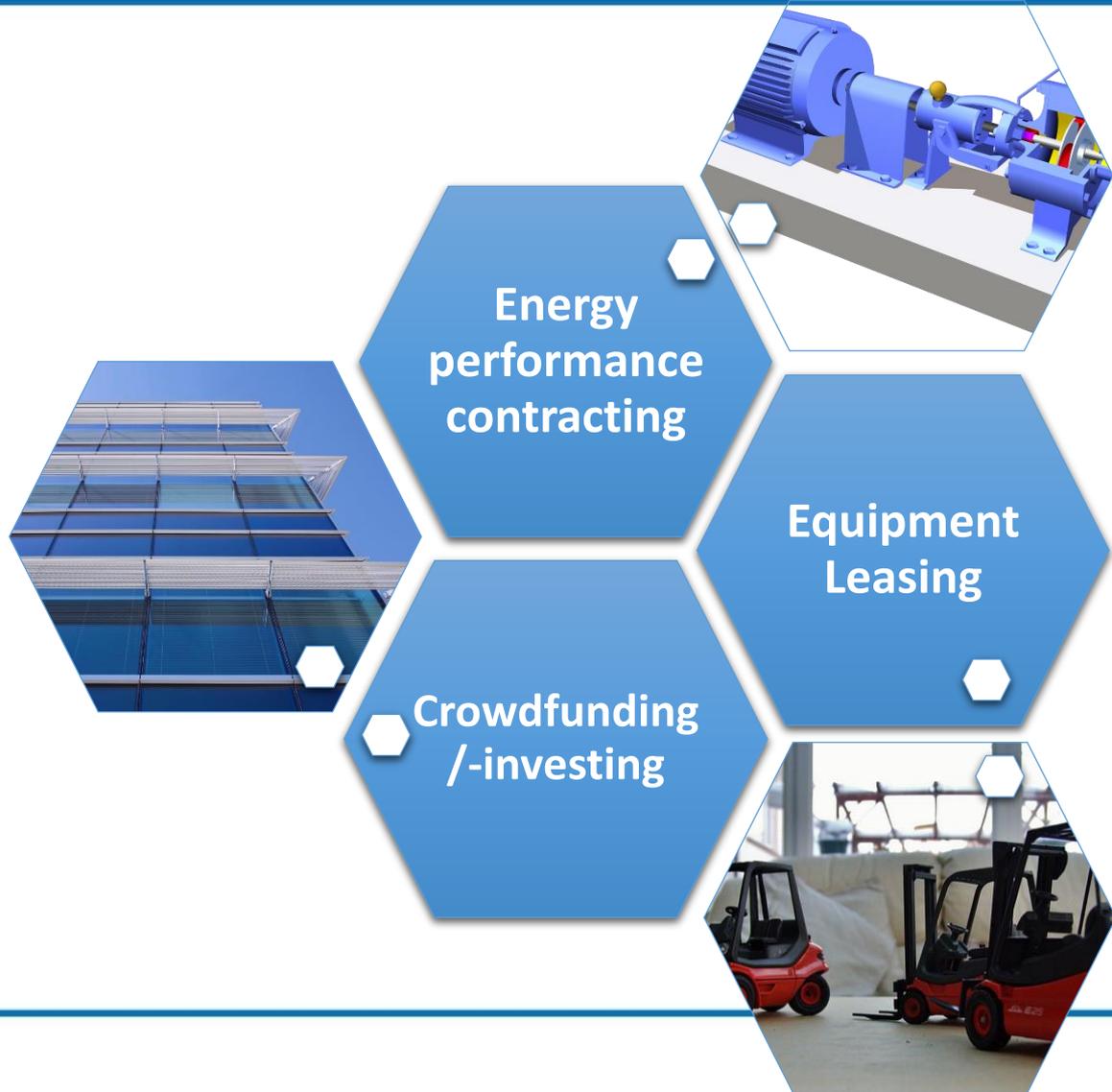
- Administrative barriers for the use of innovative financing mechanisms
- Legal uncertainty regarding security of investment

Project developers and owners

- Businesses of tertiary sector
- Industry
- SMEs
- Start-ups
- R&D
- Communities
- Citizens
- ESCOs (3rd party financing)



X E-FIX aims at triggering **private finance for sustainable energy projects** by focussing on **specific financing mechanisms**



1 **TRANSFER KNOWLEDGE**

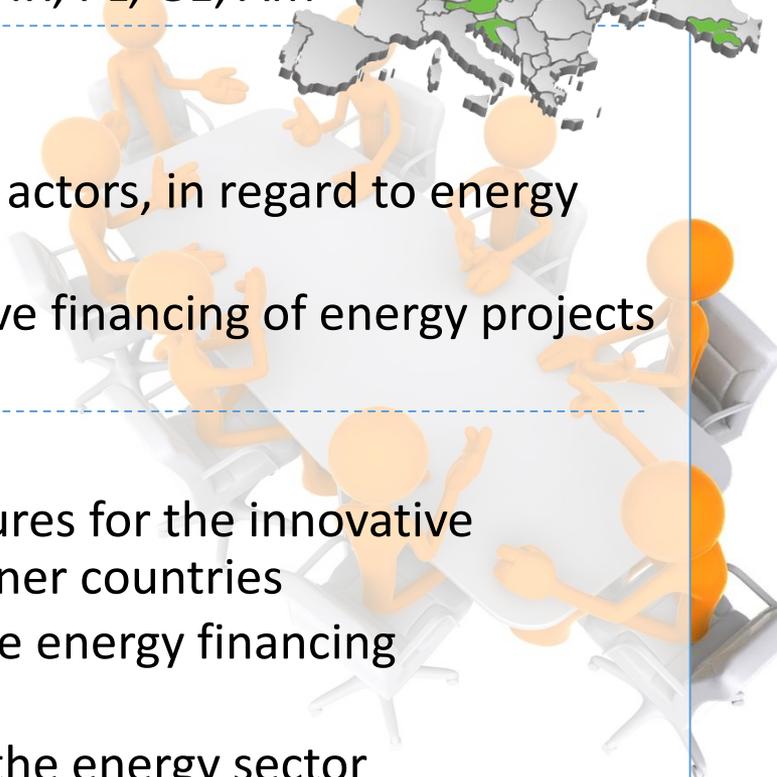
- Within the Project Partnership: AT, CZ, HR, PL, GE, AM

2 **BUILD CAPACITIES**

- Increasing the competencies of market actors, in regard to energy and financing requirements
- Training of „Ambassadors“ for innovative financing of energy projects

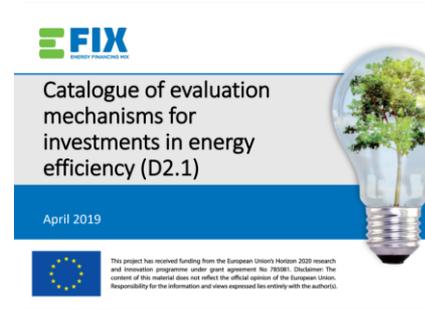
3 **ROLL OUT**

- Strengthening national/regional structures for the innovative financing of energy projects in the partner countries
- Test and disseminate tailored innovative energy financing mechanisms
- Thereby increasing the investments in the energy sector



- X** Financing & Energy Policy Baseline for each partner country
- X** Case study analysis of alternative financing of energy projects in each partner country
- X** Individual gap analyses for validating the preselection of the innovative financing mechanism
- X** Catalogue of evaluation methods for the systematic assessment of sustainable energy projects

All reports available on the E-FIX webpage: www.energyfinancing.eu



Training curriculum

- X** Didactics and engaging the audience
- X** Catalogue of evaluation methods for the systematic assessment of sustainable energy projects
- X** General modules addressing each financing mechanism
 - X** Leasing
 - X** Crowdfunding
 - X** EPC
- X** Specialist finance following case-based teaching methods

Toolbox

- X** preparation of projects; matching of adequate financing methods & partners



Definition

- X** Stakeholders with broad professional background , e.g. public officers, energy service providers and ESCOs, financial officers from industry, business sector and project developers
- X** Aim: to become multipliers for the E-FIX approach by using project outputs and by working towards eliminating financing barriers and building bridges between potential energy investors and project initiators

Benefits

- X** Participation at two high-quality trainings
- X** Involvement in Strategy and Toolbox development by providing inputs
- X** Possible involvement at the Competence centers
- X** International networking opportunities via the Ambassador platform



Common standards for financing of energy projects

- X** technical, financial, environmental & other relevant criteria
- X** compulsory & optional criteria
- X** minimum of common criteria across all three financing mechanisms & specific criteria for each of them



Financial Information (compulsory)					
7	Capital expenditure (EUR)	Investment in EUR	50 000	(example figures)	
7.1	Financing plan	own funds in %	30%	own funds in EUR	15 000
		subsidies in %	25%	subsidies in EUR	12 500
		share of innovative financing in %		share of innovative financing in EUR	
		(share of CF/CI, Leasing, EPC)	20%	(share of CF/CI, Leasing, EPC)	10 000
		other debt financing in %	25%	other debt financing in EUR	12 500
	Total (100%)	100%	Total in EUR	50 000	
7.2	Debt/equity coverage ratio				
	Possible financial incentives				
7.3	[description of availability of state subsidies, soft loans or other financial support instruments]				

Pilot campaigns

- X** start in autumn 2019
- X** involvement of relevant stakeholders (project owners, energy providers, finance institutes, ESCOs, community and interest groups...)
- X** test and implementation of the E-FIX methodology in real-life environments, in each of the six partner countries



What E-FIX aims for

- X European-scale VISION** – Definition of long-term and transnational goals for successful and accelerated financing of energy project until 2030
- X Integrate stakeholder opinions** and objectives
 - X** transnational and country-specific issues for promoting innovative financing
 - X** political, legal/regulatory implications
- X Develop one Roadmap** considering the EU 2030 climate and energy framework targets
- X** Describe specific actions --> connect with local **E-FIX Action Plans**

Objective: *Illustrate EU-wide development of energy financing environment and implementation.*



THANK YOU!

Dipl.Eng. Cosmin Capra, EMBA – Senior Consultant

cosmin.capra@conplusultra.com

ConPlusUltra Ltd, Vienna/Austria

www.conplusultra.com