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# Horizon 2020 Energy Efficiency Call for Proposals 2019

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Innovative financing for energy  
efficiency investments

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Energy

# Challenge

- **"Smart Financing for Smart Buildings" initiative**
  - More effective use of public funding
  - Aggregation and assistance for project development
  - De-risking
- **Innovative regional/national financing schemes**
  - Adequate private finance supply for EE investments
  - Maximised leverage ratio of private finance to public funds

## Scope

- **Development or replication and implementation of innovative financing schemes for EE investments**
  - Various financing models/schemes
  - Different organisation types/ownership structures
  - Complementarity to already available funding
  - Provision of finance and structuring of demand (regional/national level)
  - Targeting specific areas (e.g. energy-intensive industries, buildings etc.)
  - Tailored and innovative for the targeted regions and market segments
  - Demonstration of market potential, as well as business case and financial viability  
*(including investment sizes targeted, expected savings, transaction and management costs, expected returns etc.)*

## Scope (cont.)

- **Exemplary financing schemes**

- Dedicated credit lines
- Guarantee facilities
- Factoring/forfeiting schemes
- On-bill (e.g. utility-financed) or on-tax financing schemes
- Citizen financing (e.g. crowd-funding) for EE
- Models for deep renovation of buildings (property and rental market)
- Schemes for different industry sectors and cross-sectorial initiatives
- Solutions integrating existing market-based instruments relevant for EE  
*(e.g. carbon finance instruments, including those under the EU ETS; EE obligations, incl. white certificates etc.)*
- Schemes based on project aggregators/clearing houses at regional/national level (project development support; matching demand & supply of EE finance)

## Scope (cont.)

- Set-up of new **innovative, operational financing schemes**
- **Replication of previously successful solutions**  
(e.g. developed/implemented under various PDA facilities, incl. ELENA of EIB)
- **Establishment of regional/national aggregators** able to develop large (standardized) project pipelines
- Creation of **EU or regional/national energy efficiency investment roundtables/platforms** to
  - Organise **dialogue** with and between the relevant stakeholders and
  - Develop **roadmaps**
  - Propose **improvements in the legal frameworks**
  - Develop and validate **template documents** and **contracts**, leading to a better understanding of the market



Clear **action plan**

## Expected Impact

- Depending on scope addressed
- Quantified indicators and targets, wherever possible

- Delivery of **innovative financing schemes** that are **operational** and **ready to finance** EE investments
- **Regional/national aggregators** with demonstrated/traceable capacity to set up large-scale pipeline of (standardized) sustainable energy investments (*in terms of number of and/or amount of investment*)
- EU or regional/national **EE investment roundtables/platforms** providing a comprehensive range of support and/or services to facilitate access to EE finance
- **Primary energy savings** triggered by the project (*in GWh/year*)
- **Investments in sustainable energy** triggered by the project (*in million Euro*)
- **Additional positive effects** (reduction of GHGs/air pollutants)

# Relevant Horizon 2020 projects

## CITYinvest

- Introduction of **innovative financing schemes** (revolving funds, EPC, third party financing, cooperative models etc.) in **3 pilot regions** (Belgium, Bulgaria, Spain)
- **Analysis of models** (opportunities and barriers)
- **Large-scale capacity building** and training (for public authorities)
- **Web-based portal** for practical guidance and match-making

## TrustEE

- **Forfeiting fund/securitisation vehicle** focused on industrial energy efficiency
- **Standardised** project assessment/development platform
- **Third Party Financing** – institutional investors

# Relevant Horizon 2020 projects (cont.)

## ESI Europe

- **Energy savings insurance** mechanism for SMEs
- Simplified **independent validation/verification**
- **Standardised contractual arrangements**

## EuroPACE

- **On-tax financing mechanism** for energy renovations
- **Linking debt to the property** rather than to the owner and collecting **debt repayment through property taxes**

## E-FIX

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



# Relevant Horizon 2020 projects (cont.)

## Call 2018

- Integration of **crowdfunding and cooperative financing schemes** with **public financing instruments** and set-up of “**Citizen Investment Platforms**” to enable large-scale community-based building retrofit programs
- **On-bill financing schemes drawing on utility bills as repayment vehicle** to finance and scale up energy retrofit investments in residential buildings
- Replication and operation of **green homes / mortgage programme** with focus on Central and Eastern Europe
- Replication of **forfeiting fund solution** buying receivables from EPC projects for deep retrofits in public/private buildings to enhance liquidity and (private) finance capacity of ESCOs

## Project Development Assistance projects

- **Horizon 2020 PDA projects**  
[https://cordis.europa.eu/home\\_en.html](https://cordis.europa.eu/home_en.html)
- **IEE (Intelligent Energy – Europe) PDA projects:**  
<https://ec.europa.eu/easme/en/project-development-assistance-pda>

# Key proposal features

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

# Thank you!

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