

Financial Instruments for Energy Efficiency Interventions in Buildings

A European Comprehensive Overview

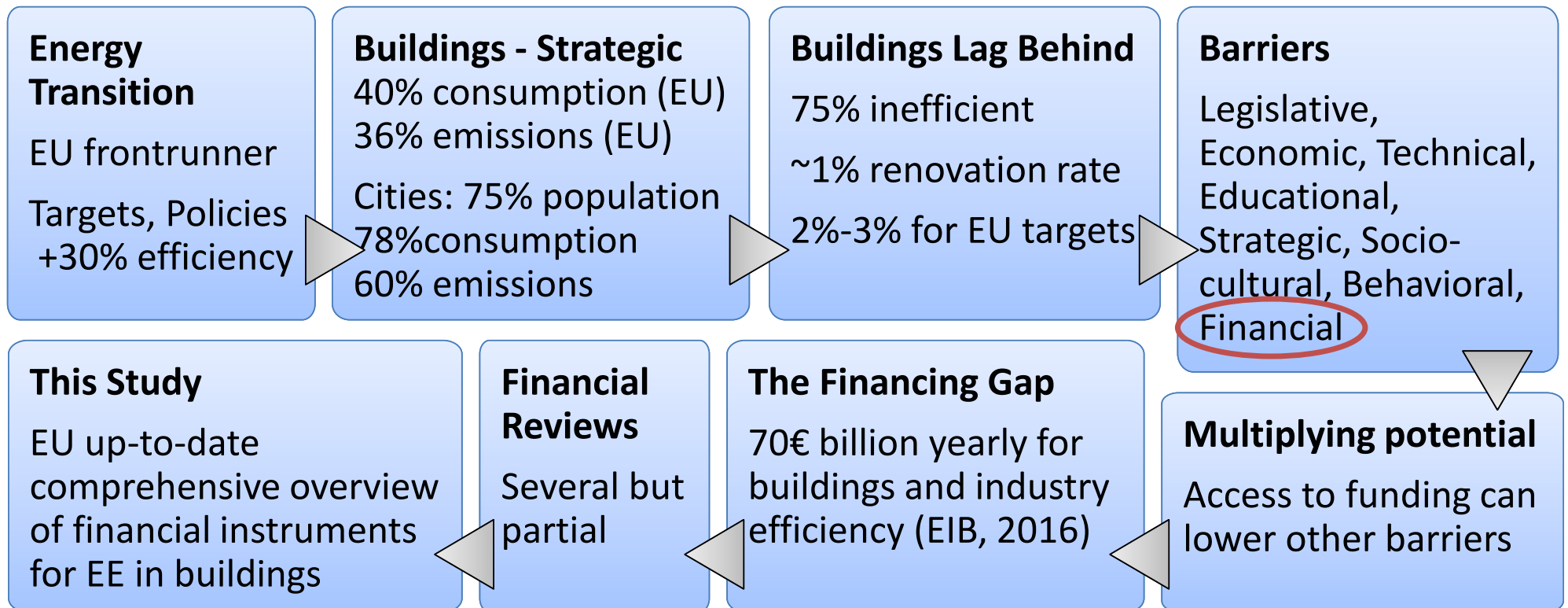
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Introduction:

The Energy Transition and the Building Sector



Methodology

Research Question

What financial instruments are currently available in EU to support EE interventions in buildings?

Research Methods

Extensive literature review and desk research

Information per each Item

Description, opportunities/challenges, successful examples, target users, ideal measures, issuers, level of diffusion.

Scope

EU level, specifically for EE interventions in buildings.

EE Interventions

Renovation of building shell and energy systems, upgrade or installation of efficient H&C, DHC networks.

Results and Findings: Instruments Mapping

	Traditional	Innovative
Non-repayable	Grants, Prizes and Subsidies	Energy-Efficiency Feed-in-Tariff
	Tax Incentives	
Debt	Loans	Green/Soft Loans
	Credit Enhancement (guarantees, securities, insurances, additional collateral, etc.)	Green Bonds, Community Municipal Investment Bonds, Social Bonds
		Energy Performance Contracting (EPC) and Agreements (EPA)
		Energy Service Agreement (ESA)
		Green Leasing, PACE
		Energy Efficient/Improvement Mortgages
		On-Bill Financing (OBF) Loans, Tariffs
		Green/Energy Revolving Funds
New to EE Investments	Crowdfunding	
Equity	Third-Party Funding	Energy Communities/Cooperatives
Other	Advisory Services	Energy Efficiency Quota Obligations
	Technical Assistance (TA), Project Development Assistance (PDA)	One-stop shops (OSS)
	Capacity Building	

Variations of Traditional Instruments for EE
Already used in other sectors
Already used in other regions (US, UK, ...)
New Concepts
Already used for RES

Discussion: Beyond Financial Instruments

Approaches

- **Structured Finance:** combine multiple financial instruments (e.g., ESI, SFSB).
- **Blended Finance:** keep levels of risk separate to make investment more attractive
 - Higher-risk share (junior debt): public/philanthropic partner.
 - Lower-risk (senior debt): private investors.

Positive market response, but several ones still limited diffusion

A lot of instruments for a niche sector

Instruments proliferation not enough for market uptake

Both issuers and users need to become familiar with new instruments and EE projects assessment

Conclusion

EU Commission supports investments in buildings EE

Finance for EE in buildings not functional: vast, complex, dispersive, inaccessible



Capacity building and dialogue among issuers and users

To increase investments in building EE and ultimately renovation rates.

Organizations, Initiatives

raise awareness, prepare market uptake, foster dialogue, offer capacity building.

- **Energy Efficiency Financial Institutions Group (EEFIG) De-risk Energy Efficiency Platform (DEEP):** EU-wide database for EE investment performance monitoring and benchmarking.
- **ManagEnergy:** increase sustainable energy investments through local energy agencies.
- **Sustainable Energy Investment (SEI) Forums:** boost EE investments, esp. in buildings.
- **ESI model:** create trust among clients, technology providers and banks to reduce the perceived risk of EE projects.

THANK YOU FOR YOUR ATTENTION!



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