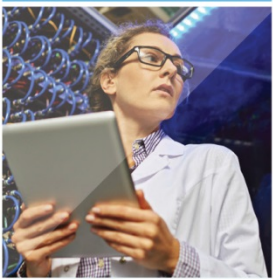
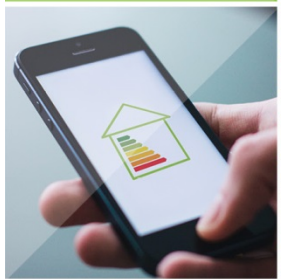




European
Commission



Financing Energy Efficiency in the Industry Sector

SANCHEZ RIVERO – GOLDSTEIN
European Commission, 13 December 2018

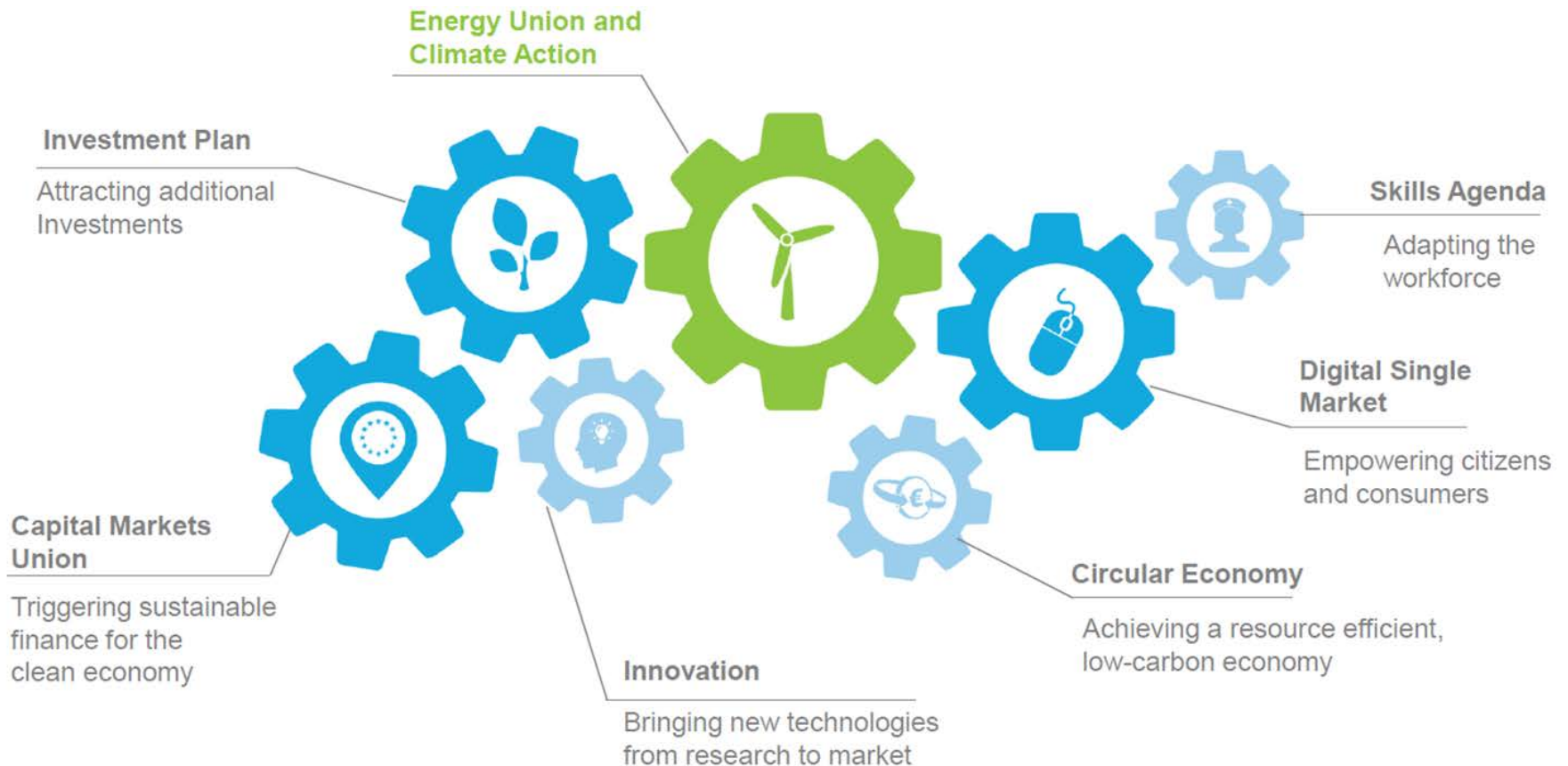
Opportunity framework

- **Political guidance**
- **Requirements**
- **Financing**

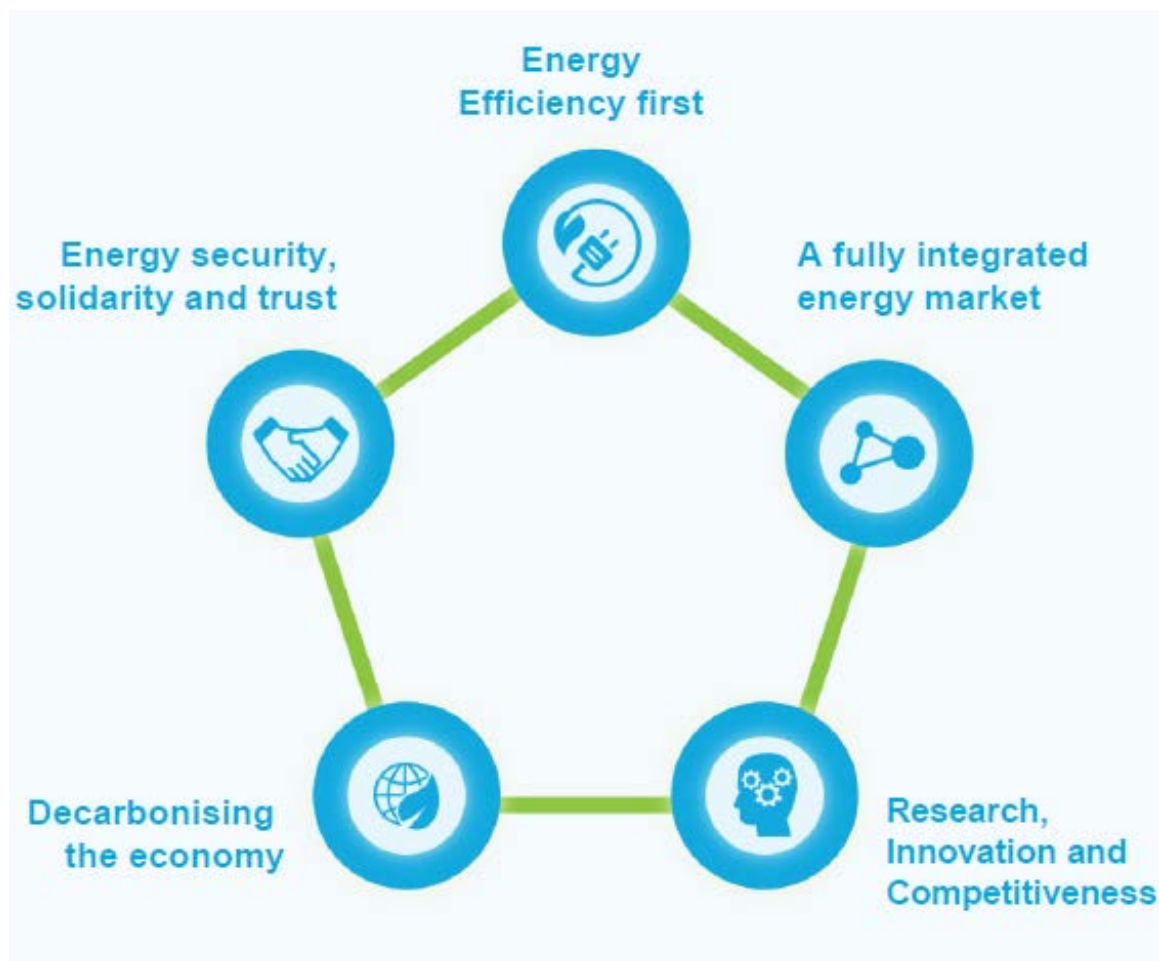
Opportunity framework

- **Political guidance**
- Requirements
- Financing

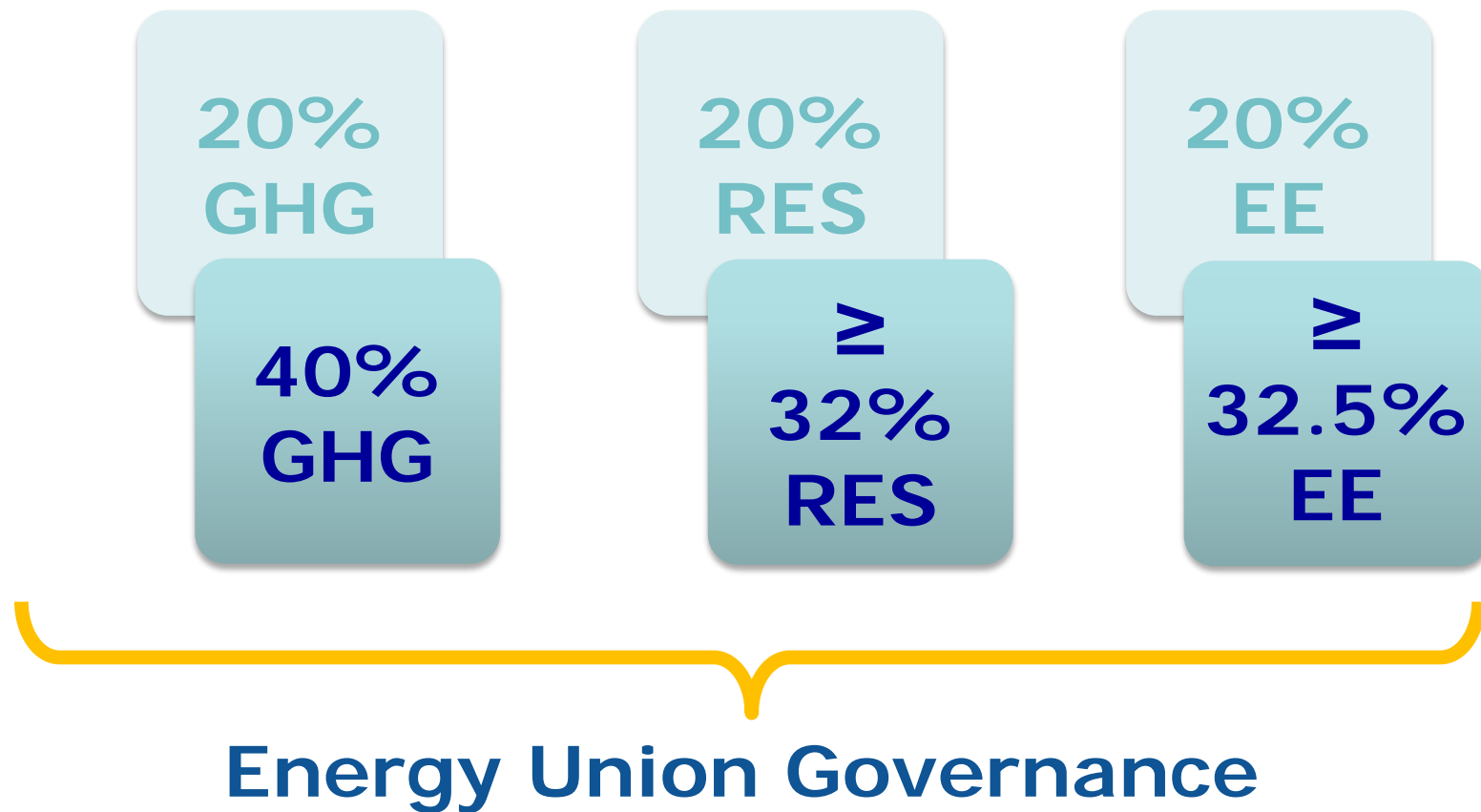
The role of the energy and climate policy



5 DIMENSIONS OF THE ENERGY UNION



Targets 2020-2030



Energy union and renewables

✓ *Energy union governance regulation*

- MSs notify their integrated **energy and climate plans** (*NECP*, containing national GHG, RE, EE and x-border connection pledges for 2021-2030)
- Then **report on progress** from 2021 bi-annually (excl. Annex IX biomass & annual EE progress, oil reserves annually)
- **Intermediary evaluations** in 2022, 2025 ning 2027
- By 01.01.2021 COM will set up a **RE fund**

✓ *Renewable energy directive*

- **Binding EU target 32%** RE share (~320 GW additional generation capacities; target may be revised upwards in 2023)
- MS pledges assessed against a formula in the governance reg., Annex II
- Indicative EU trajectory: 20% RE baseline in 2020 and should grow by 18% - 2022, 43% - 2025 ja 65% - 2027

Energy union and efficiency

✓ *Amended energy efficiency directive*

- **EU target of 32.5%** (target may be revised upwards in 2023)
- National pledges shall take into account, that in 2030 the EU **primary energy consumption** must remain below 1273 Mtoe and/or the **final energy consumption** must remain below 956 Mtoe
- MSs should reach at least **0.8% annual savings** (*EEOS* or alternative policy measures), unless in 2027 EC decides it is not necessary
- **Ambition is 11% higher than in 2014-2020**

✓ *Energy performance for buildings directive*

- **Entered into force** 9 June 2018
- MSs draw up long-term renovation strategies to decarbonise their building stock by 2050 and set measurable progress indicators for **2030, 2040 and 2050**
- **Support for electromobility** – at least 1 recharging point installed in a new/reconstructed building with more than 10 parking places
- **More technical checks for H/C systems**
- **EC shall put in place a *Smart Readiness Indicator***

Opportunity framework

- **Political guidance**
- **Requirements**
- **Financing**

Opportunity framework

- Political guidance
- **Requirements**
- Financing

BAT-BREF

IPPC

Manufacture of organic fine chemicals
 Production of polymers
 Production of speciality inorganic chemicals
 Large volume inorganic chemicals – ammonia, acids and fertilisers
 Large volume inorganic chemicals – solids and other industry

IED BREFs to be started

Surface treatment of metals and plastics
 Ceramic Manufacturing Industry
 [Large volume inorganic chemicals]

REFERENCE documents

Emissions from storage
 Energy Efficiency
 Industrial cooling systems
 Economics and cross-media
 Monitoring of emissions to air and water from IED installations

IED

Manufacture of glass
 Iron and steel production
 Production of cement, lime and magnesium oxide
 Tanning of hides and skins
 Production of Chlor-alkali
 Production of pulp, paper and board
 Refining of mineral oil and gas
 Wood based panels production
 Common waste water and waste gas treatment in the chemical sector
 Non-ferrous metals industries
 Intensive rearing of poultry or pigs
 Large combustion plants
 Large volume organic chemicals
 Waste treatment

Work in progress

Food, drink and milk industries
 Waste incineration
 Surface treatment using organic solvents
 Ferrous metals processing industry
 Waste gas treatment in the chemical sector
 Textiles industry
 Slaughterhouses and animal by-products industries
 Smitheries and foundries industry

Opportunity framework

- **Political guidance**
- **Requirements**
- **Financing**

Opportunity framework

- Political guidance
- Requirements
- **Financing**

Energy Efficiency Financing

EEFIG Group – Areas for Action

EEFIG group

- **Expert group** set-up by the European Commission and UN Environment Programme.
- Work platform for **public and private financial institutions, industry and experts** to collect, develop, implement and disseminate innovative ideas to accelerate finance for energy efficiency in Europe. **120 members**
- **3rd Phase for the next 4 years** has just been launched. **Open to new members.**

4 areas for action identified:



Consistent regulatory framework



Assistance and aggregation



De-Risking



More effective use of public funds



Energy Efficiency
Financial Institutions Group



European
Commission

Energy Efficiency Financing

THE STRATEGY

More effective use of public funds

- Deploying **Financial Instruments** and flexible energy efficiency and renewable financing platforms
- Building on EFSI blending with ESIF funds



Assistance and aggregation

- Supporting the project pipeline at EU and local level
- **Project Development Assistance** facilities
- "One-stop-shops"



De-risking

- **Understanding the risks and benefits** for financiers and investors
- The De-risking Energy Efficiency Platform
- Commonly accepted underwriting framework



More effective use of public funds

FINANCING – 1ST PILLAR

Making more **use of financial instruments** to achieve high **leverage ratios**

Flexible financing platforms at national level, mixing different strands of public financing (i.e. ESIF, EFSI)

On-line EU mapping tool to understand how public funds can be used to support energy efficiency in Europe

Making **Energy Performance Contracting** more accessible to the public sector (Updated Eurostat guidance on the accounting treatment of Energy Performance Contracts)

Sustainable Energy Investment Forums
Riga, Prague, Copenhagen, Madrid, Dublin,...

Aggregation and assistance for project development

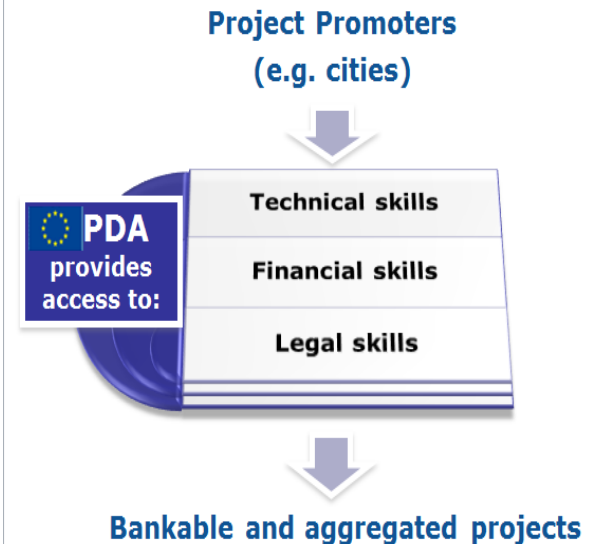
FINANCING – 2ND PILLAR

Reinforce **Project Development Assistance (PDA)** facilities at the EU level to help project promoters bring their ideas to maturity

- ELENA, via EIB (PDA facility funded through the European Commission's Horizon 2020 programme)
- **PDA calls launched by EASME** for smaller projects

Development of dedicated **local or regional one-stop-shops** for project developers

➤ EU Project Development Assistance (PDA)



De-Risking



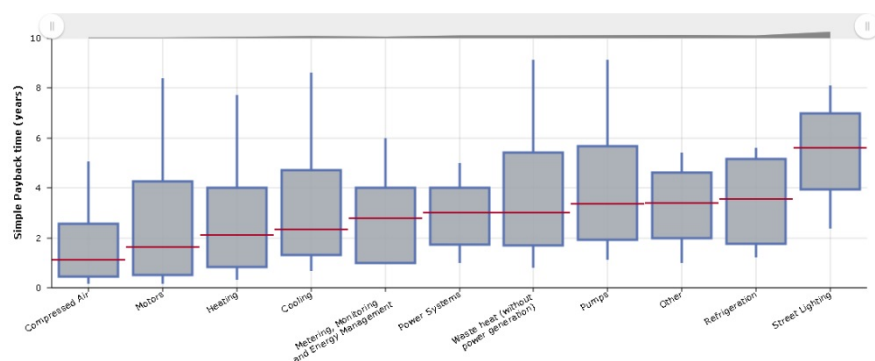
DEEP Database. An open-source

Change the risks perception related to energy efficiency investments - in collaboration with the Energy Efficiency Financial Institutions Group (EEFIG):

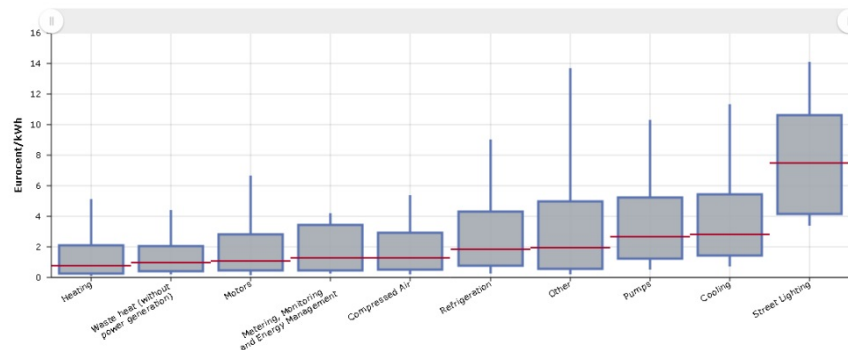
The **De-risking Energy Efficiency Platform (DEEP)**, an **open source** database containing real performance data of energy efficiency projects (over 10.000 energy efficiency projects already)



Distribution of payback time on 10%, 25%, 75% and 90th percentiles - Measure types



Avoidance cost on 10%, 25%, 75% and 90th percentiles - (Eurocent/kWh)





European Commission

ENERGY UNION



Thank you

KARLIS.GOLDSTEIN
CARLOS.SANCHEZ-RIVERO

@EC.EUROPA.EU

