Energy Financing Mix

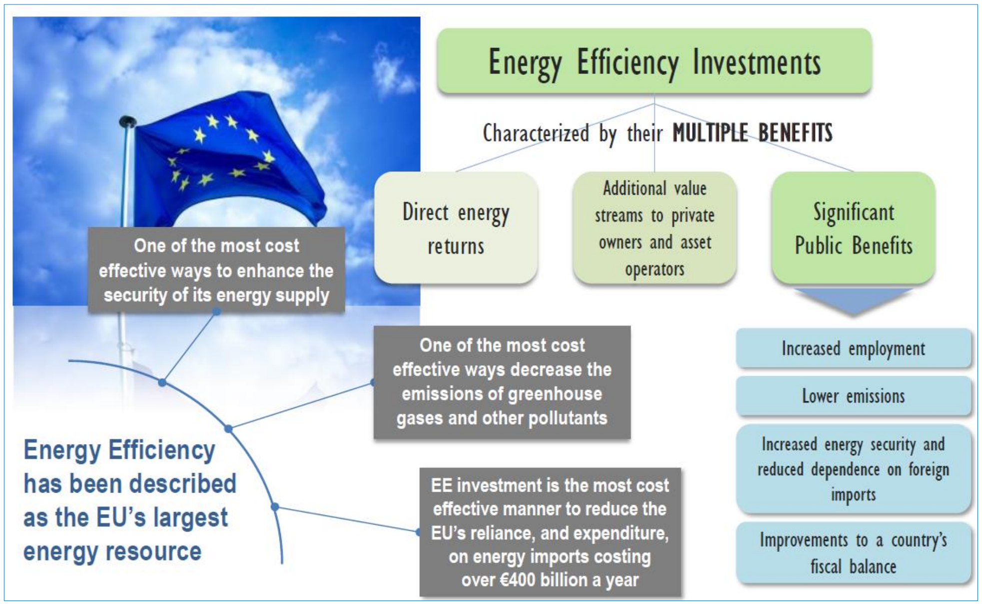
Innovative Financing Opportunities for Energy Efficiency

Alexandra Pintilie, ConPlusUltra Ltd.

CrowdStream Conference, 28th May 2019, Varna

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

The Energy Efficiency Paradigma



(Quelle: EEFIG, 2015)

vs.

- **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

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

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

Restricted access to funds

- Missing collaterals
- Excessive regulations for energy projects
- Administrative barriers for the use of innovative financing mechanisms
- Legal uncertainty regarding security of investment

E-FIX

building bridges for energy investments

Project developers and owners

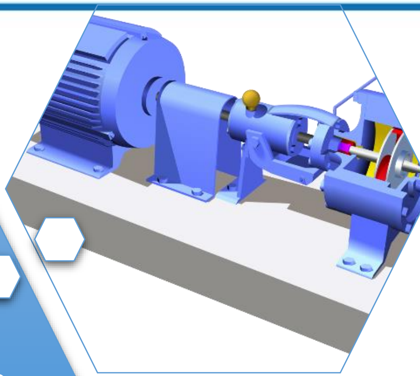
- Businesses of tertiary sector
- Industry
- SMEs
- Start-ups
- R&D
- Communities
- Citizens
- ESCOs (3rd party financing)

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

Innovative financing mechanisms

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

Energy performance contracting

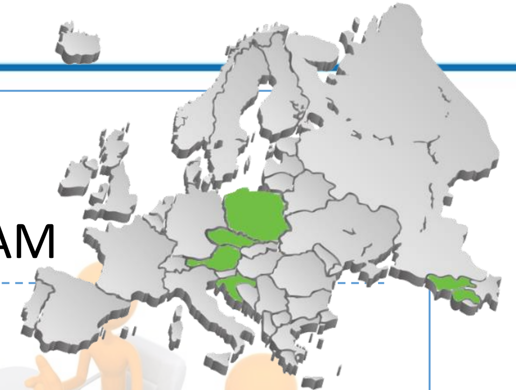


Equipment Leasing

Crowdfunding /-investing

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

E-FIX is moving along 3 directions



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

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

E-FIX is moving along 3 directions

E-FIX ENERGY FINANCING MIX

Thematic work packages

Baseline

Analysis of financing frameworks and identification of financing gaps for partner countries

3-dimensional ROLL-OUT

Capacity building	Strategies	Piloting

Main project outputs

Capacity building

- Capacity building trainings in the partner countries
- *E-FIX Toolbox* incl. both inn. financing mechanisms and assessment methods for energy projects
- *E-FIX Ambassador* platform

Strategies

- Quality standards for the (innovative) financing of energy projects
- *Action Plans* for innovative energy project financing
- *E-FIX Roadmap* for the roll-out of innovative financing mechanisms for energy projects
- *E-FIX Energy Financing Competence Centres*

Piloting

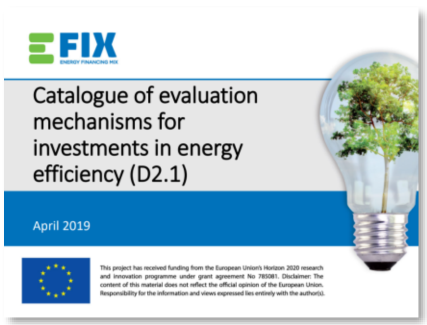
- Pilot financing campaigns in the fields:
  - Credit lines for energy performance contracting
  - Crowdfunding models
  - Leasing models for E equipment
- Bilateral *Master Classes* for partnership learning
- Tested and practicable innovative financing mechanisms for energy projects

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

Already available results

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

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



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

Focus: Capacity Building

Training curriculum

- Didactics and engaging the audience
- Catalogue of evaluation methods for the systematic assessment of sustainable energy projects
- General modules addressing each financing mechanism
  - Leasing
  - Crowdfunding
  - EPC

Interreg
EUROPEAN UNION
Danube Transnational Programme
CrowdStream

Training Materials & Digital Course

- Specialist finance following case-based teaching methods

Toolbox

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

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

![EFIX Energy Financing Mix logo]

Focus: Quality Criteria

Common standards for financing of energy projects

- technical, financial, environmental & other relevant criteria
- compulsory & optional criteria
- 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 CF/CI, Leasing, EPC)	20%	share of innovative financing in EUR (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				
7.3	Possible financial incentives *[description of availability of state subsidies, soft loans or other financial support instruments*				

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

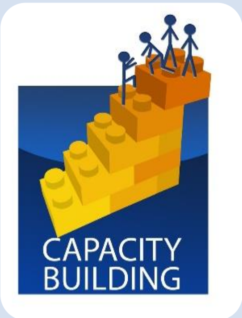
Focus: Financing Campaigns

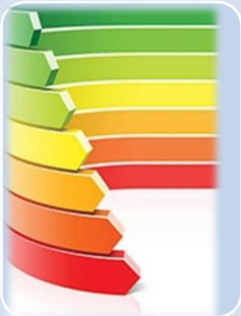
Pilot campaigns

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

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

E-FIX: Expected Impacts




1 E-FIX Roadmap
6 Action Plans

120 E-FIX
Ambassadors

Pilot financing campaigns, investment
~ 8 mill. EUR

6 Energy Financing Competence Centers

Renewable energy triggered
~ 1.6 GWh/yr

Energy savings triggered
~ 19 GWh/yr

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

Save the date

Mid-term Conference

16.-17.10.2019

Zagreb, Croatia

Web: www.energyfinancing.eu

FB: Project E-FIX

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 785081. Disclaimer: The content of this material does not reflect the official opinion of the European Union. Responsibility for the information and views expressed lies entirely with the author(s).

THANK YOU!

Andreas Karner – Project Coordinator
andreas.karner@conplusultra.com

Alexandra Pintilie
alexandra.pintilie@conplusultra.com

ConPlusUltra Ltd, Vienna/Austria
www.conplusultra.com