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EUROPEAN
INVESTMENT
FUND

CA EED Info session on financing for obligated parties under EEOS
EIB financing related to Art 7 EED
Robert Pernetta, Financial Instrument Advisory

The EIB: the European Union bank

Improving quality of life in Europe and beyond



The world's largest multilateral lender



Leading provider of climate finance



Governed by the EU Member States

EIB's new ambition for the critical decade

THE EUROPEAN INVESTMENT BANK IS EUROPE'S CLIMATE BANK

€1 trillion for climate action and the environment unlocked by 2030

50 % of total financing to climate action and the environment by 2025 (current level: 30%)

2020 Fully aligned with the Paris agreement by the end of the year



Climate action investments: € 19.3 billion in 2019



CLIMATE CHANGE ADAPTATION
€ 0.8 billion



RENEWABLE ENERGY
€ 3.9 billion



RESEARCH, DEVELOPMENT AND INNOVATION
€ 1.0 billion



ENERGY EFFICIENCY
€ 4.6 billion

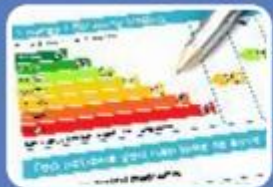


LOWER CARBON TRANSPORT
€ 7.6 billion



OTHER CLIMATE CHANGE MITIGATION
€ 1.4 billion

EIB Energy Lending Policy – support to decarbonisation pathways



Unlocking energy efficiency



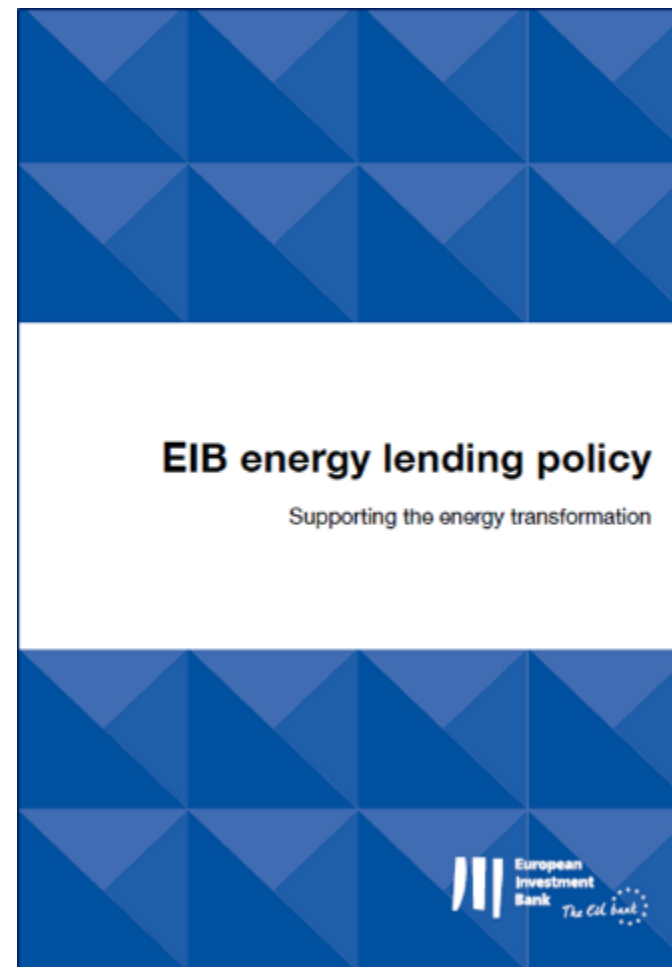
Decarbonising energy supply



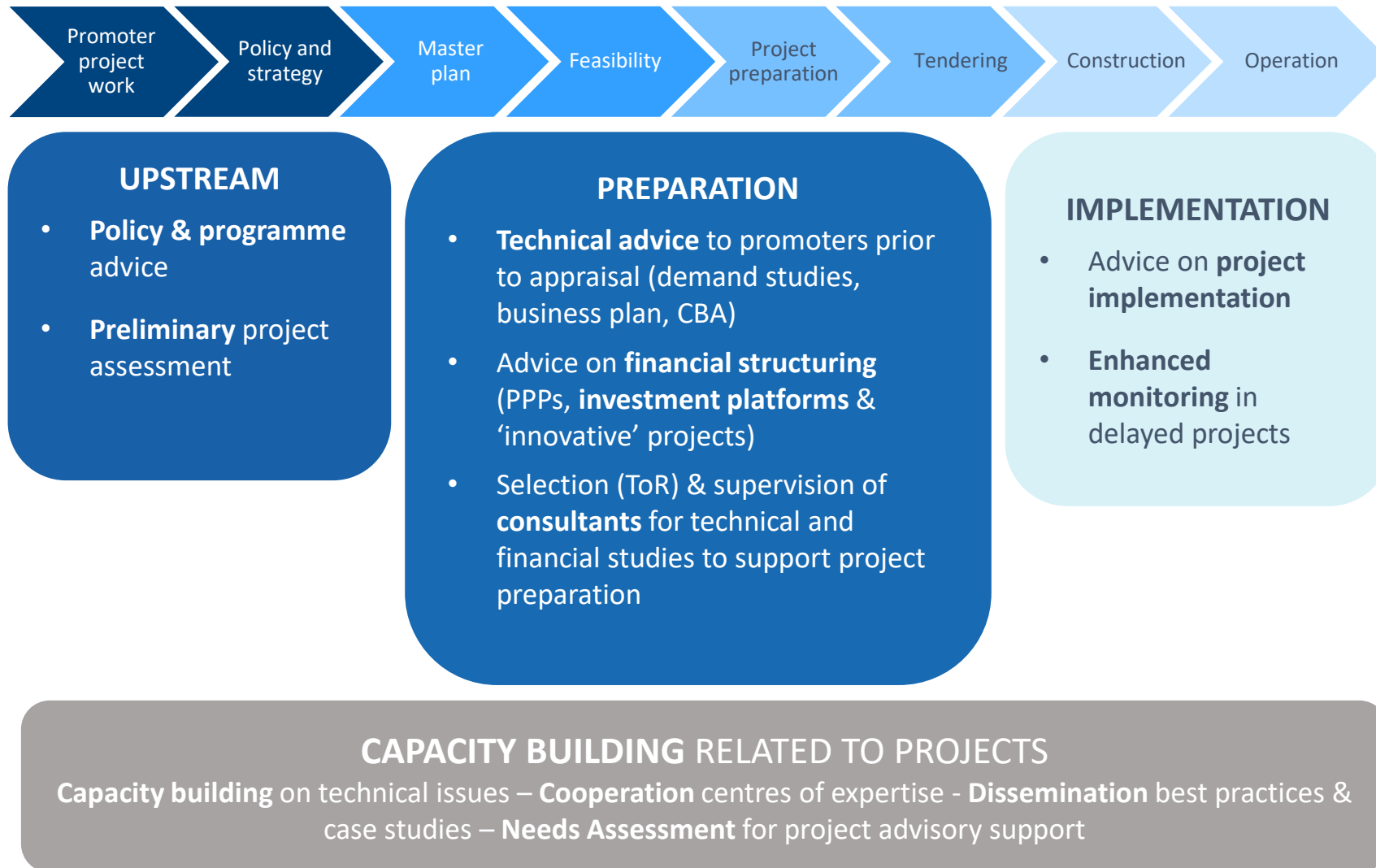
Supporting innovative technologies
and new types of energy infrastructure



Securing the enabling infrastructure



EIB offers technical/financial advisory



Three Cases



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Examples of EIB financing related to Art. 7 EED

ENERGY EFFICIENCY FINANCING PLATFORM (EEFP) in Lithuania

The Lithuanian National Promotional Institution VIPA has set-up the EEFP with financing from

- Equity 10m from ESO (Energy System Operator)
- EUR 12.5 m from EBRD
- EUR 12.5 m from EIB (with EFSI guarantee)

The platform is providing debt directly or via intermediaries (banks, ESCOs, funds,...) to energy efficiency and small scale renewable energy projects

Energy savings achieved will count for ESO's obligations



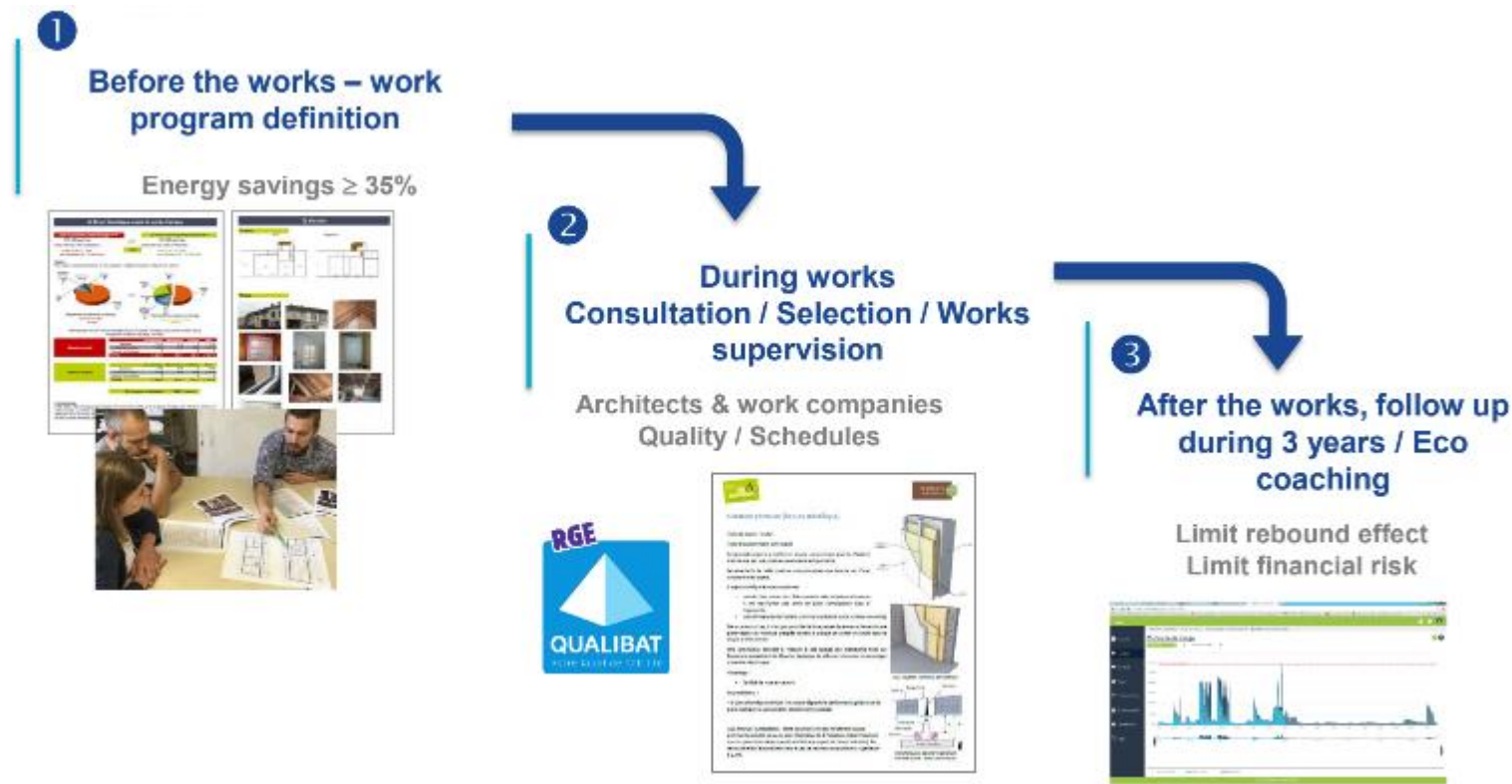
Examples of EIB financing related to Art. 7 EED



HAUTS-DE-FRANCE PASS RÉNOVATION - One-stop-shop for residential retrofitting

The French Region Hauts-de-France has set up a one-stop shop bringing together several elements:

- Advisory
- Financing
- Cooperation and pre-financing with registered construction companies



Examples of EIB financing related to Art. 7 EED



HAUTS-DE-FRANCE PASS RÉNOVATION – Financial product

Loan tenure up to 25 years with a grace period for the construction period

No penalty for early repayment

Average financing package:

13% subsidy (ERDF and national subsidies)

17% own contribution by housing owner

70% financing from ones-stop-shop (repaid by building owner through savings)

Financing package depends on

available income,

energy savings (average achieved energy savings are 45%, monthly payment covered 62% by savings),

loan-to-value ratio (loan is not on building owner's book, but on property)



Examples of EIB financing related to Art. 7 EED



HAUTS-DE-FRANCE PASS RÉNOVATION – Financing structure

Charges	Hypothesis (for 2000 SFH projects – 3y)	Done 2014-2019 (~1700 projects SFH + MFH)
Works	56,9 M€	40 M€ (33 M€ already engaged)
Service activity (internal staff, renovation technicians, operating costs,...)	9,0 M€	10 M€

Resources	Hypothesis (for 2000 SFH projects – 3y)	Done 2014-2018 (~1700 projects SFH + MFH)
Regional council Initial provision	8,0 M€	8,0 M€
Refinancing loan	47 M€ (EIB and CDC)	35,5 M€ (18 M€)
PSEE service	3,4 M€ (1550€ / SFH project)	1,65 M€ (1550€ / SFH project & 750€ / app.)
Subsidies (ELENA, ERDF / CPER, other projects)	3,3 M€	4,7 M€
Energy savings certificates	4,2 M€	2,3 M€

The one-stop-shop is one of several French *Sociétés de Tiers Financements*

- Repayment of loans and interest covers repayment of loan to EIB and CDC (promotional bank)
- Interest rate (2.5%) covers interest from loans and non-performing loans (1.7%)
- One-stop-shop operation cost are covered by subscription fee, ELENA and subsidy of the region

Difficulties as energy savings certificates (EEO scheme) lower value than planned

Examples of EIB financing related to Art. 7 EED

IRISH SMART METER IMPLEMENTATION PROGRAMME

The project will finance a national programme for the roll-out of electricity smart metering infrastructure in the Republic of Ireland during 2019-2024.

Objectives

2.25 million smart meters, communication infrastructure and necessary IT systems.

Advanced metering systems will allow remote reading and near real-time consumption information to end-customers.

Expected outcomes: Increased consumer awareness of cost of energy supply, more efficient management of the power system, and more efficient metering and customer management operations.

Project promoter/borrower

Electricity Supply Board

Estimated investment volume:

EUR 1246 million

EIB financing

EUR 150 million



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Thank you!
