“Mediterranean Energy Cities”

- ELENA Facility
- EEE-F

THE ELENA FACILITY

General objectives of ELENA

- Assist in the transition from preparing action plans to making investments (for cities and regions undertaken political commitments)
- Support for programmes that can be replicated in other regions or cities
- Extend the use of innovative techniques and approaches
- Projects >30 mil euro but projects can be examined case by case

Eligible entities

- ELENA beneficiaries: local and regional authorities or other public entities, or groupings of such entities, including those subscribing to the Convenant of Mayors
- Eligible countries: EU, Norway, Iceland, Liechtenstein and Croatia
- All or part of the investment programme may be implemented by bodies other than the abovementioned entities, including private firms

Eligible investments: buildings

- Public and private buildings, including social housing
- Street lighting and traffic light systems
- RE in buildings
- Heating or cooling systems based on combined heat and power (CHP) production or renewables
- Small CHP systems for buildings

Eligible investments: transport

Increase EE or integrate RE in urban transport:

- High-EE buses, including hybrids
- Electrically powered or low-carbon-emission cars, including infrastructures to facilitate their introduction
- More energy efficient designs for goods transport logistics in urban areas

Eligible investments in infrastructure to improve EE or use RE

- Smart power grids
- Information and communications technologies
- Energy efficient urban infrastructure
- Intermodal transport
- Infrastructure for more energy efficient vehicles

Non-eligible investments

- Investments connected with industry, reductions of greenhouse gas emissions due to industrial relocation

Selection criteria

- Eligibility of the beneficiary
- Eligibility of the investment programme
- Potential bankability of the investment programme
- Financial and technical capacity to implement an investment programme
- Contribution to the EU's "20-20-20" goals
- Leverage (**minimum 25**)
- Value added for the EU, in terms of EU policies, in particular energy policies
- Use of state of the art technologies

Selection criteria

- EU cohesion policy
- Needs of local authorities and impacts on local development, including on SMEs
- Contribution to dissemination of best practices or emerging technologies on the EU market
- Verification that ELENA is not used for investment programs that can be more effectively supported by other EU funds. Otherwise, the applicant must prove that the use of ELENA is the most appropriate course of action
- No other EU assistance is available for the same beneficiary and the same purpose

Eligible activities

The prior identification of an investment programme is a prerequisite for submission of an ELENA application

ELENA can finance the following costs:

- Cost of additional personnel hired by beneficiary
- Market surveys and feasibility studies
- Energy audits
- Preparation of public calls for tender and contracts
- Other TA, excluding physical investments (hardware).

Covers a maximum of 90 % of the cost of TA

Selection of TA providers

- Providers may be selected by the beneficiary or by the EIB
- The EIB will verify that the following requirements have been met:
  - Compliance with public procurement regulations
  - Financial governance
  - Nondiscriminatory treatment
  - No conflict of interest
  - Compliance with internationally accepted standards

How to submit an application to ELENA

Getting in touch with the EIB

- By fax, letter, or e-mail (the preferred way is through e-mail to elena@eib.org)
- In English or French, working languages of the EIB
- Information on ELENA on our website (www.eib.org/elena):
  - Brochure on ELENA
  - FAQ
  - Application form

Application procedure

Two-step process:

- Preliminary application
- Application

Characteristics of the ELENA contract

- Duration: 3 years maximum
- General and specific conditions
- Attachments
  - Description of the TA and investment programme, including timetable and measurement of leverage
  - Information requirements for monitoring purposes
- Standard disbursement programme
  - 40% up front
  - 30% after acceptance of interim report
  - 30% after acceptance of final report

Example of EE in municipal buildings

- **Provincial** support structure
- Objective:
  Assistance for small or medium-sized municipalities in carrying out projects
- Preparatory activities:
  Identifying buildings with potential for EE improvement through simplified energy audits
- Support required from ELENA
  - Setting up a support unit
  - Selection of procedure for implementation of investments, normally via ESCOs, building lots
  - Preparation of calls for tender and negotiations with bidders

Example of photovoltaic facilities in municipal buildings

- **Regional** support structure

  Objective: provide assistance to small/medium-sized municipalities in developing projects
- Preparatory activities: identifying roofs for photovoltaic facilities
- Support required from ELENA:
  - Setting up a support unit
  - Selection of procedure for implementation of investments, normally via private firms
  - Preparation of calls for tender and negotiations with bidders

Example of hybrid buses

- Beneficiary: City
- Objective: replacing public buses with more energy efficient ones
- Preparatory activities: identifying replacement needs and type of buses
- Support required from ELENA:
  - Additional analyses, in particular of operational risks associated with hybrid buses
  - Selection of procedure implementation of investments
  - Preparation of calls for tender and negotiations with bidders

eeef
EUROPEAN ENERGY
EFFICIENCY FUND

Contents

eeef at a glance

Objective	▪ eeef is an innovative public-private partnership dedicated to mitigating climate change through market based financing in the member states of the European Union
Beneficiaries	▪ Municipal, local and regional authorities or public and private entities acting on behalf of those authorities such as utilities, public transportation providers, social housing associations, ESCOs etc.
eeef's capital	▪ Initial capitalization of the fund amounting to €265m provided by the European Commission, the European Investment Bank, Cassa Depositi e Prestiti and Deutsche Bank ▪ In addition Technical Assistance (TA) facility of €20m provided by the European Commission
Investments	▪ Fund's investments are split into three project categories: – Energy Efficiency (EE) – Renewable Energy (RE) – Clean Urban Transport

Background and objectives

- Commitment of EU member states to achieve the 2020 targets
- Substantial potential for European public sector projects in the field of RE and EE.
- Set up funding source to enhance EE and foster RE projects, to:
  - Municipal, local and regional authorities
  - Public and private entities, acting on the behalf of those authorities such as utilities, public transportation providers, ESCOs, social housing organisations.

Eligibility criteria of the eeef

eeef
EUROPEAN ENERGY EFFICIENCY FUND

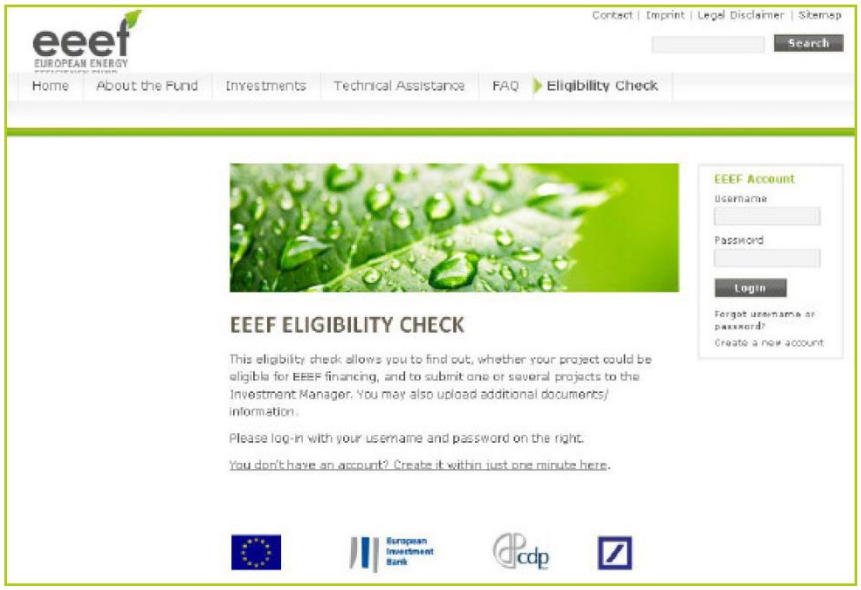
Project eligibility

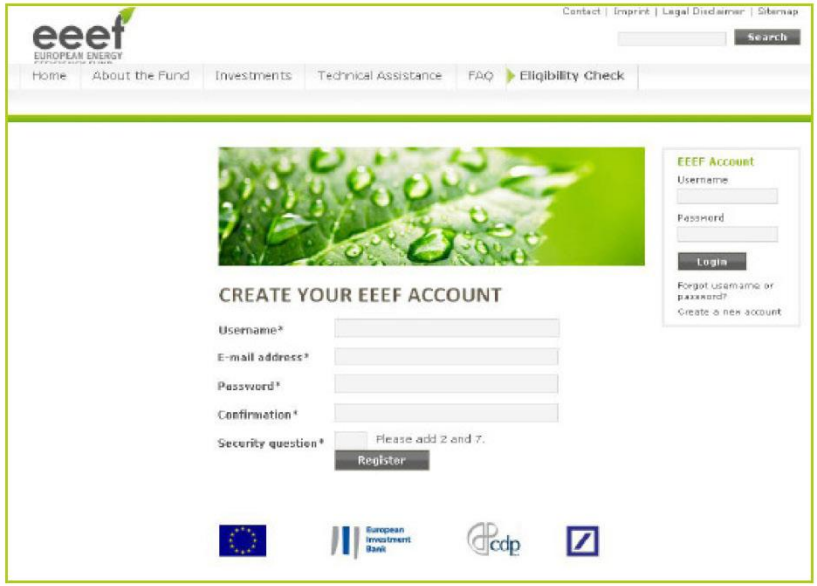
According to eeef's investment guidelines an investment has to meet several eligibility criteria:

- General eligibility criteria such as:
  - municipal link
  - commitment of municipality to mitigate climate change (e.g. Covenant of Mayors Initiative)
  - CO2 emission savings of at least 20%
  - use of proven technologies
- Furthermore, each technology may have its own specific eligibility criteria
- Projects shall be preferably in range of €5m to €25m – smaller project sizes will be reviewed on a case-by-case basis
- Alignment with relevant EU legislation

Eligibility check for projects

- Potential beneficiaries are asked to complete a checklist provided on the eeef's website: http://eeef.eu/eligibility-check.html
- It allows them to find out, whether their project could be eligible for eeef financing, and to submit one or several projects to the Investment Advisor DB. Additional documents/ information may be uploaded
- Account can be created within just one minute





Technical Assistance (TA) attached with eeef

Background and objective	**The lack of technical capacity of regions and cities across Europe** **90% of the total cost and subject to later financing of eeef**
Advantages	**Facilitating implementation of projects supporting with the preparation of feasibility studies, tenders, etc**

Scope of the TA	**Technical advisory**	**Legal/Financial advisory**
	Business plans Feasibility studies Energy audits …	Preparation of tenders Preparation of contractual arrangements Funding preparation and documentation …

Technical Assistance (TA) Facility attached to the eeef (ctd.)

eeef EUROPEAN ENERGY EFFICIENCY FUND

Selection process

- eeef's potential beneficiary has to present certain information about the envisaged TA works
- The investment advisor prepares a formal TA request for selected projects which will require approval by the EC

Information provided by potential beneficiary

- Description of beneficiary, TA works and project
- Total costs for TA and related project
- Implementation timeframe
- Expected contribution to the 20-20-20 objectives
- **Performed by potential beneficiary**

Preparation of request for TA approval

- Investment advisor receives the TA request and assesses the need for TA according to eligibility criteria listed in the next box
- **Performed by Deutsche Bank**

Assessment and eligibility check

- Project qualifies for funding under the eeef (see eligibility criteria page 5)
- Recipient needs to self-fund min. 10% of eligible TA costs
- Investment size of at least 20 times higher than the estimated costs for TA (minimum leverage factor of 20)
- Other EU support programmes (e.g. ELENA) can not be funding the same project
- **Performed by Deutsche Bank**

EC decision

Approval

- If no additional information is requested decision within 6 business days
- Approval may be subject to conditions
- **Performed by the EC**

eeef's typical projects are so far...

Project examples	Characteristics	Project structures
Building upgrades	▪ Energy audits completed, vast energy savings potential ▪ Sufficient know-how of ESCO in case of big projects ▪ Savings guarantee required ▪ Depending on counterparty risk additional parental/municipal guarantee required	▪ Senior debt ▪ Mezzanine / equity ▪ Funding via co-investments in SPV or NewCo ▪ Forfaiting (mostly for Building upgrades in a ESCO structure) ▪ Leasing (mostly for clean urban transport projects)
Street lighting	▪ Only light bulbs, switch boards plus EE related measures can be financed, not the light pole itself ▪ Ownership of lighting points need to be in municipal hand ▪ Technology with good track-record only	
Biomass plants	▪ Contracts for input (feed-stock) / output (e.g. Electricity/heat) in place ▪ Substitution of input possible ▪ Technology with good-track record (e.g. boilers , turbines etc.) ▪ O&M concept	
Photovoltaic	▪ Land ownership in municipal hand ▪ Grid connection secured ▪ Feed-in tariff secured ▪ O&M concept ▪ Bankable module supplier	

- Thank you for your attention!