



# Policy Update on Energy Efficiency and the Energy Efficiency Financing Coalition

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# Energy efficiency – A strong political momentum

- Overarching priorities of the **European Green Deal** and **REPowerEU**
- **Fit for 55 package** – Adoption of the revised **EED, EPBD & RED**, provisional political agreement on **recast**
- Launch of **the Global Pledge on Renewables and Energy Efficiency** at COP28:
  - Double the global average annual rate of energy efficiency improvements until 2030
  - Place energy efficiency as the "first fuel" at the core of policymaking, planning, and major investment decisions

# Main Elements of the EED Revision

Binding and increased EU energy efficiency target & indicative national contributions

'Energy Efficiency First' Principle – making it an integral part of policy and investment decisions

Strengthened energy savings obligation in end-use

Stronger exemplary role of public sector

Increased focus on alleviating energy poverty and consumer empowerment

# EPBD

## Article 9: MEPS & national trajectory

- For non-residential, **Minimum Energy Performance Standards** (MEPS)
  - By 2030, renovation of the 16% worst-performing buildings
  - By 2033, renovation of the 26% worst-performing buildings
- For residential, **national trajectory** to reduce the average primary energy use of the building stock
  - By 16% by 2030 and 20-22% by 2035 compared to 2020
  - At least 55 % of the savings in worst-performing buildings, defined as the 43% of the building stock with the lowest energy performance
- Derogations are provided for: protected/classified buildings, temporary constructions, places of worship...

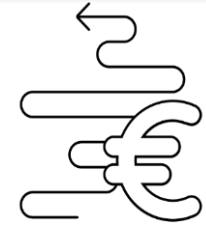
# Energy efficiency - Financing policy & legislation

- **Legal basis/vehicles:**

- Sustainable Finance Framework – EU Taxonomy and disclosure requirements
- Energy legislation - EED (Art. 30, 21), EPBD (Art. 17, 18)

- **Objectives:** Remove regulatory barriers, develop favorable conditions and predictability, support financing instruments to better match investment supply and demand

EED Art. 30 & EPBD Art. 17 share the same approach and set the obligation for Member States to:



- Promote **innovative financial products** and ensure their **wide and non-discriminatory** offering by financial institutions
- Provide targeted support to alleviate **energy poverty**
- Support investments by **providing technical and project development assistance**
- Strengthen **cooperation** between **public and private financial institutions**
- Report on **EE financing measures** (volume, type of products, leverage)

# European Energy Efficiency Financing Coalition

**Overarching objective:** Mobilise private financing for energy efficiency at scale

**Model:** Triangular cooperation between Commission – Financial Institutions – Member States

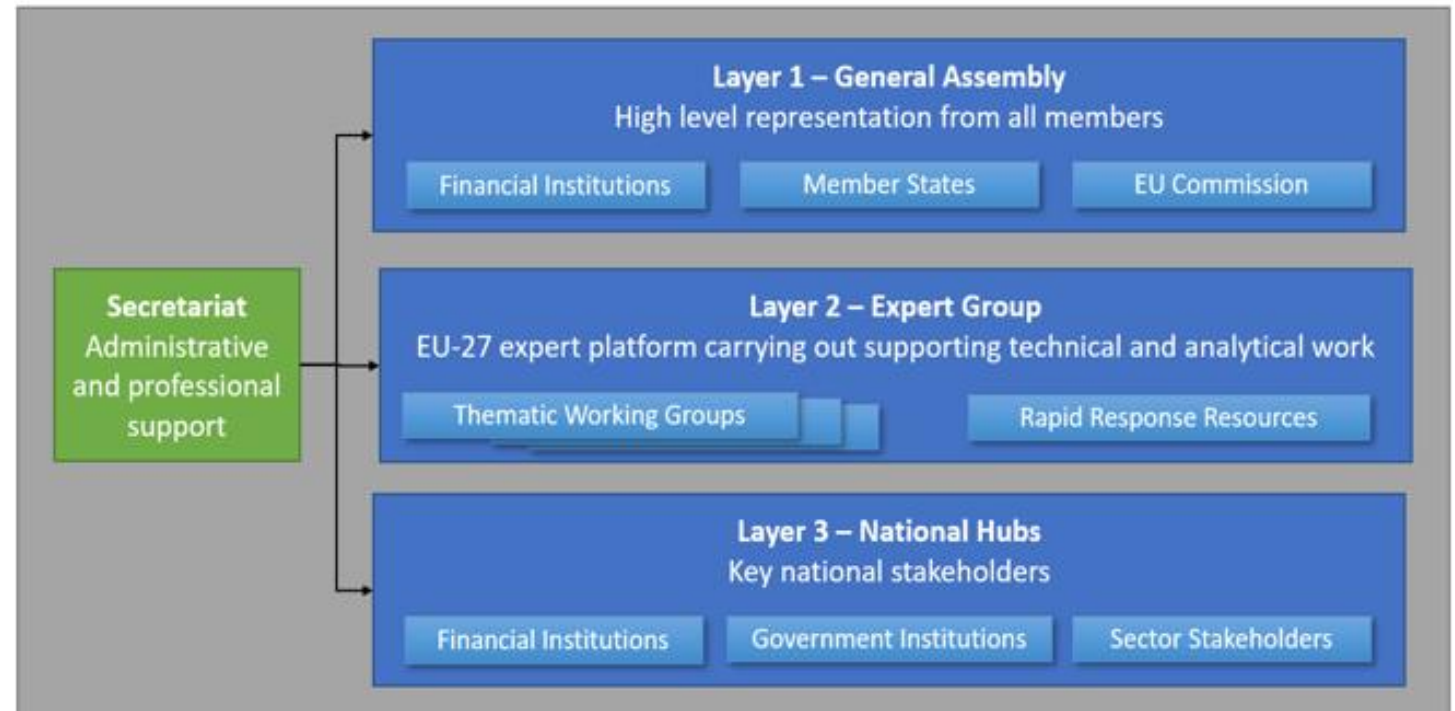
## Three layers approach

**1<sup>st</sup> Layer:** Political Mandate and Project Objectives

**2<sup>nd</sup> Layer:** Technical Expertise

**3<sup>rd</sup> Layer:** Presence in national markets with a specific work plan

Support by a **Secretariat**



# Joint Declaration on Energy Efficiency

- Signed by Commissioner Simson and 27 Energy Ministers (Dec. 2023)
- Support to the Coalition: Acknowledgment of the need to strengthen cooperation between financial institutions and policy makers.
- Willingness to establish long-term viable funding framework for energy efficiency.
- Establishment of the Coalition National Hubs.
- Use of public funding as leverage for additional private investments.
- Encouraging the leading role of the public sector in energy efficiency.



# Launch Event of the Coalition – April 2024

- Event hosted by Commissioner Simson, with the presence of Philippe Henry, Vice-President of the Government of Wallonia (BE Presidency) and Thomas Östros, Vice-President of the EIB.
- Two different panels to reiterate the importance of mobilising private investment and market uptake for energy efficiency.
- Recognition of the importance to find solutions to trigger private investment
- Need to shift from funding through subsidies to blended financing solutions (e.g. guarantees)
- Potential tasks for the Coalition
  - Consolidate links to sustainable finance framework
  - How to link the NECPs and the long-term renovation strategies with private investment
  - Need to work with demand
  - Find and mainstream best practises



# Importance of National Hubs

Work closer to the market

Address bottlenecks at national level

National objectives, tailored to market needs

Integration of existent initiatives – find synergies /avoid duplication

Implementation tool for EED / EPBD

Specified expertise available to facilitate national solutions

Creation of a network for energy efficiency financing

Learn with best practices and experience sharing

# Actors of the National Hubs

## Commission

- Overall management of the Coalition, with the support from CINEA.
- Ensure consistency of the initiative, the link between the national hubs between themselves and between the other layers of the Coalition.
- Supports National Authorities and will participate in activities.

## National Hub Chair

- Selects, in coordination with the Commission, the projects to be developed.
- Leads meetings and monitors the progress of the work of the national hub.
- Flexibility on the type of entity, but needs to be public: Ministries, Energy Agencies, national funding vehicles, promotional banks, etc.

## Coalition Secretariat

- Provides administrative support to the hub (meetings logistics, etc.)
- Provides technical support – national expert to follow activities.
- Supports Commission to link hub activities to the Coalition structure.

## National stakeholders

- Financial Institutions with presence in national market.
- Other stakeholders relevant to the business chain (e.g. energy companies, project developers, industries associations and representatives)

# Possible topics for the national hubs

- Sectorial approach (Residential, Industry, Agriculture, SMEs, etc.).
- Possible topics for a national hub:
  - One Stop shops / Project development assistance facilities
  - Blended Financial product, de-risking
  - Uptake of energy audits recommendations
  - Work on solutions for renovation of multifamily buildings
  - Propose changes to policy and regulatory framework
  - (...)

# Next Steps

- Launch the first call for membership for Financial Institutions
- Establishment of the Secretariat
  - Publication of the tender in progress
- Work with Member States on the national hubs
  - Identification of the national entities involved with the work of the national hubs.
- Definition of the Work Programme of the Initiative
- Structure fully functional by end 2024.





# Thank you

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