



Smart Financing Implementation

1st SMAFIN Expanded National Roundtable in Greece

Thursday, 30 May 2024

Royal Olympic Hotel, Athens



The project is co-funded by the European Union's Programme for Environment and Climate Action (LIFE) under Grant Agreement No. 101120412

AGENDA AND BACKGROUND PAPER

1ST SMAFIN EXPANDED NATIONAL ROUNDTABLE IN GREECE

Thursday, 30 May 2024

9.30 – 15.00

Royal Olympic Hotel, Athens

**“Supporting the implementation of smart financing
for energy efficiency in Greece.2024”**

TABLE OF CONTENTS

| | |
|--|----|
| The SMAFIN Expanded Project in Correlation with European and National Objectives..... | 4 |
| Agenda | 6 |
| 1st Thematic Parallel Session: Financing energy efficiency in public and private buildings – National scale | 9 |
| 2nd Thematic Parallel Session: Financing energy efficiency in public and private buildings – European funding & Case Studies | 10 |
| 3rd Thematic Parallel Session: Financing energy efficiency in tertiary sector and in industry | 11 |

THE SMAFIN EXPANDED PROJECT IN CORRELATION WITH EUROPEAN AND NATIONAL OBJECTIVES

Energy efficiency investments is a crucial factor in order to meet energy and climate targets for 2030 as well as the one of the full EU decarbonisation by 2050, enhancing at the same time its economy competitiveness and energy security.

As part of the Fit for 55 package and REPowerEU Plan, Directive (EU) 2023/1791 on energy efficiency (EED recast) entered into force on 10 October 2023. The EED recast sets the rules, obligations and policy tools to achieve the EU's 2030 energy efficiency targets. In this recast, Article 30 strengthens the legal and policy framework to mobilise investments in energy efficiency aiming to increase the cost-effectiveness of public budget support and the mobilisation of private investments in energy efficiency measures. The specific article recognises the need to deploy adequate financial and technical support for energy efficiency measures, develop targeted policy measures enabling the mobilisation of private investments in energy efficiency, and promote innovative financing mechanisms and private financial products for energy efficiency. Besides, it triggers for further work to incentivize investment in energy efficiency, emphasizing on cooperation between the European Commission, Member States and financial institutions.

In parallel, the very recent final adoption of the strengthened Energy Performance of Buildings Directive, sets ambitious targets to reduce the overall energy use of buildings across the EU, taking into account national specificities. For residential buildings, the target is to reduce the average primary energy use, by 16% by 2030 and 20-22% by 2035. For non-residential buildings, each member state will need to renovate the 16% worst-performing buildings by 2030 and the 26% worst-performing buildings by 2033. The Directive requires the establishment of one-stop shops for advice on building renovation and provisions on public and private financing will make renovation more affordable and feasible. Better planning of renovations and technical and financial support will be crucial to trigger a Renovation Wave across the EU, and this is foreseen under the revised Directive.

In the above context, the 1st cycle of SMAFIN Expanded Roundtables is of outstanding importance. Building on the successful implementation of the SMAFIN project, funded by the European Commission's Horizon 2020 programme, the new project is organising, on Thursday, May 30, 2024, the first round table discussion in Greece physically, at Hotel Royal Olympic, in Athens. The event is titled "Support for the Implementation of Smart Financing for Energy Efficiency in Greece.2024" and its discussions will focus on the following three main pillars:

- Financing energy efficiency in private and public buildings – National scale
- Financing energy efficiency in private and public buildings – European funding and case studies
- Financing energy efficiency in tertiary sector and in industry

The event aims to face challenges such as the gap between investment needs and available public funding, difficulty for energy efficiency investments to achieve greater scale, need to raise awareness on the multiple benefits of energy efficiency investments, improvement of green skills and access to data on energy efficiency to better programme funding.

The 1st SMAFIN Expanded round table discussion in Greece is organised by CRES - Center for Renewable Energy Sources and Saving (www.cres.gr) in collaboration with INZEB (www.inzeb.org).

AGENDA

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| 9:30- 10:00 | Registration |
| 10:00- 11:30 | Welcome notes (90') |
| Welcome: | Alexandra Sdoukou , Deputy Minister for Environment and Energy (tbc) |
| | Dimitrios Kardomateas , President & General Director, CRES |
| 10:45 – 11:45 | European and National policy framework for energy efficiency financing |
| Moderator | Charalambos Malamatenios , Director for Energy Policy and Planing, CRES |
| | 'Policy Update on Energy Efficiency and the Energy Efficiency Financing Coalition' Eduardo Soares Antunes, Policy Officer, DG ENER, European Commission (online presentation, in English) |
| | «Energy efficiency policy framework in Greece» Vicky Sita, Director for energy policies and energy efficiency, Ministry for Environment and Energy |
| | «Financing for energy efficiency projects» Panagiotis Habesis, Head of the Development Programs Sector and the ESG Unit, Hellenic Banks Association (HBA) |
| | «SMAFIN & SMAFIN Expanded: The way to energy efficiency coalition» Kiki Papadopoulou, Head of EE & RES Applications Department, CRES |
| 11:30-12:30 | Coffee break |

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| 12:30 – 14:30 | 1st Thematic parallel session (120') |
| | Financing energy efficiency in residential and public buildings– national scale |
| Moderator | Alice Corovessi, Managing Director INZEB |
| | “Energy upgrade of residencies –SAVING program”, Vicky Sita, Director for energy policies and energy efficiency, Ministry for Environment and Energy |
| | “Integrating Building Renovation Passports into Energy Performance Certification schemes for a decarbonised building stock- iBRoad2EPC project”, E. Touloupaki, INZEB |
| | “Financing energy efficiency in public buildings –ELECTRA program” M. Iatridis, Head of Energy Policy Analysis Department, CRES |
| | “Financial tools for energy efficiency projects” George Kouloukakis, Funding for LA, Business Director, Deposit and Loan Fund |
| | Discussion with the participation of panelists |

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| 12:30 – 14:30 | 2nd Thematic parallel session (120') |
| | Financing energy efficiency in residential and public buildings– European scale and Case studies |
| Moderator | Vlasis Oikonomou, Director, Institute for European Energy and Climate Policy (IEECP) |
| | “EIB Funding tools – ELENA Technical Assistance program”, Eleni Gioti, EIB |
| | "Energy upgrade of public buildings through ELENA - The 5x5 experience " Dinos Papapolizos, Managing Partner, TREK Development |
| | "Deep RENovation roadmaps to decrease households VulnERability To Energy poverty” |

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| | Dimitris Mezartasoglou, CRES |
| | Discussion with the participation of panellists |
| 12:30 – 14:30 | 3rd Thematic parallel session (120') |
| | Financing energy efficiency in enterprises |
| Moderator | Christos Tourkolias , Energy Policy and Planning Sector, CRES |
| | “Alternative financing schemes for enterprises”, Christos Tourkolias, Energy Policy and Planning Sector, CRES |
| | “Barriers and drivers to financing of EE projects in SMEs”, Ivana Rogulj, Institute for European Energy and Climate Policy (online presentation, in English) |
| | “On bill financing in Serbia”, Kostas Dimopoulos, EBRD (online presentation, in Greek) |
| | Discussion with the participation of panelists |
| 14:30 – 15:00 | Conclusions (30') |
| | <ul style="list-style-type: none"> ▪ Alice Corovessi, Managing Director, INZEB ▪ Vlasis Oikonomou, Director, Institute for European Energy and Climate Policy, IEECP ▪ Christos Tourkolias, Energy Policy and Planning Sector, CRES |

The event will be held in Greek.

1ST THEMATIC PARALLEL SESSION: FINANCING ENERGY EFFICIENCY IN PUBLIC AND PRIVATE BUILDINGS – NATIONAL SCALE

In the framework of the revision of the National Plan for Energy and Climate of which updated version will be submitted at the end of June 2024 to EC, a reduction of final energy consumption by 11.9% is proposed for the period 2020-2030. This has planned to be achieved by the energy upgrading of buildings at an annual rate of 58,000 units/year during the period 2020-2025, which is projected to increase to 68,000 units/year during the next five years 2025-2030, by increasing the share of use of heat pumps from 7% in 2020 to 17% of total use by 2030, corresponding to an increase of 9% and by upgrading domestic appliances with the aim of increasing the average efficiency from 40% for white devices and 20% for black devices. To achieve the goals for renovations €2.5 billion of funding will be required for the period 2020-2025, which should be increased by €4.1 billion for the next five-year period, 2025-2030.

The above targets are planned to be achieved mainly through the two big national programs: The SAVE /SAVE 2023 sub-project -Energy renovation of residential buildings program. This program concerns the implementation of the 4th cycle of the Program (2023), which consists in providing incentives for energy saving interventions in the domestic building sector with the aim of reducing energy needs and consumption of conventional fuels, in the context of the transition to a "Smart Home". The Program concerns legally existing buildings that are used as a main residence and whose owners meet specific income criteria. The program includes special incentives to support energy poor and vulnerable households.

Secondly, the ELECTRA program, which finances interventions and energy upgrading works in public sector buildings, with the possibility of energy service companies (ESCOs) also participating, it is estimated that within 2023 energy upgrading interventions can be carried out at a rate of 3% of the total area of the central public administration buildings. The implementation of energy upgrading interventions in the country's public buildings on an annual basis will contribute to the achievement of the goal of the new NPEC to improve energy efficiency in the year 2030 by 8% lower than the NPEC of 2019, so that the final energy consumption is less than that of 2007. The corresponding European Goal for 2030 concerns an improvement in energy efficiency by at least 32.5%.

The main topics of the discussion in this session will be based on the following questions:

- Are there any proposals for further upgrade of the SAVE 2023 program based on the updated National Plan for Energy and Climate and the experience so far?

- What are the prerequisites for the financial sector to facilitate private investments?
- What are the main challenges that arose during the implementation of the energy upgrade program for public buildings ELECTRA?
- In which way an increased participation of the Energy Service Companies in the program could be facilitated?
- In which the ways the improvement of the economic efficiency of the selected interventions can be supported?
- Are there any legislative or other interventions required to support the participation of public buildings to the ELECTRA program?

2ND THEMATIC PARALLEL SESSION: FINANCING ENERGY EFFICIENCY IN PUBLIC AND PRIVATE BUILDINGS – EUROPEAN FUNDING & CASE STUDIES

In the framework of the revision of the National Plan for Energy and Climate of which updated version will be submitted at the end of June 2024 to EC, a reduction of final energy consumption by 11.9% is proposed for the period 2020-2030. This has planned to be achieved by the energy upgrading of buildings at an annual rate of 58,000 units/year during the period 2020-2025, which is projected to increase to 68,000 units/year during the next five years 2025-2030, by increasing the share of use of heat pumps from 7% in 2020 to 17% of total use by 2030, corresponding to an increase of 9% and by upgrading domestic appliances with the aim of increasing the average efficiency from 40% for white devices and 20% for black devices. To achieve the goals for renovations €2.5 billion of funding will be required for the period 2020-2025, which should be increased by €4.1 billion for the next five-year period, 2025-2030.

The second session addresses the European scale of funding and case studies on financing energy efficiency of private and public buildings. The ELENA technical assistance program will be presented as well as case studies implemented in the framework of ELENA and LIFE programs.

The main topics of the discussion in this session will be based on the following questions:

- How can ELENA program support energy efficiency in public and private buildings?
- Which are the reasons behind the low participation of Greece to the ELENA program compared to the one of other countries?

- Could the pilot OSS of REVERTER project be replicated in other Municipalities in Greece? Is there any interest already defined?
- What are the main obstacles and opportunities for the implementation of the OSS model in Greece?

3RD THEMATIC PARALLEL SESSION: FINANCING ENERGY EFFICIENCY IN TERTIARY SECTOR AND IN INDUSTRY

The National Energy and Climate Plan gives priority to the promotion of targeted energy saving programs in businesses and industry, emphasizing production processes in accordance with the provisions of this plan. More specifically, the implementation of energy-saving measures proposed by the energy audits is directly promoted by the financial programs to improve energy efficiency in SMEs of the tertiary sector in combination with the already established tax incentives. For the industrial sector, specialized programs will be designed to conclude programmatic agreements with industries and manufacturing enterprises aiming to provide financial incentives to improve energy efficiency.

Further to the conventional programs, as EXOIKONOMO, special financial mechanisms will be designed to strengthen the implementation of measures to improve energy efficiency in enterprises as energy efficiency auctions, Energy Performance Contracts, on bill financing and others.

The design and the implementation of the energy efficiency auctions measure was foreseen in the first NPEC. The legislative framework for the implementation of the energy efficiency auctions was adopted through Law 4843/2021 (Article 20). A relative call for proposals titled "Strengthening existing manufacturing enterprises of the Region of Eastern Macedonia and Thrace to improve their energy efficiency" was published within the framework of the Regional Program "Eastern Macedonia, Thrace" 2021-2027. The purpose of the Action is to support investment plans of existing manufacturing small, very small and medium-sized enterprises (SMEs) of the Region of Eastern Macedonia and Thrace (P-AMTH), in order to implement interventions to improve their energy efficiency, such as fundamental upgrading-replacement of energy-intensive machines and production lines.

Within the NPEC submitted last October, the potential support of the obliged parties of Article 7 will be explored with the development of the institutional framework for the repayment of energy saving investments through energy bills (on-bill financing) and the exploitation of synergies with alternative policy measures. On-bill financing is a mechanism where financing repayments are made monthly through an existing utility bill. In the on-bill financing scheme, the utility

does not only administer the program and collect payments via electricity bills, but it also finances the investments.

During this session, an overview of alternative schemes will be presented as well as the case of the implementation in Serbia with the support of EBRD and the national program EXOINOMO for SMEs.

The main topics of the discussion in this session will be based on the following questions:

- What are the prerequisites for the market to switch from conventional programs to the alternative financing schemes?
- How will the financing of the companies involved be secured by the banking sector?
- What are the main challenges for the industrial units for being prepared within the framework of financing initiatives?
- What can be the role of Energy Services Companies in the promotion of energy efficiency in the industrial sector?