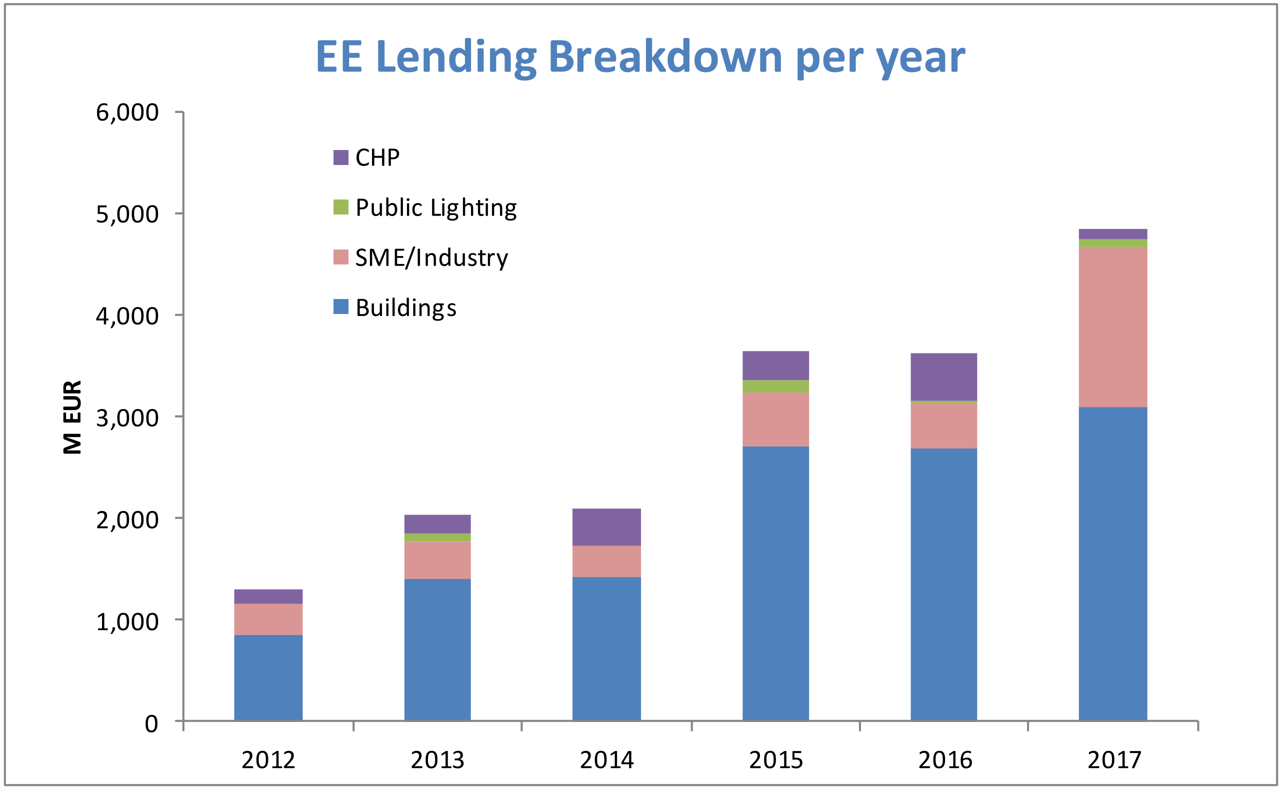
ELENA Residential

Accelerating the energy refurbishment of residential buildings

10th Baltic Housing Conference
17.04.19 Tallinn, Estonia

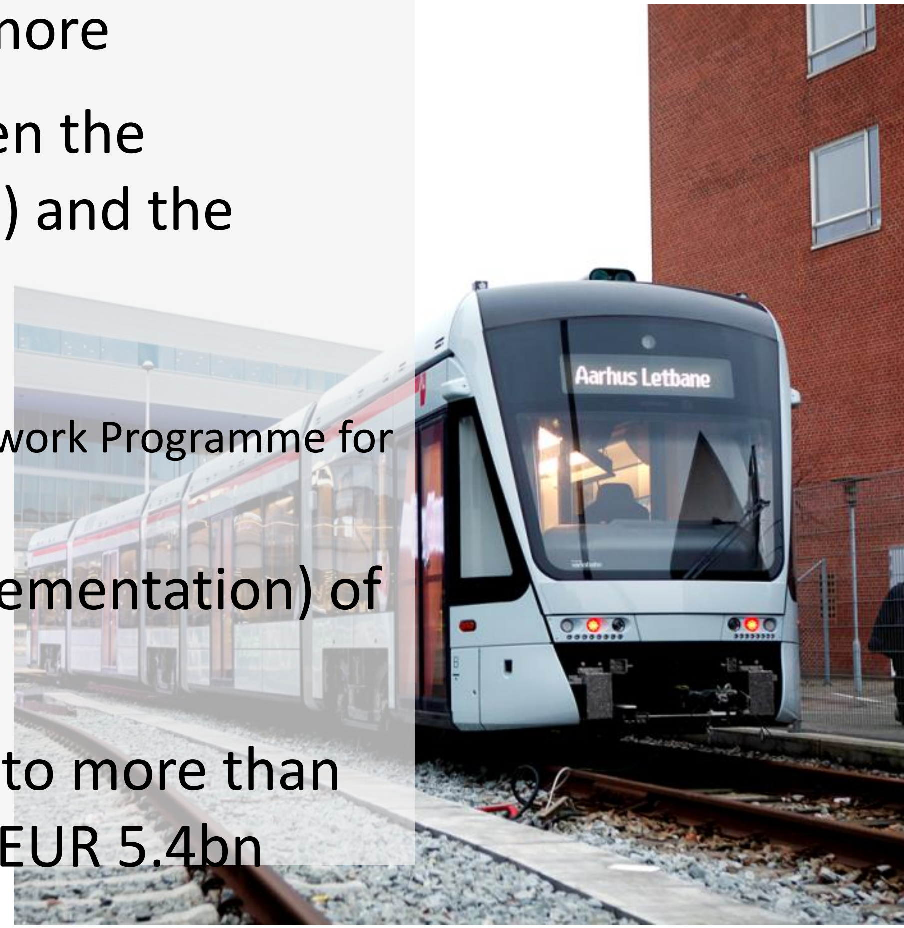
EIB Energy Efficiency Lending



- EUR 4.8bn to EE in 2017 (65% buildings, 30% industry)
- Buildings is the largest EE sub-sector, in line with EU priorities

What is ELENA?

- Established in 2009 as European Local ENergy Assistance – not only local anymore
- Based on an agreement between the European Investment Bank (EIB) and the European Commission
  - managed by the EIB
  - financed by the Horizon 2020 Framework Programme for Research & Innovation
- Grant for preparation (not implementation) of investment programmes
- More than EUR 155m awarded to more than 80 projects supporting approx. EUR 5.4bn investments



Picture: Aarhus tram project

General rules

- Minimum investment of EUR 30m
- Grant covers up to 90% of costs related to project development support
- Budget allocation: first come, first served principle
- Required level of maturity: preparatory studies carried out and main decisions taken before ELENA support request (ELENA proposal should demonstrate high probability that project will be implemented)
- Obligation of investment implementation - leverage factor required:
  - 20 for sustainable energy projects
  - 10 for residential buildings
- In case the leverage not achieved: grant may be clawed back
- Final beneficiary (applicant) doesn't have to be the one who is implementing the investment
- 3-year implementation period for EE projects

Who can benefit?

Public sector

- Local, regional or national authorities
- Other public bodies (e.g. energy agencies)
- Groupings of such authorities or bodies

Private sector

- Private entities planning to develop and support eligible investments: e.g. associations, mixed public/private, banks etc.

ELENA TA should not have purpose or effect of producing a profit

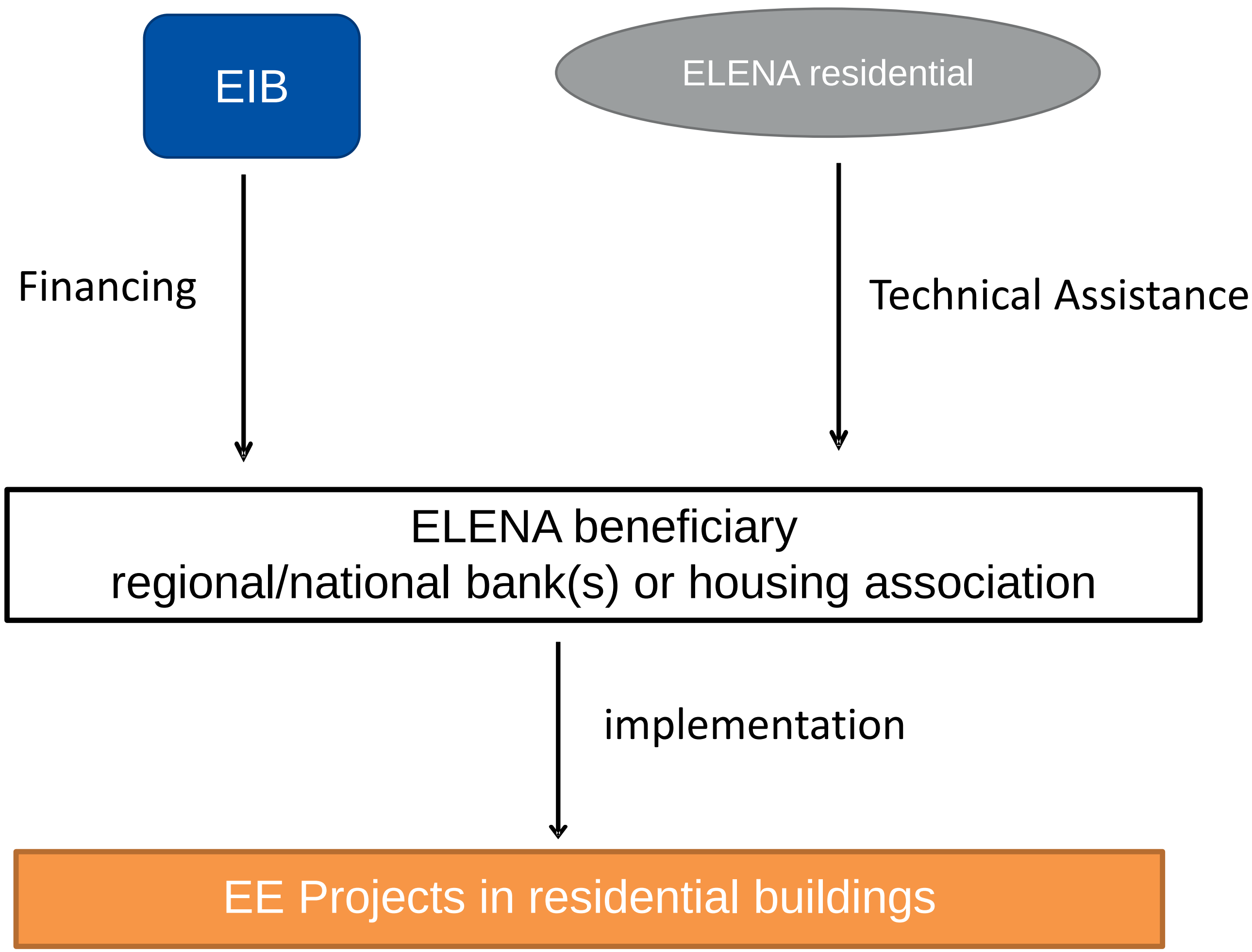
Why a special envelope for ELENA residential

- Smart Finance for Smart Buildings (SFSB initiative) : Launched on Nov. 30th, 2016 by the European Commission
- Accelerating the energy refurbishment of residential buildings: an important European priority and a key focus of the ELENA Facility
- Developed in cooperation with EIB Group (EIB/EIF)
- Part of the "Clean Energy for all Europeans" package
- Aims to unlock EUR 10bn of public and private funds by 2020 for energy efficiency ("EE") in buildings for households and housing associations

SFSB Technical Assistance support through ELENA

- SFSB Technical Assistance through ELENA has budget of nearly EUR 97m
- Focus is on the residential sector and this TA exclusively supports investments in public or private residential buildings
- Leverage factor 10 obligation versus the normal 20
- Eligible costs foreseen to mostly fund energy audits for the residential buildings
- Type of grant recipients: same eligibility and likely to be banks (commercial or promotional), housing associations, energy agencies etc.
- Managed by ELENA team following normal ELENA process.

Example for ELENA residential project



Eligible investment programmes

Residential buildings

- EE refurbishement of residential buildings
- Integration of renewable energy sources into the buildings
- Project development activities: assessing the energy performance of buildings: support for energy performance certificates or energy audits, access to financing: help households access financing from financial institutions, and/or available grants, setting up one stop shops etc.

Investment programmes implemented by the final beneficiary or by a third party

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Eligibility criteria for EE improvements in existing buildings

- Investments related to the building envelope:

  - Insulation: Investments in insulation materials (including water vapour barriers, weather membranes, measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for application of the insulation to the building envelope (mechanical fixings, adhesive, etc.):
  - Windows and doors: Glazing and/or glazing enhancement, frame, gaskets and sealants and their installation costs;
  - Other building-envelope related measures with impact on thermal performance: This investment may include inter alia external shading devices, solar control systems, and passive systems;

Eligibility criteria for EE improvements in existing buildings

Investments related to the building system:

- Space heating
- Domestic hot water
- Ventilation systems
- Cooling
- Lighting
- Building automation and control
- Connection to energy supplies: Investments related to the connection to energy grid or storage facilities (e.g. district heat, PV-system) and necessary related installations;
- Decentralised renewable energy production (e.g solar photovoltaic, solar thermal collectors or biomass), whose primary objective is to produce energy for own-consumption;
- Other investments identified by an energy audit in line with EN 16247 European Standards (or equivalent) and/or by an energy performance certificate in line with the Energy Performance of Buildings Directive 2010/31/EU (the "EPBD"), provided that they comply with the applicable country minimum energy performance requirements for renovated buildings.

Eligible costs

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Internal staff

- Costs of personnel clearly assigned to the project
- Salaries, social security charges and other remuneration-related costs

External experts

- Feasibility, design and market studies
- Structuring of programmes, business plans, energy audits
- Legal/financial advisory
- Preparing of tendering procedures
- Bundling of smaller projects to form bankable packages

Application process

First contact: **ELENA@EIB.ORG**

PRE-APPLICATION

basic information on the envisaged investment programme and technical assistance needs:

pre-application form

Initial check of eligibility

APPLICATION – first version

document covering the details of the planned investments, costs, expected energy savings and details of related TA needs:

ELENA application form

Refining the application in cooperation with the ELENA Team of EIB

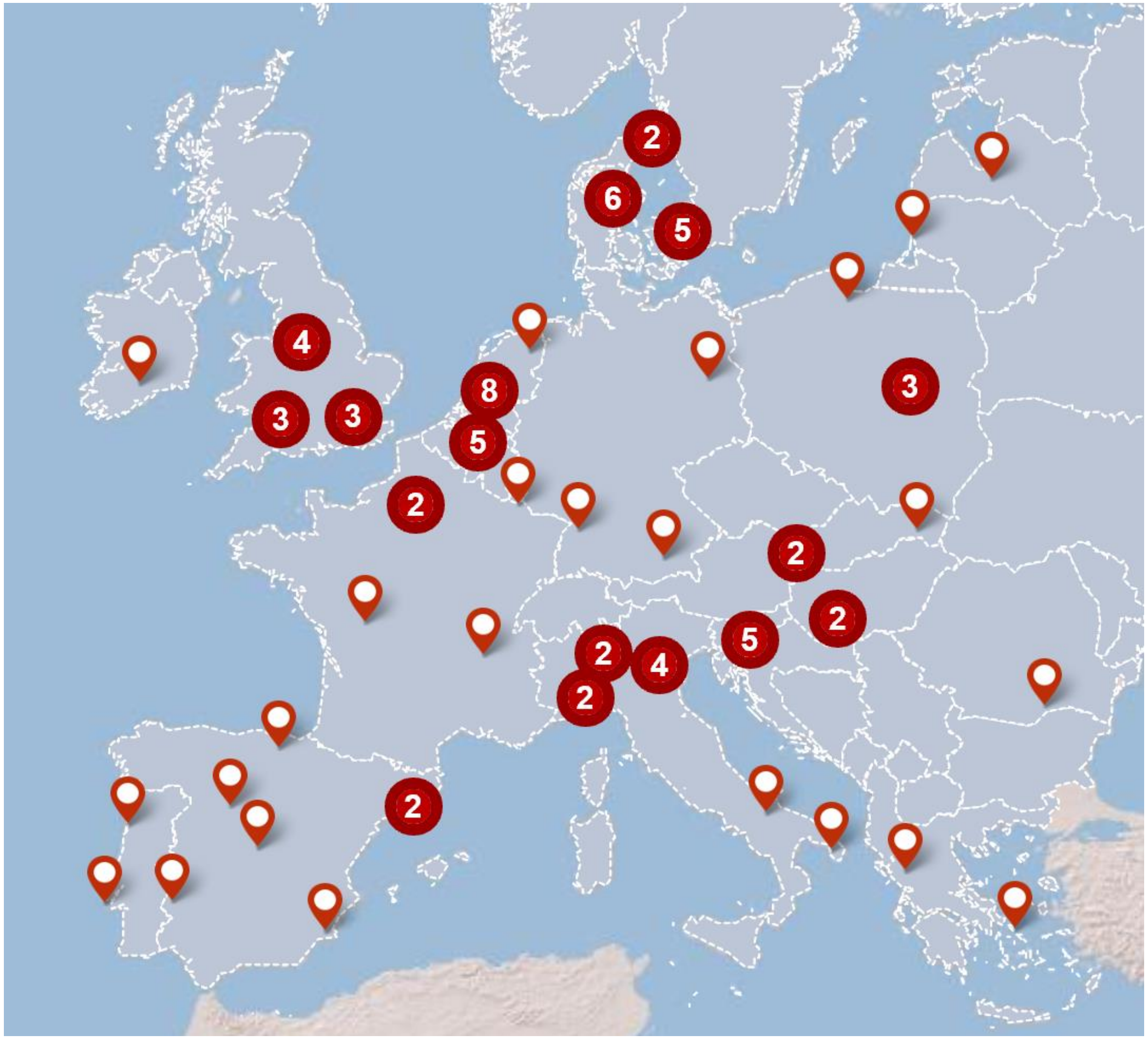
APPLICATION – final version

Request for Approval to the European Commission

Preparation of the Funding Agreement and signing the contract

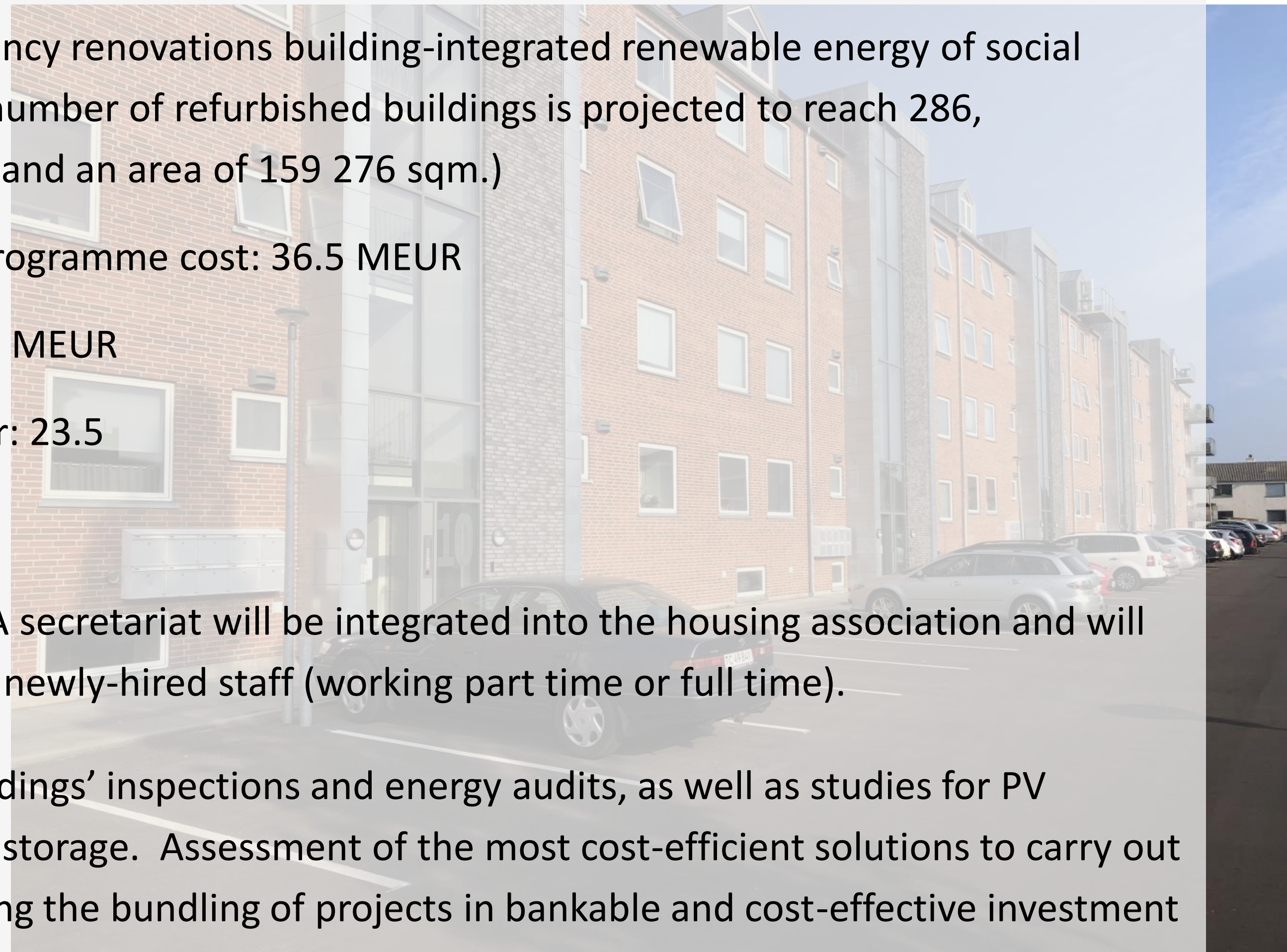
Start of project development services financed by ELENA

ELENA projects overview



ELENA interactive map

Case study: Energy Efficiency in social housing - Frederikshavn Housing Association



- Beneficiary: Frederikshavn Housing Association (Region of North Denmark)
- Objective: energy efficiency renovations building-integrated renewable energy of social housing (The expected number of refurbished buildings is projected to reach 286, representing 1 860 flats and an area of 159 276 sqm.)
- Estimated investment programme cost: 36.5 MEUR
- ELENA grant budget: 1.5 MEUR
- Expected leverage factor: 23.5

<u>ELENA support requested:</u>

- Internal staff: The ELENA secretariat will be integrated into the housing association and will consist of 8 existing and newly-hired staff (working part time or full time).
- External assistance: Buildings' inspections and energy audits, as well as studies for PV installations and energy storage. Assessment of the most cost-efficient solutions to carry out the renovations (including the bundling of projects in bankable and cost-effective investment programmes and evaluation of financial instruments)

Thank you for your attention!

Further information:

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