



How to apply for the ELENA facility

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- ❖ Background
- ❖ Objectives
- ❖ Eligibility
- ❖ Supported activities
- ❖ Application procedure
- ❖ Examples



European Local ENergy Assistance ELENA



- ❖ Energy and Climate Change goals require cities to invest in **large-scale** EE/RES programmes;
- ❖ Key is to find **scaleable** and **replicable** investment models.
- ❖ Opportunities:
 - ❖ Large investment potential at local level (buildings; transport; local energy)
 - ❖ Significant subset of investments have positive NPV; ie grants not needed.
- ❖ Hurdles: cities often constrained by lack of:
 - ❖ Investment capacity;
 - ❖ Technical expertise, administrative barriers.



Why to support project development?



Need to accelerate investment and reduce transaction costs:

- Group together small projects and develop a standard approach
- Attract investor attention

Need to access competitive financing

- Efficient use of grants
- EIB (but not limited to) can provide financing.

=> results in need for better project development

- Go beyond “business as usual approach” (scale & timing)
- Lack of funding for project development
- Studies in the shelf or pilots implemented but no large scale replication
- Need for Project Implementation Units (increase of internal staff needs and external expertise)



ELENA in short



- ❖ EC-EIB cooperation to support local and regional authorities to reach 20-20-20 targets.
- ❖ Technical Assistance facility: managed by EIB; funded by EU budget (CIP/IEE programme).
- ❖ Application to energy efficiency; local renewables; clean urban transport.
- ❖ Market replication focus (min investment EUR 50 m).
- ❖ Investment leverage required (ratio 20; from 2011 onwards)
- ❖ 90% funding rate (grant)
- ❖ Budget allocation 2009-2011 EUR 49 m (allocation possible until end 2013); Envisaged budget 2012: EUR 22 m



ELENA

(Project Development Services)

Support to Final Beneficiaries with:

- Additional technical staff
- *additional Technical studies*
- *additional Feasibility studies*
- Procurement/tendering
- Financial structuring

▸ **INVESTMENT PROGRAMMES/PROJECT**

- **EE and RES investment in public and private buildings**, including social housing and street and traffic lighting;
- **Urban transport** to support increased energy efficiency and integration of renewable energy sources;
- **Local energy infrastructure** to support developments in previous sectors including smart grids, ICT, etc.



Eligible investment areas



- ❖ public and private buildings, including social housing
- ❖ street and traffic lighting,
- ❖ integration of renewable energy sources (RES) into the built environment –
- ❖ investments into renovating, extending or new district heating/cooling networks including networks based on combined heat and power (CHP);
- ❖ decentralised CHP systems (building or neighbourhood level);

Eligible investment areas



Urban transport to support increased energy efficiency and integration of renewable energy sources, such as:

- high energy efficiency buses, including hybrid buses,
- electrical or low-carbon propulsion systems;
investments to facilitate the introduction of electric cars,
- investments to introduce new more energy efficient concepts to improve freight logistics in urban areas;

Eligible promoters/Final Beneficiaries/Costs

- ❖ **Final beneficiaries of project development services:**
 - ❖ Local or regional authority or
 - ❖ Other public body or
 - ❖ Groupings of such bodies
 - ❖ Established in an IEE participating country
- ❖ **Implementation of investment programme:**
 - ❖ Local or regional authorities or other public bodies or
 - ❖ entities like holder or operator of a concession or an ESCO
- ❖ **Eligible costs:**
 - ❖ Additional staff hired for ELENA project by beneficiary
 - ❖ External experts and services



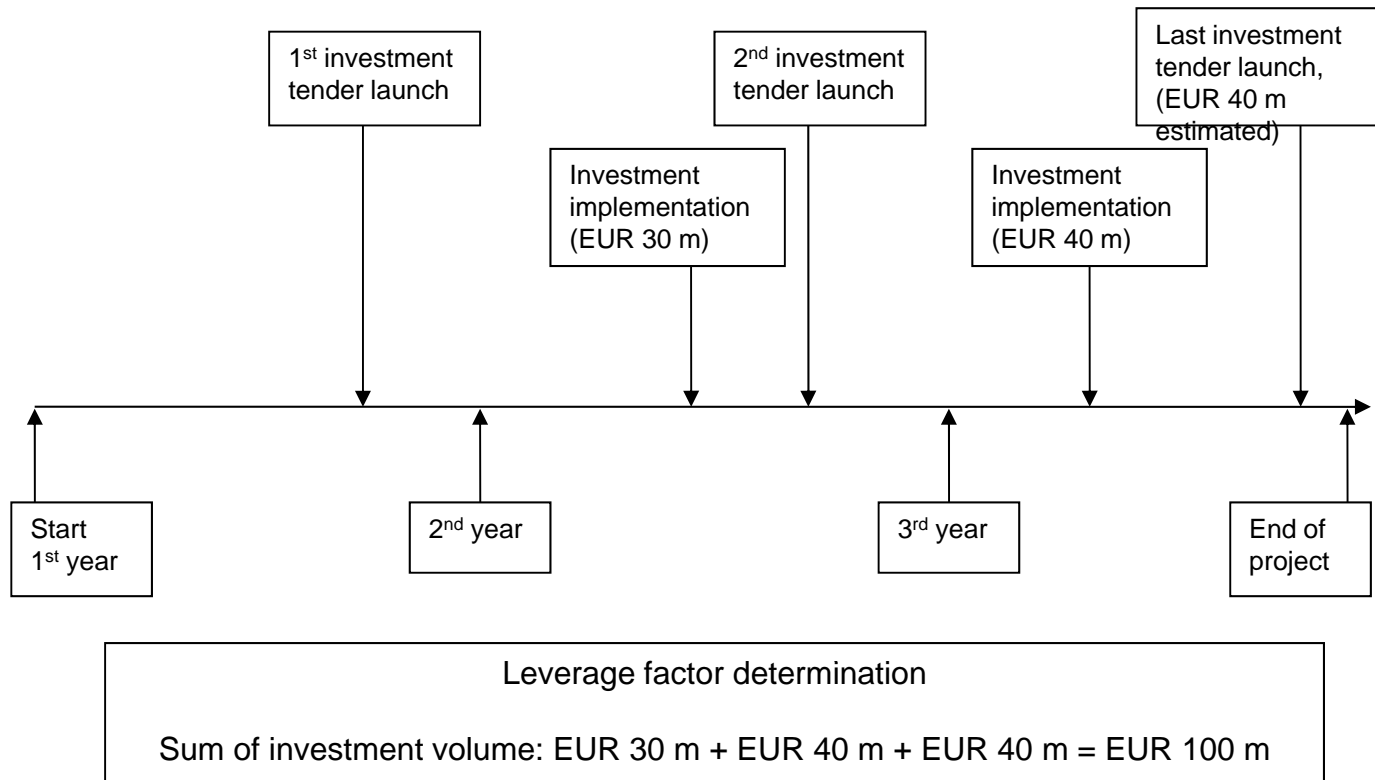
Project maturity



- ❖ Preparatory studies carried out and main decisions taken before ELENA support request
- ❖ Leverage performance measured after 3 years
- ❖ In case leverage of 20 not achieved : grant may be clawed back
- ❖ ELENA proposal should demonstrate high implementation probability



Determination of investment costs





ELENA application process



Two stage application procedure:

- 1. Pre-Application
- 2. Application
- EC approval is necessary

Important programme management aspects

- No submission date for applications
- Continuous appraisal/selection
- First come, first served; within the budget limits
- No international project consortium required



- Pre-Application
 - Formless
 - Required information's
 - Brief description of planned investment programme + implementation approach
 - Expected investment cost + development schedule
 - Amount, scope and main needs for technical assistance
- If positive first reaction from EIB: next step fill in application form



How to contact European Investment Bank (EIB)?

- ❖ By fax, letter or e-mail (best way through e-mail to elena@eib.org)
- ❖ English or French is required
- ❖ Informations available on ELENA web site (www.eib.org/elena):
 - ❖ ELENA brochure
 - ❖ Frequently Asked Questions
 - ❖ Application form
 - ❖ Short presentation of supported projects



ELENA progress so far



- Facility operational since January 2010
- 18 projects signed/approved for a total ELENA grant of EUR 34.5 million
- Supported investment programmes around EUR 2.2 billion
- Further projects in the pipeline or under approval with the EC.
- Average ratio investments/grants: 60
- Fair distribution between sectors
- Support to small & large cities
 - Use of supporting structures



Supporting EPC/ESCO development:

- Province of Milan
- Greater London Authority (RE:FIT)
- City of Paris
- Province of Chieti

Main Tasks:

- Project identification and preparation
- Support for Public Procurement



Supporting Transport Projects:

- City of Malmö
- Metropolitan Transport Barcelona

Main Tasks:

- Technology assessment
- Financial structuring
- Support for Public Procurement

EE in Province of Milan



- ❖ The Province of Milan is a supporting structure under the Covenant of mayors
- ❖ ELENA contribution: EUR 1,94 m
- ❖ Expected investment: EUR 90 m
- ❖ Objective:
Assistance for small or medium-sized municipalities in refurbishment of public buildings (mainly schools)
- ❖ Support provided under ELENA
 - ❖ Setting up a support unit
 - ❖ Selection of procedure for implementation of investments, via ESCO's, designing lots of buildings
 - ❖ Preparation of calls for tender and negotiations with bidders
 - ❖ Preparing the preferred financing scheme
- ❖ State of advancement:
 - ❖ Tender under energy performance contract for ESCO's published for 100 schools and contract signature with selected ESCO underway; ~ EUR 8m investment costs; energy supply excluded



Financing schemes encountered



- ❖ Public bodies own resources
- ❖ Loans from commercial banks (and/or EIB)
- ❖ Energy performance contracts with financing through ESCO or specific project vehicles (SPV) or forfeiting with commercial banks
- ❖ Public Private Partnership using i.a. SPV's
- ❖ Grants when available (e.g. European structural funds or national grant schemes)



Advice for preparing good applications



- ❖ Strong political commitment from the public body to the implementation of the programme
- ❖ Good understanding of the project background – legal and organisational issues, relevant assets
- ❖ Precise identification of the needs for Technical Assistance
- ❖ Sound approach to the implementation of the investment programme within the limited three year project period
- ❖ Common understanding of the investment project and consensus on the means to implement it at all relevant levels and across relevant sectors
- ❖ Preliminary studies showing the maturity of the investment programme
- ❖ The investment programme proposed goes beyond “business as usual” activities



Thank you very much
for your attention !



The **European Investment Bank** is the European Union's long-term financing institution. The Bank **acts as an autonomous body** set up to finance capital investment furthering European integration by **promoting EU policies**.

- Present EIB financing in 2011:
 - ✓ Total loan amount signed: EUR 60.9 bn
 - ✓ Renewable energies: EUR 5.5 bn
 - ✓ Energy efficiency: EUR 1.2 bn

- Financing instruments available:
 - ✓ From equity to senior loans
 - ✓ Technical assistance notably outside the EU
 - ✓ Specific initiatives related to urban energy programmes:
 - Jessica, European Energy Efficiency Fund, others