



# Fit for 55

## Energy Efficiency Directive (EED) Recast

*Financing:*

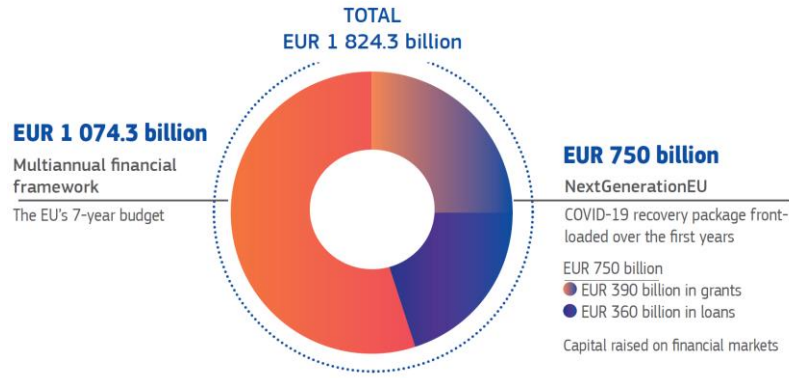
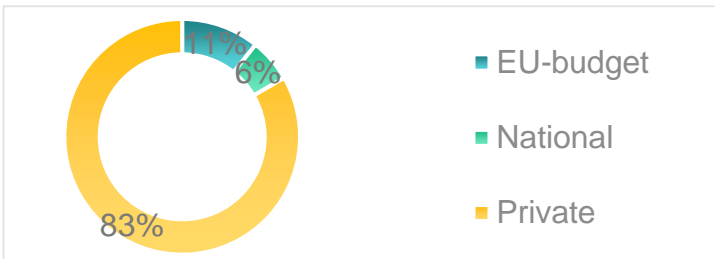
*Article 30 – National energy efficiency fund,  
financing and technical support*

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# Finance for energy efficiency

## Investment needs

- **FF55 package** estimate an **additional annual investment** need to achieve 2030 energy efficiency targets at **around 165€bn**
- Ongoing update on modelling scenario including additional investment needs in line with **final 2030 energy efficiency targets in EED**.
- In total estimate over **2000€bn by 2030 of additional investment** on energy efficiency (over the decade).



## Financial resources

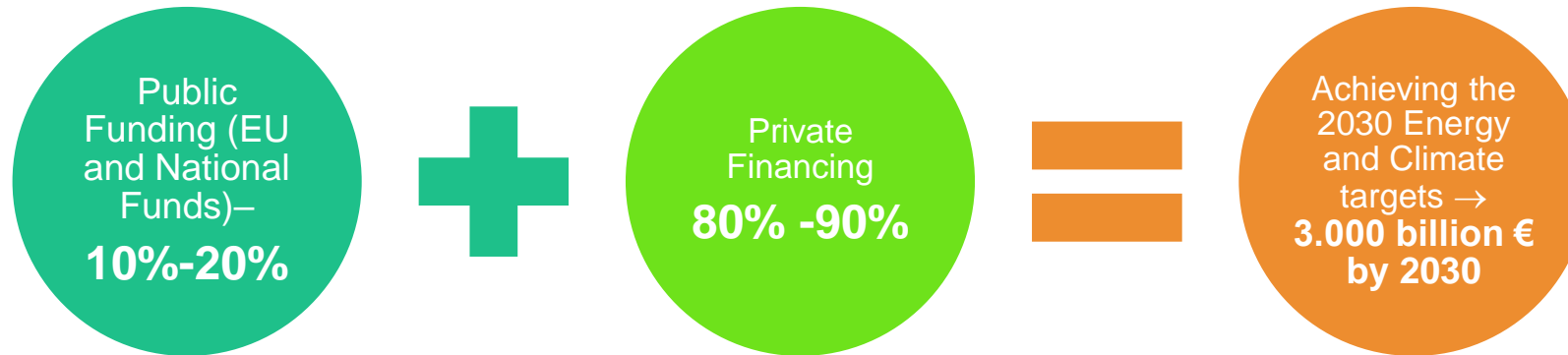
- Out of the total 1.800€bn (NGEU + MFF 2021-2027), more than 30% of these resources, **around 626€bn**, earmarked to **deliver the climate goals** of the European Green Deal.
- While there is **no earmarking for energy efficiency**, EU-budget support (MFF, RRF, ETS revenues) for energy efficiency could be estimates **around 120 to 150€bn**.
- National **financial support vary significantly across Member States**, at EU-level we can expect 100€bn from national budgets.
- **KEY:** Cost-efficient use of public funding for **private capital mobilisation**

## EU-funding landscape

- **Direct investments:** Recovery and Resilience Facility (EEF), Cohesion Policy Funds (ERDF/CF), Just Transition Fund (JTF), ETS Revenues, Modernisation Fund.
- **Leverage private capitals, project development assistance and advisory:** InvestEU, ELENA Facility, LIFE PDA, Technical Support Instrument (TSI).
- **Market uptake, policy enhancement activities, technological development, research and innovation:** Horizon Europe, Built4People Partnership, LIFE Clean Energy Transition, Innovation Fund.

# Energy Efficiency Financing

Leveraging private financing and investments **is conditional** to achieve the Union's climate and energy targets.



## Drivers:

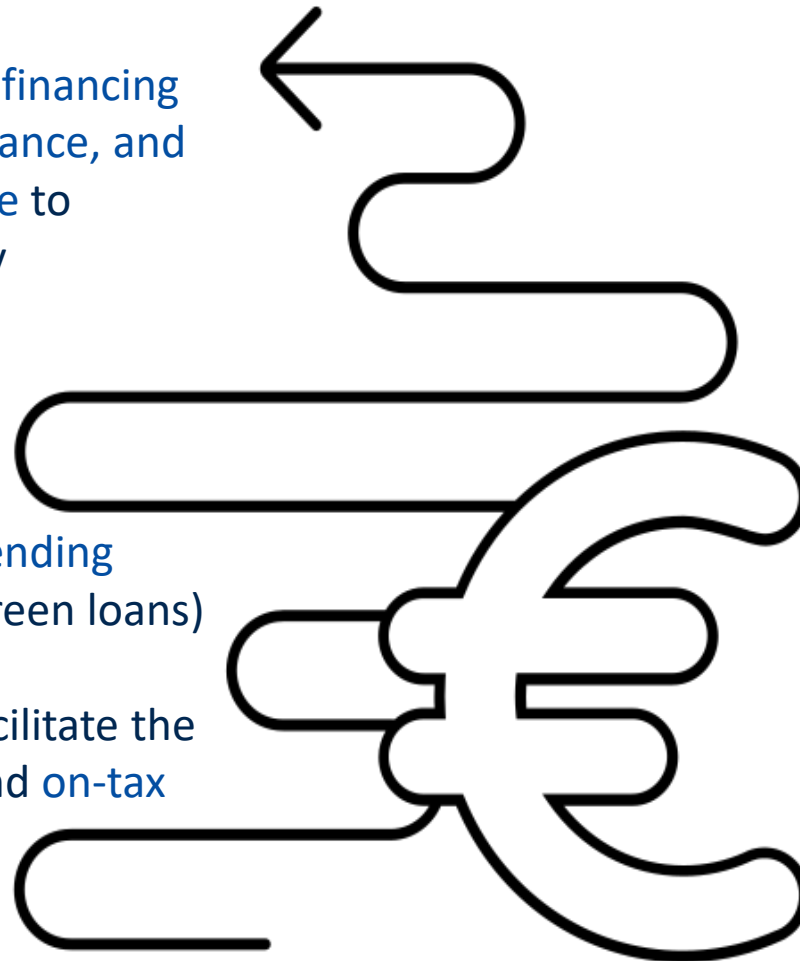
- **Public Funds as a catalyst for private investments** (grants models are insufficient).
- Combination of grants, financial instruments and technical assistance
- Development of financing schemes at scale/innovative/performance based (On-tax and On-bills, energy performance contracting, pay-for-performance, pay-as-you-save, etc).
- Project development assistance (e.g. replicating ELENA model) and technical assistance (ELENA, LIFE PDA), support to One-Stop-Shops for integrated home renovation
- Stimulate demand, including removing up-front costs, with measures that can be sustained over time.
- Development of energy efficiency lending products (EEM, Green Loans, etc).
- Strengthen the cooperation with financial institutions (EEFIG Coalition)
- De-risking investments

# Article 30: Financing energy efficiency

B2 expert: Pierluca Merola

- Facilitate the establishment of financing facilities, increase access to finance, and project development assistance to mobilise investments in energy efficiency in different sectors

- Promote energy efficiency lending products (EE mortgages & green loans) by ensuring a wide and non-discriminatory offer, and facilitate the implementation of on-bill and on-tax financing schemes



- Strengthen cooperation and dialogue with private and public financial institutions to mobilise private investments in energy efficiency measures and energy renovations

Regulate the voluntary National Energy Efficiency Fund set up by Member States

- Introduce reporting requirements on energy efficiency financing (volume, leverage factor, lending products)

# Article 30 (1), (2) – financing and TA facilities

- (1) Intro/general provision requiring Member States to facilitate the establishment/scale-up of financing facilities for energy efficiency, to maximise the benefits of multiple streams of financing
- (2) General provision requiring Commission to assist MS in setting up such facilities, and in particular project development assistance facilities at national and regional level with aim of increasing investments and support EE measures in vulnerable groups [...]

**Key-elements:** Blending multiple stream of financing, maximise benefits of TA facilities (ELENA-model) with COM/EIB ready to support, introduce focus on financing EE measures in vulnerable groups

# Article 30 (3), (10) – Private and innovative financing for investment mobilisation

- (3.1) Member States to adopt measures promoting energy efficiency lending products (mortgages and loans) and to ensure wide, non-discriminatory offer by FIs, and visibility and access to consumers.
- (3.2) MS to adopt measures to facilitate the implementation of on-bill and on-tax financing schemes, taking into account Commission guidance as per para 10.
- (3.3) MS to ensure that FIs receive information on opportunities to participate in financing of energy efficiency measures, including through the creation of public-private partnerships.
- (3.4) MS to encourage the establishment of loan guarantee facilities for energy efficiency investments.
- (10) Commission to provide Guidance to Member States and market actors on how to unlock private investments by 31 December 2024, focusing in particular on using public financing as a catalysis for mobilising private investments, scale-up innovative financing and financial instrument, and the combination of grants, financial instruments and TA.

# Article 30 (4), (5) – financial and technical support for district heating and system refurbishment

- (4) MS to promote the establishment of financial support schemes to increase energy efficiency improvements measures as part of district heating and cooling refurbishment.
- (5) MS to promote the establishment of local expertise and technical assistance, to advise on best practices with regards to achieving decarbonisation of local district heating and cooling, such as access to dedicated financial support.

# Article 30 (6), (7), (8) – dialogue with financial institutions

- (6) Commission to facilitate the exchange of best practices between national authorities on energy efficiency financing.
- (7) Commission to conduct a dialogue with financial institutions in order to mobilise private financing for energy efficiency measures and energy renovations to contribute to the achievement of Union energy efficiency targets, national contributions pursuant to Article 4 EED, and (future) EPBD objectives, by mapping out investment needs and possible actions.
- (8) The possible actions mentioned in para 7 to include: mobilising capital investments, facilitate the implementation of energy efficiency financial instruments and financing schemes, ensure better energy and finance performance data.



# Article 30 (11), (12), (13), (14), (15) – National Energy Efficiency Fund

- (11) Member States may set up National energy efficiency fund (NEEF) to finance energy efficiency to support MS to achieve their national contribution to the EU target under Article 4 EED (and energy saving obligations under Article 8 EED). NEEF may be established as a dedicated fund within existing facilities.
- (12) Where MS establish NEEF, they shall establish financing instruments, including public guarantees, to increase the uptake of private investments, energy efficiency lending products, and innovative financing. The NEEF should support as a priority energy efficiency measures among people affected by energy poverty, vulnerable customers, [...] pursuant to Article 8 EED. Support from NEEF should include financing for energy efficiency measures in SMEs.
- (13), (14) Options to fulfil obligations under Article 8 EED and Article 6 EED by mean of a financial contribution to NEEF. *(N.B: If this option is pursued, Annex V on accounting of energy savings for the purpose of Article 8 EED should apply to investment supported under NEEF for the financial contribution).*
- (15) MS may use the revenues from annual emission allocations under the ETS for the development/deployment of innovative financing for energy efficiency.

# Article 30 (16), (17), (18) Reporting obligations

- (16) Commission to submit a report by 30 March 2024 to Council and European Parliament assessing efficiency and effectiveness of EU and national funding landscape for energy efficiency, and whether an Union mechanisms could better support the achievement of the EE targets;
- (17) MS to report to the Commission in the framework of their NECPRs data on volume of public investments in energy efficiency, average leverage factor achieved by public funding, volume of energy efficiency lending products, and (optional) own best practices in term of national financing programmes and innovative financing schemes;
- (18) For the purpose of fulfilling the obligation in paragraph 17, point b, without prejudice to additional national measures. MS should take into consideration the existing (and upcoming) disclosure obligations for financial institutions including disclosure rules under the EU Taxonomy and ESG risks disclosure under the Capital Requirement Regulation. Commission to provide Guidance to facilitate collection and aggregation of data (in the framework of the NECPRs reporting guidelines).

# Article 30 (17) – reporting obligations

Article	Subject of reporting /obligation	Deadline	Recurrence (if yes, how frequent)	Type of reporting (governance, NCPRs, transposition)	IT tool and IT development needed
30	<p>Reporting on energy efficiency financing (17)</p> <p>(a) the volume of public investments on energy efficiency and the average leverage factor achieved by public funding supporting energy efficiency measures;</p> <p>(b) the volume of energy efficiency lending products, distinguishing between different products;</p> <p>(c) where relevant, national financing programmes put in place to increase uptake of energy efficiency and best practices, and innovative financing schemes for energy efficiency.</p>	15 March 2025 for the NECPRs	NECPRs: every two years	NECPRs	Reporting via already existing e-platform (Reportnet)

# Article 30: deliverables

- Guidance to MS for transposition of Article 30



- To be delivered by end of the year

- Guidance to MS on and market actors on how to unlock private investment



- To be delivered by May 2024

- Report to co-legislators assessing public funding support



- To be delivered by 30 March 2024



Launch of the European Energy Efficiency Financing **Coalition**

# Political and legal basis for financing Coalition

- The REPowerEU Plan – EU Save Energy Communication – included the commitment to launch, in cooperation with Member States, a high-level European Energy Efficiency Financing Coalition with the financial sector.
- European Council conclusions of October and December 2022 reiterated the need to step-up investments in energy efficiency.
- At the international level, work is being made towards an energy efficiency pledge at the COP28 .
- Directive (EU) 2023/1791 (EED recast) was published and includes, in article 30, a legal basis for the Commission to conduct a dialogue for private a public financial institutions.

# Framework of the Coalition

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

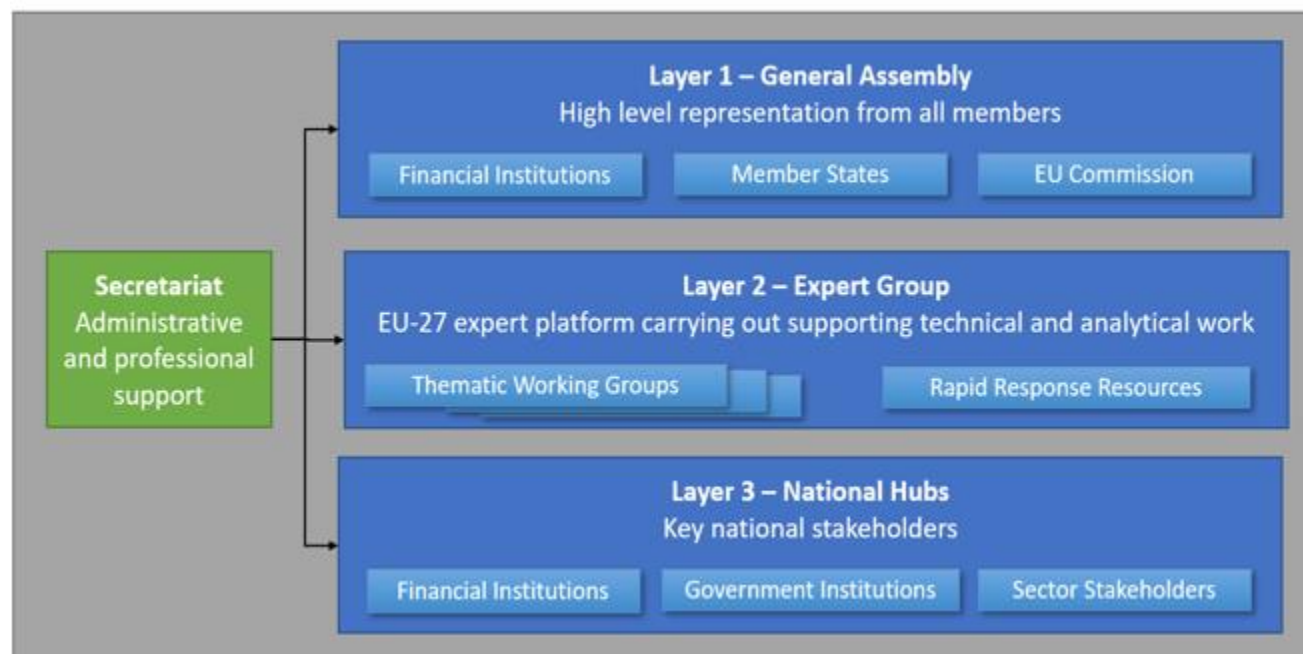
## Three layers approach

**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**



# Thank you



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